HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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HOUSE OF COMMONS

Tuesday, February 15, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

BUSINESS CORPORATIONS ACT

Hon. David Anderson (for the Minister of Industry) moved for leave to introduce Bill C–12, an act to amend the Canada Business Corporations Act and to make consequential amendments to other acts.

(Motions deemed adopted, bill read for the first time and printed.)

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

PRINCE EDWARD ISLAND FIXED LINK

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency) moved:

WHEREAS section 43 of the Constitution Act, 1982 provides that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province to which the amendment applies;

NOW THEREFORE the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by His Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE
AMENDMENT TO THE CONSTITUTION OF CANADA

1. The Schedule to the Prince Edward Island Terms of Union is amended by adding thereto, after the portion that reads

"And such other charges as may be incident to, and connected with, the services which by the "British North America Act, 1867" appertain to the General Government, and as are or may be allowed to the other Provinces;"

the following:

"That a fixed crossing joining the Island to the mainland may be substituted for the steam service referred to in this Schedule;

That, for greater certainty, nothing in this Schedule prevents the imposition of tolls for the use of such a fixed crossing between the Island and the mainland, or the private operation of such a crossing."

Citation

2. This Amendment may be cited as the Constitution Amendment, 1993 (Prince Edward Island).

He said: Mr. Speaker, I am happy that you have read a fair portion of the amendment which we intend to discuss today. The amendment is very specific with regard to the terms of reference between Canada and Prince Edward Island.

I apprise the new Speaker, who has just taken his place in the chair, that this is a very specific amendment. Therefore I would hope that comments all hon. members make have some relevance to the subject matter which we are dealing with and not the broad general topic of constitutional reform.

One hundred and thirty years ago the Fathers of Confederation gathered in Prince Edward Island and created the concept of Canada. Thanks to their genius Canada has flourished throughout the 20th century. Today Prince Edward Island seeks a small but significant amendment to its terms of union with Canada. This improvement will create the opportunity for our smallest province to take its rightful place in the 21st century.

• (1010)

On behalf of the Government of Canada I am honoured to place before the House of Commons a formal resolution to amend the terms of union between the Government of Canada and Prince Edward Island which I am certain all members of this House will want to support in the deliberations to follow.

The amendment, albeit short and straightforward, is important for Prince Edward Island, important for the entire Atlantic region and important for Canada.

The proposed amendment provides the necessary constitutional framework for the replacement of the ferry service between Prince Edward Island and New Brunswick by a bridge across the Northumberland Strait. More significantly, the amendment provides a bridge for the future.

The fixed crossing will allow Prince Edward Island to become a full partner in Canada's economy. The fixed crossing will spur Atlantic Canada's economy in the short term and create real hope for viable long term economic growth.

Construction of the 13 kilometre concrete bridge means new skills, new technology, new jobs, new enthusiasm and new prospects for the future.

The amendment before Parliament today will allow a project to proceed which is fiscally sound and financially responsible, a project which represents thoughtful public transportation policy, a project which sets new standards for environmental review, assessment and management.

The federal government is bound by the 1873 terms of union with Prince Edward Island to provide continuous communications between the island and the mainland.

Since Confederation this obligation has been fulfilled by a ferry service. The province of Prince Edward Island now wishes to strengthen, modernize and improve dramatically the means by which the island is linked continuously with mainland Canada.

For that reason the federal government and the Government of Prince Edward Island signed an agreement committing the two governments to make the necessary constitutional change to permit the ferry service to be replaced by a bridge.

The amendment before us today is the last in a series of legislative steps required to enable Prince Edward Island to make that move forward. In the spring of 1993 Parliament debated and then passed Bill C–110, an act respecting the Northumberland Strait crossing.

I would be remiss in my opening remarks if I did not pay tribute to those members of my own caucus who participated in that debate and on previous occasion whereby the House deemed it appropriate to pass Bill C–110.

I want to congratulate all members, some who are present, some who are opposite, who participated in that debate. I wish to thank them sincerely.

In June 1993 the Prince Edward Island legislature passed a resolution authorizing this amendment. In October an agreement was signed by the federal government and Strait Crossing Development Inc. to begin construction of a bridge linking Prince Edward Island to mainland Canada.

The agreement is an innovative, prudent and intelligent approach to the building of public infrastructure. The agreement breaks new ground in government–private sector partnerships. Investment of taxpayers' dollars is limited but also protected.

The people of Canada will not be responsible for footing the bill for delays or cost overruns relating to this initiative. The total contribution of the Government of Canada will consist of 35 subsidy payments to the private sector development. The payments will be made annually at a cost of $42 million indexed to inflation.

This formula effectively caps the cost and limits to 35 years the financial responsibilities of the Government of Canada to meet its constitutional obligation to the people of Prince Edward Island.

By contrast, pursuing the option of the ferry service indefinitely would subject the taxpayer to undue and unexpected cost without any reprieve in sight. As was made crystal clear by the Prime Minister both in our election red book and in the recent speech from the throne, the government's number one priority is job creation. The fixed link and this particular initiative will do that. It will create jobs.

• (1015)

Under the terms of the agreement, 96 per cent of bridge construction jobs will be filled by Atlantic Canadians. In total over 3,500 jobs will be created in the three and a half year construction period. Further, at least 2,000 indirect jobs will be created as a result of spin–offs. That addresses clearly and unequivocally the government's intent with regard to its priority of job creation.

The contracts also specify that 70 per cent of the total procurement requirements will be provided by Atlantic Canadians. Given the size and complexity of the undertaking, extensive spin–offs will offer Atlantic Canadians the chance to develop new construction, management and environmental protection skills.

What is most encouraging is that the economic benefits will continue to flow long into the future. The tourism industry estimates that once the bridge is in operation, the number of people visiting P.E.I. will increase approximately 25 per cent. It will open up new opportunities for even more employment in the vitally important hospitality industry of that province and other provinces as well.

The Prince Edward Island trucking industry will benefit to the tune of some $10 million each year in time savings alone. Mr. Speaker, you are very wise and very learned. I have no doubt you are probably a very well travelled individual. If you have taken or perhaps would like to take a trip in the immediate future to Prince Edward Island, you would quickly understand why the trucking association is so much in favour of this initiative. It will decrease the time you will be parked at the ferry side waiting for the boat to transport you to the other side. Not only is it time saving but it is also an economic saving which will

enhance opportunities and provide many spin–offs for that sector of our economy.

The bridge will provide much greater certainty and reliability of delivery for P.E.I.'s farmers and fishermen. There will be new possibilities of growth for the province's processing and manufacturing industries.

P.E.I.'s businesses will be able to improve their bottom lines. An improved competitive position for the island's economy means an improved future for the young people of the island. I am certain all members of the House regardless of political ideology will want to support that enthusiastically.

Not surprisingly, over the years since the idea of a fixed link was first advanced, support has grown to the point where today over 70 per cent of islanders are in favour of the bridge. I do not mean the people from Cape Breton Island, I mean the people from Prince Edward Island. I wish to make that very clear.

The bridge is an exciting project for Prince Edward Island and Atlantic Canada. I know that some people still have concerns. I want to do my best to address some of the concerns this morning and perhaps respond to questions that hon. members might have.

I would like to take this opportunity to reaffirm the commitments enshrined in a tripartite agreement made with the provinces of New Brunswick, Prince Edward Island and the Government of Canada.

The ferry workers who will lose their jobs in June 1997 as a result of the ferry closures will be treated fairly. They will have first choice of employment on bridge operation and maintenance. A fair severance package will be negotiated on top of the provisions of the workers' current contract. We will work closely with ferry employees to find retraining opportunities for jobs in many sectors of the local economy which will benefit from the presence of the new bridge.

• (1020)

Fishermen affected by the construction activities in specific areas of the Northumberland Strait will be compensated for lost opportunity. As part of this particular deal the developer has set aside a $10 million trust fund to be administered according to a plan developed mostly by fishermen themselves.

I also want to reaffirm the commitment to provide financial assistance through another agency which I happen to be responsible for, the Atlantic Canada Opportunities Agency, for sound business initiatives in order to help the communities of Prince Edward Island and New Brunswick in the coming months and years. We will take the appropriate measures to help the affected individuals and communities because it is the fair and just thing to do. I cannot stress too strongly that the overall effect of the bridge will be many immediate and long–term benefits. The bridge will contribute to an increasingly dynamic economy for those of us who reside in Atlantic Canada. In fact, the project constitutes a good deal, not only for the people of Prince Edward Island, not only for the people of Atlantic Canada but, I dare to suggest in the House of Commons, for the people of Canada.

In drawing up this agreement the public servants of my department have done a commendable job of ensuring that the taxpayers are protected from any unexpected, unnecessary or unwarranted costs. All of the risks have been assumed by the developer, including financing, design, construction, maintenance and operation.

I know some people, perhaps in this House, have expressed concerns that the ultimate owners of two of the development partners are not Canadian. But I am satisfied that this is essentially a Canadian undertaking whose benefits will largely accrue to the people of this country. It is true that Northern Construction Company and the GTMI company are Canadian subsidiaries of foreign firms, but both subsidiaries have been operating actively in Canada for in excess of 30 years.

I wonder if those critics—and I do not suggest for a moment that they are here on the floor of the House of Commons—wherever they may be, would seriously suggest stopping as it would be rather ridiculous if we were to say to GM, Ford and Chrysler: "Because you operate a subsidiary in Canada, in Ontario, you should not be allowed to operate because your parent company is a foreign one". That would be intellectually dishonest. We are in a globally competitive world. I know members opposite would want to agree with my conclusion that this is important for Atlantic Canadians and important for Canada as a whole.

Furthermore, this particular developer should be complimented for assembling world class technical expertise. The truth is that the proponent of the fixed link, Strait Crossing Development, is a 100 per cent Canadian owned company which happens to be headquartered in Calgary, Alberta. Who will benefit most from the project? The answer clearly is the citizens of Canada.

The developer was required to have all the project costs in trust at the time of closing, plus a 10 per cent contingency until substantial completion of the bridge has taken place. The developer has posted a $200 million performance bond as well as a $35 million compliance bond and a $20 million labour and material bond. All these are supported by guarantees with the parent companies. The deal was struck in such a way that the parent companies are providing the necessary financial backing to the developer.

• (1025)

I want to emphasize that the developer and not the Canadian taxpayers will be fully liable for cost overruns. If the project is not completed by May 31, 1997, the developer must pay the cost of operating the ferry service until the bridge is ready. Once the bridge is in operation the developer must operate and maintain it to the satisfaction of the federal government before having access to the revenues from the tolls.

The cost for crossing the bridge will be comparable to that of the current ferry service. Over the next 35 years these tolls will not be increased in any year by more than three–quarters of the annual rate of inflation. Through these and other provisions the government has made every effort to ensure that taxpayers are properly protected before, during and after construction.

Similarly, I want to make an honest effort to answer all fair minded questions and reservations raised by Canadians about the fixed link. In that spirit I would like to comment on the question of the possible environmental effects of this project.

This issue has been raised throughout the past five years, 60 months. I know it has concerned a number of members of the House. I do not intend to detail all the environmental studies and expert reviews that were undertaken except to say that there were in excess of 100 studies, most of them very comprehensive.

I was going to seek the indulgence of the House and bring before it the six feet of studies that have been undertaken with regard to this project but I thought it would be rather cumbersome to do so. It would be rather costly for the Government of Canada, particularly the House of Commons, to have reprinted in *Hansard* each and every word of all of those studies.

As you know, Mr. Speaker, from your study of the transcripts of this debate at another time, I placed before the House a number of studies. I refer to them not in totality but in summary fashion, bringing to the attention of the House just how important those studies were in answering a number of environmental concerns.

Today I am tabling with the permission of the House a list of all of the studies which have been done, both in French and English. If members wish to refer to them I am certain my department can make these studies readily available so they can examine them, study them at night, take them home on the weekend and review them, maybe get an independent study by their particular political party or their particular group. Then we could hear back from them in the months and years ahead on whether the studies, which number in total 100, were appropriate.

I wish to have the consent of the House to table these two documents if members wish to refer to them at a later time.

The Acting Speaker (Mr. Kilger): Is it agreed?

Some hon. members: Agreed.

Mr. Dingwall: Mr. Speaker, I am also prepared if members deem it appropriate to bring in the six feet of studies which have been done. If members wish me to do that they might want to indicate it to me with a note and I would be prepared to do that so everyone will understand that there are no secrets, no backroom deals that have been consummated with regard to this project.

I want to say that the project was subjected to the most open and fully transparent public consultation process which involved over 80 public meetings attended by over 10,000 individuals. This is quite remarkable in itself. I believe this project sets the standard of environmental review and will become a model of environmental management for undertakings of similar size and similar scope.

• (1030)

There is no doubt and there should be no doubt in anyone's mind that there are Canadians out there who under no circumstances whatsoever would agree to having a fixed link, whether because of the environment, personal bias, personal views, finances or otherwise. However, the vast majority of the people of Prince Edward Island who voted in a democratic referendum passed in their legislature voted in favour of the fixed link. We as a national Parliament must recognize that fact, as I am sure hon. members opposite will want to recognize in their interventions that will fall in line shortly.

In late August the Federal Court of Canada in response to a challenge ruled that the Department of Public Works and Government Services had gone well beyond what would normally have been expected in meeting the federal environmental review guideline order. I will quote from Justice Cullen's ruling when he said:

> The criteria accepted and followed by Public Works Canada when making its self–assessment was more than adequate for the purposes and complied with the (environmental) guideline order.

However, I assure the House this does not mean the end of our environmental concerns. My department, as well as other responsible federal and provincial agencies, will continue to monitor environmental impacts during the construction period and beyond to ensure compliance with the agreement and to take action if it should be deemed necessary.

The fixed link is a very exciting initiative, a very bold initiative. It is an undertaking of historic proportions. It is yet another challenging opportunity to open up the country, to unite the country and to build it.

Yes, the 13–kilometre bridge, the longest ever over waters which freeze, is ambitious but so were the St. Lawrence seaway, the Trans–Canada highway and the great Canadian railroad. The

hallmark of all these endeavours was the determination to bring Canadians one step closer together.

This undertaking demonstrates that Canada has the ability to develop an imaginative approach to government industry co-operation in carrying out a major public initiative: partnership at its best.

I should like to think that the Prince Edward Island bridge project, in addition to its other merits, could serve as a global model for future joint projects of this type. Closer public and private sector collaboration is a major contemporary avenue through which we can stimulate investment and create badly needed jobs.

During the election campaign we heard from every political leader talking about a partnership between industry and government. There is no other better example than the fixed link between Prince Edward Island and New Brunswick which demonstrates that point more accurately.

The Northumberland bridge is a very sound and a very important project. The present premier of Prince Edward Island, the Hon. Catherine Callbeck, said:

> A tremendous economic boost—that will provide a stable, economic climate for business to survive in this province.

Jim Larkin of the Prince Edward Island Tourism Association remarked that it is "probably the key to the future of this province". The premier of New Brunswick, the Hon. Frank McKenna, said:

> I am absolutely confident that history will favourably judge the fixed crossing to Prince Edward Island—it's time to seize the moment and opt for progress in Atlantic Canada.

Clearly the vast majority of the people of Prince Edward Island sees this bridge as an important initiative which will give the people of the province renewed opportunity to participate in the country's economy, renewed opportunity to enhance their own lives and the lives of their families. The bridge is creating a renewed sense of optimism for Prince Edward Island and for the Atlantic region. A strong Atlantic economy is a vital part of a strong Canadian economy.

• (1035)

Atlantic Canadians know within their hearts and minds that the bridge is only one part of the solution, but as Sir Winston Churchill once said: "The chain of destiny can only be grasped one link at a time".

In conclusion I urge members of Parliament from all political parties and those who are independents to support the amendment before us today. I urge members of the House to create the opportunity for Canada's smallest province, Prince Edward Island, and the rest of Atlantic Canada to become economically stronger. I urge members of the House to give a new generation of Canadians who happen to reside in Prince Edward Island an opportunity to become full partners in the Canadian economy and an opportunity for a better future.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, we have here a situation that has its roots in the distant past. When Prince Edward Island entered Confederation in 1873, the island had set certain conditions which were agreed to by the federal government and the other members of Confederation at the time, conditions which concerned mainly establishing and maintaining a communications link between the Island and the continent, so that Prince Edward Island could in some way be part of the Canadian community.

At the time, this link was provided by a steam service, which is how it was described in the terms of the union. Over the years, the federal government has met the commitments made in the Constitution, which today represent a subsidy of $28 million. That is, the original commitment today works out to $28 million in constant dollars.

My point is that we are not starting from scratch. The province is not asking the federal government to build a bridge starting from zero funds. The government of P.E.I., from a normal desire to adjust to changing times, now asks that the link, formerly provided by a steam service and subsequently by more modern ships, be made more effective and more continuous by building a bridge.

My point is, and this may surprise my hon. friend the minister, who was furiously defending the government's position against the opposition he anticipated from the Bloc Quebecois, my point is that the Bloc Quebecois takes a very positive view of this project, and it is too bad the minister wasted precious ministerial time and energy which would have been better spent on other issues, since after due consideration, the Bloc Quebecois, feels the economics are sound, the financial structures make sense and there is an element of fairness added to the Canadian federation as it exists today.

If we look at the economics, it is clear a bridge will increase economic activity on the Island, that tourism will increase, and by the way, I did not wait for the minister's cordial invitation to visit Prince Edward Island. I already visited the island as a minister at the time, and as a tourist last year. It is a magnificent island, and I know tourism will improve considerably once there is a bridge that provides for easy access at all times. We agree that on the economic side, there is a considerable advantage for the government and the people of Prince Edward Island.

The financial structure is something which the government should monitor very closely. It is true that the financing scheme is quite ingenious. There is no undue burden on the federal government since the subsidy, which it has to pay at any rate and will keep on paying, and which is now $28 million, will upon completion, in 1997, be $41.9 million in constant dollars. There

will of course be adjustments for inflation, but there would be in any case.

• (1040)

As of 1997 we are looking at an annual increase of roughly $14 million which the federal government will have to continue awarding to Prince Edward Island and, given the expected benefits, I do not think it is an exaggerated amount.

We applaud this private sector initiative involving the construction and the operation of the bridge. A word of caution is in order, however. I think that all parliamentarians should demand that the government be extremely attentive and monitor construction activities closely.

I realize that construction will be carried out by a private firm, but it is essential that the government monitor the work closely. What happens if the project goes over budget? This is the point that raises the most concerns. Costs might start to get out of hand. After all, we are talking about a major undertaking, the construction of a 13 kilometre long bridge across a strait in which a great deal of ice forms during the winter. There will be a substantial amount of pressure on the bridge footings. What happens if there are cost overruns?

The documents that we have in our possession do not show what the government's responsibility would be if such an event were to occur. Legally, I believe the government's responsibility is limited to guaranteeing annual payments. However, what would happen if during construction, the private sector companies fell on hard times, financially speaking?

We all know what happened with the Channel. Of course the two projects are vastly different in terms of sheer scope, but the fact remains that constructing a 13–kilometre long bridge capable of withstanding extremely harsh weather conditions is a sizeable undertaking. Has the government considered what it will do if the project goes over budget? It should shed some light on this point and tell us what steps it intends to take to ensure that there are no cost overruns.

Regarding the environment, I am not as familiar with this aspect of the issue as the minister, who clearly has up to date information. Opposition members do not have access to files as readily as ministers. However, when I was Environment Minister, I had sought assurances that a very stringent environmental study would be done. I believe that such a study was carried out and that the minister is correct in saying that the most extensive precautions have been taken.

The government should, however, exercise caution during the actual construction phase because certain operations will affect the environment. The minister has said that he will be taking certain measures, but exactly which ones, that remains to be seen. Perhaps it would be good to know what measures are being planned.

Consideration must also be given to what will happen after construction is completed and the bridge is in operation. We know that fisheries, particularly the lobster fishery, will be affected and that some form of compensation is planned. I think that during the coming debate, the government should tell us a little more about its plans to provide compensation.

[*English*]

I will say it in English for our friends in P.E.I. We think this is an equitable measure of progress which should promote the economic development of this province of Canada. That is why we will support it.

[*Translation*]

I would also like to draw the government's attention to a problem with the drafting of the constitutional amendment before the House. The problem seems to be one of agreement between the French and the English versions.

This could, in my opinion, cause some major legal problems since as we know, following the 1982 amendments, pursuant to section 56, I believe, of the current Constitution, both the English and French versions are equally authoritative.

The same cannot be said for the Constitution of 1982. Despite the commitments made in 1982, we are still awaiting the official, authoritative French version of the Canadian Constitution. In passing, I have one small question. How is it that a country like Canada, which claims to be bilingual, still does not have an official French version of the Constitution? We will get back to that some other day.

The fact remains, however, that this amendment which will be adopted today will be equally authoritative in both languages since the new constitutional system is in place. Looking at the resolution, we see that the English version reads as follows:

• (1045)

[*English*]

"That a fixed crossing joining the island to the mainland may be substituted for the steam service referred to in this schedule". May be substituted. In the French version we read:

Qu'un ouvrage de franchissement reliant l'île et le continent remplace le service de bateaux. . .

[*Translation*]

While in English you have something that may or may not happen—the government has the power, the option of replacing the old steam service by a fixed crossing—in French, the government has to do it. There are very significant nuances. I am somewhat surprised that the government's legal services failed

to pick up such a significant nuance, one that could certainly, under certain circumstances, cause major legal problems.

I do not know whether the government intended to be as formally committed as in the French clause or to have a way out like in the English one. I do not know what they intend to do. Perhaps they should tell us which reflects their true intentions and make sure both versions reflect the same legal reality.

I would like to add that, if this is good for Prince Edward Island—and it is—and if the federal government is able to make financial commitments that I would describe as reasonable to ensure substantial economic development in Prince Edward Island for the 125,000 residents of the island, one can wonder why the federal government no longer conducts this kind of projects which in the past have prompted massively enthusiastic responses in terms of economic development. I am thinking of the HST, the high speed train, in particular.

If the government saw fit—and rightly so—in the interest of 125,000 people to get involved in this major project which we support, it would seem to me that, for the 16 million people of Quebec and Ontario, in the interest of connecting the economic heartland of Canada to the United States, the largest economic market place all of us have access to, it may be worthwhile to look into putting into place a link, another type of link, a railway link, taking advantage of the very high technology offered by the HST as part of the same project.

I will not elaborate on this, as some of my colleagues will address this specific issue, but I do urge the government to go further in the direction it is taking today and to ensure that reasonable, practical and forward–looking major projects are initiated.

Finally, I cannot help but notice that, in response to an obvious need, the government has decided to reopen the Constitution. We know that the Prime Minister and his government are claiming left and right that they do not intend to talk about the Constitution: "We will not touch the Constitution. I have absolutely no desire to touch the Constitution". It has become a taboo subject, except when there is a need to address this issue.

There is such a need today and the government, in a practical and realistic fashion, has decided to do what must be done. It is no sin to touch the Constitution when it must be done. And, as it must be done, we are supporting today's motion.

I know that, as far as the Bloc Quebecois's designs for Quebec are concerned, it is not a matter of reopening the Constitution to achieve Quebec's sovereignty; such a decision will be made democratically in due course by Quebecers themselves. As for the current, very serious debate on native self–government and the extremely pressing and critical issues being raised, I think that the leader of Canada's First Nations, Mr. Mercredi, is right in saying that the Constitution should be reopened in this case. We think that, if the government can accommodate this economic need in the case of Prince Edward Island, it should also fill this more urgent, political, social, even ethical need to take steps that will, in the long run, solve the native problem.

We cannot go on like this, as we are experiencing numerous repercussions in every respect. First of all, from a social standpoint, the sad picture of what is happening in some reserves, the extreme hardships suffered by the people should be enough to convince us that we need well thought out instead of piecemeal solutions and that the demand for native self–government in a framework and under conditions that are appropriate should be submitted to the government, which should respond with the same realism it is showing today in recognition of the need to establish a fixed link between Prince Edward Island and the mainland.

• (1050)

I would like to conclude by appropriating an argument invoked by the minister. The minister, perhaps thinking that the Bloc Quebecois would oppose this measure, urged us not to raise objections and to respect the will expressed by the people of Prince Edward Island in a democratic referendum. He made a pressing, emotional appeal to respect public opinion as expressed in a democratic referendum.

We are in total agreement with the minister today and we will ask him to stand by his words in due course, if and when Quebec makes the decision we are hoping it will make.

[*English*]

Mr. Stephen Harper (Calgary West): Mr. Speaker, I rise today to speak to this constitutional resolution under section 43 of the Constitution Act, 1982 to amend the Prince Edward Island terms of union in the schedule, sections 1 and 2. The purpose of the resolution is of course as stated, to allow the substitution of a bridge for a ferry.

This particular resolution comes from a government committed to not open the Constitution, to not even remotely discuss constitutional questions. At least that is the position as we have understood it. But is it really its position to act that way?

Already this is the second constitutional amendment being passed since the defeat of the Charlottetown accord. It is in addition to a number of extra constitutional measures that are either being taken or being considered, such as aboriginal self–government or federal–provincial division of powers and overlap and duplication.

Therefore the position that we are not going to talk about or amend the Constitution or deal with constitutional questions seems increasingly to be restricted to one particular issue, which is the Senate. When it comes to the Senate we will not discuss

the Constitution directly, indirectly or even hint at it, but everything else appears to be on the table.

Since we are talking about the Constitution today, I will use this opportunity to discuss some of our concerns on the Constitution. I am sure some of my colleagues will do the same. I want specifically to discuss our position on the Senate and on some of the reforms that could be made to the Senate, particularly outside of the constitutional context.

Of course, the House is well aware that our party supports a triple–E Senate. We believe the Senate should be elected, it should be fully effective, it should have full veto powers over legislation, and it should be equal. It should have equal representation from every province.

This particular amendment attempts to update the Constitution, to recognize that things are different today from what they may have been in 1873. To substitute a bridge for a ferry seems reasonable. Why not then recognize that certain political and institutional realities are very different today from what they were in 1867?

To recall our constitutional history, in 1867 the Fathers of Confederation established a parliamentary system consistent with the political theory of their time. That was the political theory dominant in the 18th and 19th centuries, a very different kind of theory from what we have today. They established a Parliament that would have three parts: the crown, and in particular two effective legislative chambers, the Senate and the House of Commons.

This model was common and still is common in most of the world, particularly the anglo–American world. The United Kingdom has the House of Lords and the House of Commons. The United States has the Senate and the House of Representatives. Even in our own provinces at that time we generally had two legislative chambers. We had the legislative councils and the legislative assemblies. In all provinces the upper house has now disappeared, although traces of it remain in Prince Edward Island.

• (1055)

An effective upper house in 1867 was one that was not elected. That is very different from the view we have today, a very different theory of representation, a very different theory of government. I will not get into that at great length.

Suffice it to say that an upper house had several features in Canada and elsewhere. In particular the principal historic function of an upper house had been to represent the propertied classes. Under section 23 of the Constitution Act, 1867 there were important and the very high property qualifications for the time of $4,000 for membership in the Senate.

There were also other important functions the Senate of Canada was designed to fulfil. It would be a chamber of sober second thought. In other words it would fulfil the function of checks and balances seen in many constitutional arrangements, not just in Canada but in other countries. Sober second thought was the term used. As I pointed out to some audiences the use of the term sober was probably not entirely accidental during the time of our founding prime minister.

In that regard the Senate had important characteristics that reflected that function. Generally speaking it could not originate bills, certainly not money bills; they came and still do come from this Chamber. As a chamber of sober second thought the appointments were lifetime. People were selected. A very different kind of person was expected to sit in the Senate from those sitting in the Commons. We find that under section 29 of the Constitution Act, 1867.

A third function of our Senate originated in recent history in the United States. That is the protection of the partners in the federation and their role in the federation.

Certainly the Constitution of 1867 did not establish an equal Senate. I concede that. However it also certainly did not, explicitly did not, establish a Senate based on representation by population. It established a Senate where there would be three regions or what are called divisions under section 22. At the time that was a very good reflection of the regional balance of power within the country. The provinces of Ontario and Quebec which had been recreated by Confederation were constituted as regions and the two maritime provinces together were constituted as a region.

Consistent with the theory that the Senate was not elected, unlike the United States the members were not appointed by provincial governments but were appointed by the cabinet, the executive. The cabinet or executive in that era was expected to be much more diverse in a partisan sense than we see today, much more diverse in a regional sense, and much more diverse in the sense of personality and importance of the various senior ministers.

The original Senate was selected by a government in which party lines were not as clear as they are today. The government itself was constituted of people of different political persuasions and the Senate was picked in much the same way. That practice has of course changed a great deal.

The Senate was intended to be and was a highly effective body in political terms. It had full legislative powers which remain in the Constitution Act today. It had real power in cabinet and in the legislative process. Five out of 13 or 30 per cent of the original cabinet ministers were senators. Today it is one out of 30. It would shock many Canadians to learn today that two of our prime ministers came from the Senate. They held their prime

ministership in the Senate rather than in the Commons. Of course in Britain it was quite common at that time for a lord to be prime minister as well as a member of the Commons.

• (1100)

Diversity and important political figures were present in the Senate at that time, right from the beginning. The principal Liberal leader of the day, George Brown, was appointed to the Senate after he failed to secure representation in the election of 1867.

Things have changed. Today we have a fuller and more democratic theory of government than we did in the past and effectiveness of the Senate, as with any other political body, requires that it be elected. This is not just a phenomenon of the Senate. I would point out that the House of Commons, as constituted in 1867, would not be remotely considered democratic today. We will talk on another occasion whether this House of Commons is effective and truly democratic. I will leave that to a later date.

In 1867 members of the House of Commons were elected but only by property holders, only by those over 21 years of age, only by those who were male. In some provinces of Canada, in some parts of Canada and at certain times in our history, elections were restricted by racial considerations.

We would never for a minute suggest that would be an appropriate way of choosing the House of Commons today or an appropriate composition for the House of Commons and so we have modernized it. We have modernized the House of Commons but not the Senate. Why have we done that? I will put it in very simple and blunt terms. We have modernized the House of Commons because it is the power centre of Ontario and Quebec. We have not modernized the Senate because it was intended to be the voice for the other regions that have not fared as well in Confederation.

At the centre of this argument I would only point out to my constituents and to those who are watching today the Ontario and Quebec alliance that will shove through this particular constitutional amendment.

It is interesting to see in this century what has happened to upper houses, not just in the anglo–American world but across the world. Those houses that were built mainly or almost exclusively on pre–democratic theory have atrophied or disappeared. I think, for example, of the House of Lords in Britain which still exists today but which has largely been stripped of its powers and exists, I suggest, as a relic of another era.

In the case of our provinces, the legislative councils, the upper houses of the provinces, which really had an exclusive pre–democratic function, have entirely disappeared, the last being in Quebec in 1968.

However, those houses built on the concept of regional representation within a federation have remained and by and large flourished as legislative chambers. The Senates in the United States and Australia have become elected bodies and have become very powerful.

In the case of the Senate in the United States we know what happened there. The United States Senate was not originally elected but rather chosen by state legislatures. That manner of selection was gradually broadened and eventually some states began to have popular elections for their senators even before the constitutional amendment proclaiming such a thing had come to pass. The Senate was largely elected by the time that happened.

In Canada the Senate has survived but its modernization has been slow. We have attempted to move along with the development of the theories but at a very slow pace. We have made no attempts in our history to increase the property requirement that defined the early Senate. It still exists on paper but $4,000 real property is now a modest requirement for many people.

In 1915 we moved to recognize the west. After the west had been in Confederation for about 45 years we decided it was time to formally recognize the presence of the west in the regional chamber. Before that there had been a few senators appointed from various provinces now and again. In 1915 a fourth Senate division was created to recognize western Canada. Since then other representatives have been added in Newfoundland and in the territories.

• (1105)

In 1965 we took the step of ending lifetime Senate appointments. We know there are very few lifers but this has been one particular reform.

In 1989–90 we had the election of the first senator, the late Senator Stan Waters, a member of my party, a good personal friend of mine and a ground breaker, as we all had hoped. Just as in the United States, when Senator Waters was elected there were denials from those who opposed Senate election and regional representation, denials that this could happen, that it could not happen, that it was unconstitutional, that it was illegal. There were a million impediments.

It is amazing how things can happen in this country, in any country, in any political system when people want them to happen. It is amazing how many excuses and roadblocks can be created when there is a desire to thwart the principle underlying the action.

Today the minister, to my surprise, spoke about praising the P.E.I. bridge because it had been approved in a referendum. How many times since this House has reconvened have we heard the government speak against referendums and the danger presented in referendums? When the government has an agenda it wants to see go through, a referendum is possible.

In conclusion, I will certainly not be supporting this hypocritical amendment. I suspect that many of my party members feel the same way. I will not support a selective updating of our federation. I will not support a mentality that says some needs are to be addressed while other needs are to be laughed at or ignored, depending on crass political needs.

Senate reform is important. It is a federalist solution to the kinds of regional problems that plague this country and I would suggest that in my region problems exist that are much more serious than some people here realize. Senate election, which I have spoken on specifically, is a partial solution that does not even require opening the Constitution in order to proceed. It only requires a basic sense of fairness. Without that sense of fairness do not expect the support of myself or my riding or the taxpayers I represent. Do not expect to keep coming to the trough to ask for these kinds of favours when our concerns on these matters are not taken seriously.

[*Translation*]

Mr. Gagliano: I rise on a point of order, Mr. Speaker. I would like to inform the House that from now on, pursuant to Standing Order 43(2), government members will split the 20–minute period provided for speeches into two 10–minute speeches, each followed by a 5–minute question and comment period.

The Acting Speaker (Mr. Kilger): I thank the government whip. Resuming debate with the hon. Secretary of State for Veterans.

[*English*]

Hon. Lawrence MacAulay (Secretary of State (Veterans)): Mr. Speaker, I am very pleased to stand and support the constitutional amendment put forward by my hon. colleague from Cape Breton—East Richmond.

This constitutional amendment will have a major effect in the province of Prince Edward Island. It will start to bring to an end a topic that has been discussed in the province for possibly over 100 years.

This is a permanent link to the mainland. In the 1960s we even started the bulldozers rolling and started the approaches to the fixed link or the causeway, as it was worded at that time. This resolution will clear one of the remaining hurdles to the Northumberland Strait bridge project.

Government has made it clear during the election campaign and in the recent speech from the throne that putting Canadians back to work is the number one economic and social problem facing this country. The number one economic and social problem facing this country is jobs.

• (1110)

We are committed to taking every step within our power to support job creation, stimulate economic activity and restore hope and confidence in the future for all Canadians.

Nowhere is this more the case than in Atlantic Canada which has more than any other area of the country suffered too long from high levels of unemployment and despair.

The House is aware that the building of this new bridge to Prince Edward Island will provide a welcome boost to the entire Atlantic economy in terms of job opportunity and increased business activity.

Even more significant will be the long term benefits to the region and in particular to the province of Prince Edward Island. The bridge project represents a long range investment in transportation infrastructure which will almost certainly pay off in increased opportunity and in new business development for the region.

The lack of a fixed and reliable link with the rest of Canada has long restricted the commercial and industrial activity in Prince Edward Island.

Prince Edward Island premier Catherine Callbeck commenting on the issue said recently:

> The entire course of P.E.I.'s history has revolved around its isolation from the mainland. The announcement that the fixed crossing will proceed will fundamentally alter the province's relationship with the rest of Canada. In my opinion, that change will be for the better.

The Northumberland Strait bridge project will have an immediate significant impact on the economy of Atlantic Canada in general and in particular on Prince Edward Island. Building the bridge will create hundreds of direct jobs for each of the four years of construction and numerous indirect jobs throughout Atlantic Canada.

Under the terms of the contract between the federal government and the contractor over 90 per cent of the jobs will come from Atlantic Canada.

In an area with high unemployment and needing the jobs, over 90 per cent of the jobs will come from our region. This will provide a tremendous boost for employment throughout the region and will provide thousands of workers with gainful employment and an opportunity to practice and improve their job skills. This will give the tradespeople in Prince Edward Island an opportunity to improve their trade skills.

Direct employment on this project tells only part of the story. The contract also specifies that some 70 per cent of the total procurement requirements will be obtained in the region. These requirements are massive. Thousands of tonnes of cement, reinforcing steel, cable, fabricated metal and manufactured components are needed as well as many other service requirements.

Given that the total project is in the area of $850 million the wages and procurement expenditures paid by the developer will inject more than half a billion dollars into the local economy in the next four years, the economy of the Atlantic region, one of the most depressed areas in Canada. This should be a good kick–start to the economy of Atlantic Canada, an economy that certainly needs a boost.

The massive expenditure will also have a ripple effect into the retail and service sectors of Atlantic Canada and Prince Edward Island, providing new opportunities for expansion and job creation in those areas as well.

Given the positive impact this project will have, it is not surprising that the majority of islanders support this project. One sector that will experience a significant boost will be the tourism industry in the province of Prince Edward Island.

• (1115)

The tourism industry is absolutely essential to the economic health of Prince Edward Island. It represents a larger share of that province's gross domestic product than any other province in Canada.

The effects of the permanent link on tourism have been carefully studied. It has been concluded that it would result in an increase of visitors from the first year of operation. Some figures indicate about 25 per cent. It will certainly draw tourists to look at this major construction project, this megaproject, while it is being built. It will also draw many tourists to Prince Edward Island and through Atlantic Canada after it is built. It will truly be something to see.

An increase in tourists will have a tremendous and positive effect on the Prince Edward Island service industry such as accommodations, restaurants, entertainment, recreation, local crafts, manufacturing, and all other sectors of retail trade. It will encourage new investment in the Prince Edward Island hospitality infrastructure.

Tourism is by no means the only industry that will benefit from this link. The availability of a reliable, faster and ultimately less costly link with the mainland will certainly make Prince Edward Island agriculture and fisheries industries more competitive and should help them broaden their markets. While the direct benefits may occur to the Atlantic region, it is true that the project represents a good deal for all of Atlantic Canada and all of Canada.

The economic recovery that our government is working for must embrace all regions of the country if it is to be successful. By giving Atlantic Canadians a chance to go to work, to strengthen their transportation infrastructure and to create long–term economic opportunities we make the country stronger.

The most effective way to reduce the escalation of and the need for social spending is to put people to work. That is exactly what the government plans to do; that is exactly what the project will do. It will give workers in Atlantic Canada the opportunity for jobs and help them with their trade skills. It will be a major boost to the tourism industry in Prince Edward Island. It will have a major effect on the Prince Edward Island transportation system because there will be no long waits at the ferries.

The four years and over half a billion dollars that will be injected into the economy are badly needed, along with the link we have talked about in the province of Prince Edward Island for over 100 years.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Mr. Speaker, earlier my leader described to this House the position of our party concerning this link. In short, the hon. member from Lac–Saint–Jean said he understood the economic requirements the government party is faced with. He also noted that the concerned minister recognized he was bound by the referendum, where the will of the people was made known.

With regard to the link we are talking about today, this 13–kilometre bridge which is going to link Prince Edward Island to the mainland, everyone in this House, and especially the government party, maintains that this project should contribute to job creation and economic recovery, and we agree with that. However I would like to ask the previous speaker, in the absence of his minister, if there will be an unofficial guideline preventing Quebecers and Canadians from Central Canada, that is Ontario and Quebec, from working on this project, something similar to the official policy concerning the Hibernia project, in Newfoundland. We know that Quebecers are systematically excluded from this project. On behalf of Quebecers in particular and Canadians in general, I would like some further information on this issue. Will workforce mobility be hampered by some provision, legal or otherwise, concerning this project?

• (1120)

[*English*]

Mr. MacAulay: Mr. Speaker, I thank my hon. colleague for his question. I am sure the minister is quite capable of speaking for himself. I am also sure that no project would be handled by public works that would indicate no one in Quebec or anywhere else would get a job.

I have indicated that we come from an area of high unemployment, probably the highest in the country. We need jobs and this project provides jobs in our own area. The point is that we have the work force and we have the project. We would never exclude anybody. The jobs are in the area and the project is there.

I thank the hon. member's leader for his support for the project. When he comes to vacation in the province of Prince Edward Island he will find it much easier to get there in a number of years. He would be very welcome to go there to work on it or to go there to visit us.

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I congratulate the minister today for bringing this resolution to the floor of the House. It is a giant step forward for Prince Edward Island, for Atlantic Canada, and for all Canada. It takes Atlantic Canada into the 21st century. I am very proud to be part of the government that is bringing this resolution forward today.

My riding of Cumberland—Colchester takes in the northern part of Nova Scotia and abuts the Prince Edward Island Northumberland Strait. I would like to ask a question of the hon. member who has just spoken. The current ferry that joins Prince Edward Island with Nova Scotia at Caribou and Wood Islands has been a means of transportation for our tourist industry from Nova Scotia for some time. I am wondering what effect there will be when this bridge is connected from Prince Edward Island to New Brunswick.

Mr. MacAulay: Mr. Speaker, I thank my hon. colleague from Cumberland—Colchester for raising an important point that certainly was an issue for me all during discussions on the fixed link. I mentioned that we would have approximately a 25 per cent increase in tourism. That means more traffic. Without a doubt we will have both the major infrastructure and the fixed link. We will also have the vitally important Wood Islands–Caribou ferry service.

I am very pleased that section 14 indicates that Canada acknowledges the distinct and important role the Wood Islands–Caribou ferry service provides and recognizes that the construction and operation of the fixed link crossing in no way diminish the importance of this ferry service which is a vital link between Prince Edward Island and Nova Scotia.

[*Translation*]

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, it is with great interest and pleasure that I rise to support the proposed constitutional amendment which will allow for the construction of a fixed crossing, that is a bridge joining Prince Edward Island and New Brunswick.

We can understand that this project is of particular interest to the residents of Beauséjour, since one end of the bridge will be in their riding, more specifically in Cape Tourmentine. To have access to the bridge, people travelling from Nova Scotia will drive through Port Elgin to reach Cape Tormentine, whereas those coming from New Brunswick will go through Moncton, Shediac, Cap–Pelé, Port Elgin and Cape Tormentine. Consequently, people using this bridge will drive through our area.

• (1125)

As the minister said, this is a major project the likes of which we have never seen in our region before. It is said to be an $840 million initiative, over a period of three or four years.

This project will of course create employment, probably 900 to 1,000 jobs per year, for a few years. Mr. Speaker, I can tell you that my constituents are happy to see this project being approved, for the simple reason that, given the current situation in the province and in fact in all of Atlantic Canada, where the fishing industry is collapsing, especially as regards groundfish, any effort to stimulate employment is welcome and supported. People are particularly pleased because we are told, and in fact we know, that 96 per cent of workers will be from Atlantic Canada, which is not to say that workers from other regions will be excluded. You realize of course that people from our region will do their utmost to be hired for that project.

We are also told that 70 per cent of supplies will be provided by contractors from Atlantic Canada. For that purpose, the economic commission for south eastern New Brunswick has hired one person, with the support of ACOA, the Atlantic Canada Opportunities Agency, who will be responsible for providing local contractors with all the necessary information to offer their services.

I followed the development of this project because the construction of such a bridge has been the subject of discussions for many years. In fact, an overpass as well as an access road were even built at the end of the fifties when there were already talks of building a fixed link between PEI and New Brunswick. Indeed, such an initiative has been discussed for a long time, to the point that people in our community were wondering if this was only a dream. It now seems that the dream will finally come true, and we certainly hope so.

This project may have been in the offing for a long time, but it was also developed very cautiously. A series of public meetings were held to inform Atlantic Canada residents on the building techniques and to reassure those who had concerns about the environment. And I can tell you that a lot of people and groups did raise concerns about the environment. I want to say that my constituents and myself are also very concerned by this aspect.

I do share that concern but, at the same time, I am confident, considering what I heard and all the studies which were done. The minister was not exaggerating when he said that all those studies could make a pile six feet high. Indeed, a lot of studies were done and those are public documents to which everyone can have access. So I am certain that all precautions have been taken to ensure that the environment will be protected.

• (1130)

I also know that all work on the construction sites, on the New Brunswick side or on the Prince Edward Island side, will be governed by strict procedures, both on land and on the waters of Northumberland Strait.

The workers will have to follow strict procedures supervised by a committee responsible for ensuring that all environmental precautions are taken. It is rather reassuring that the contractor and all subcontractors must control their procedures and respect the environment.

Of course, even if we take every precaution, some groups might be affected, and I am thinking particularly of fishermen here. In order to give these groups some protection, especially fishermen, including those who fish for scallops and lobsters, who will be most affected, a committee has been set up to implement a compensation program. From the very beginning, that is what we have demanded, citizens, fishermen and local associations alike: that a compensation program be set up before work begins so that those people would be compensated for their losses if the fishery were damaged.

Although the final mechanism has not yet been determined, a committee of fishermen, fishermen's association representatives and officials is studying this problem.

When I spoke of lobster fishermen, the people of Cape Tormentine will be the most affected first because a way will have to be cleared across the strait where construction will go on and the fishermen of other communities away from Cape Tormentine, like Murray Corner, Aboiteau, Cap–Pelé, Shediac and up the Northumberland Strait to Cocagne, Buctouche and even as far as our area could feel the effects from the construction. I do not think that these effects will be considerable, at least I hope not, but if they were affected, we will certainly have a mechanism in place to compensate them.

I spoke only of lobster fishermen, but there are also scallop fishermen, since scallop banks will be affected by this bridge construction.

[*English*]

There is a group that will be directly affected by the construction of this bridge. That group is the families of the ferry workers who will lose their jobs after construction of the bridge is completed. Right now there are over 400 workers and the bridge will provide about 60 or 70 jobs. I want to reassure those people and members of the House that every effort will be made to offer to those people directly affected a proper compensation and training package in order to minimize the effects of the loss of jobs when the bridge opens. I have been in communication with Marine Atlantic. It has started discussions with the unions to try to put a program in place to minimize those effects.

• (1135)

I certainly offer my assistance in any way to make sure that the jobs available once the bridge opens are offered to those ferry workers and to make sure that those unable to get a job receive a proper compensation package.

[*Translation*]

In conclusion I support this project. I support it because it will create jobs and give new impetus to the tourism industry. Of course, my colleague from Prince Edward Island just said that Prince Edward Island's tourism industry will develop as a result. I am pleased about that, but we in Beauséjour, by offering tourism facilities like the land of la Sagouine, which you know well, Arboiteau Park, which is now being developed, and other projects under consideration, will try to attract visitors either on their way to the island or on their way back. We will invite them to spend a few hours or a few days with us.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I concur with the hon. member that we have given great consideration to minimizing the environmental effects and the disruption to our fisheries, to guarantee as much as possible that this project is of worthy consideration and is first class for this day and age.

Having said that, when talking about retraining or providing job security for those who will be displaced, it has been brought to my attention during economic development discussions with municipalities in my riding that perhaps we could take our training programs to the job site. As these men and women are working on the new project they would be given the opportunity for upgrading in literacy and computer skills, those kinds of things that take them to the next job. Has the member given any consideration to this in manpower training programs?

[*Translation*]

Mr. Robichaud: Mr. Speaker, I thank my colleague for her comments and question. Let me assure her that we will make every effort to ensure that all governmental programs, those of the local associations as well as those of the government itself, will be made available to the workers in order to encourage them and help them find a job both during the construction stage of the project and once the bridge is finished, through the opportunities that will be generated. Every effort will be made to ensure that this project brings about the maximum benefits possible.

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, I agree with the amendment to the Constitution and the building of that bridge. I think it will promote tourism considerably. I have had the opportunity to visit Prince Edward Island; it is one of the

most beautiful islands in the world, and I have seen a good many countries.

• (1140)

But I question the job creation aspect of that project. In the medium term, it will certainly create jobs, but in the long term, there will job losses considering that each year some 400 persons work on the ferry and in five years those 400 jobs will be reduced to about 50. Did he study that aspect of the issue? What alternative does he propose? Did he consult the unions?

The Acting Speaker (Mr. Kilger): I know the Secretary of State for Parliamentary Affairs has found the 10–minute period too short. I simply want to remind him that the question and comments period is still shorter. Therefore we would appreciate a brief comment.

Mr. Robichaud: Mr. Speaker, I want to thank the members from the other side for supporting this amendment and also for supporting the project as a whole.

Unfortunately, as the member mentioned, some of those now working for the ferry system, maybe I should say many of them, will not find a job on the bridge.

As I mentioned during my speech, Marine Atlantic, the company which operates the ferry system, has already contacted the unions in order to find ways to minimize the impact of the bridge opening and help those people find other jobs.

Of course, local communities and economic commissions are trying to develop tourism and that could create jobs for the ferry workers of today. But I can assure you that every effort will be made to help these people adapt to the new situation so that they can find other jobs.

Mr. Michel Gauthier (Roberval): Mr. Speaker, even though we basically agree with the government, our comments in this House prove that its approach differs vastly from the one members on this side would use.

Regardless of whether we support this project or not, we are concerned by its potential impact on the environment. It seems to me, at first glance anyway, that the government is not very well equipped at this point to answer the many questions and solve the numerous problems which might arise from the project in front of us.

First of all, I must say that after listening this morning to the minister, I was rather shocked to hear that he had assumed, even before being aware of our position on the matter, that the Official Opposition would oppose this project, at least, that is the impression he gave in his argument. It is rather odd. I wonder how he came to the conclusion, even before we had a chance to express our views on the topic, even before the beginning of this debate, that we would oppose this project.

He may have forgotten, or perhaps he never listened to the Official Opposition when we pledged to Canadians that equity and fairness in distribution would be the yardsticks by which we would measure proposals submitted to this House. The minister might have forgotten that, unless he just never was aware of it. Let us give him the benefit of the doubt, but let it be a lesson for him in the future. The minister should never again presume to think for the Official Opposition, especially given the fact that he seems to have enough trouble trying to understand the issues he is presenting to this House. He does not have all the answers, he has to do more work on these issues, and he should get on with it. The opposition will do its job, and the minister should do his.

• (1145)

I must say I was pleasantly surprised when I heard our friends opposite say they have the greatest respect for the results of a referendum held in Prince Edward Island that revealed that the citizens of this province were very interested in the project, were very much in favour of it and considered it a major step forward. I think respect for the will of the people as expressed in a referendum is very important, and I would remind our hon. friends opposite that this should apply to all referendums that may be held in this country and that may have important consequences for the future of its communities.

My own major concern is for the environment. I understand the reasons for the project, and I support it, and I understand what it means to the people of Prince Edward Island, but I have some very real reservations, especially in connection with the issue of ice formation. I am not an expert, but I am told that a major accumulation of ice near the bridge at certain times of the year might alter the ecology of the area and possibly have a major impact on the fisheries. I believe the government has recognized this by providing, if I am not mistaken, a $10 million relief plan to help fishermen who work in the area make the transition to other work. This means the government is aware of a significant impact on the fisheries.

I am one of those who are very concerned about this kind of situation, and I would have liked to see the environmental issues researched more thoroughly. I am concerned. I know that one case has already been brought before the courts. A number of rulings have been handed down, and the court has had a second chance to rule on the quality of the environmental studies. But I must say that a project of this scope, which may have a very significant impact—and one does not have to be an environmental expert to understand this—it seems to me that the whole environmental question should have been researched more carefully in order to get more answers and more clarification. I still have a number of questions about this project. There are definitely negative sides that will affect the future of a number of fishermen. There may be a negative impact on climate and

perhaps on certain social aspects as well, as a result of these major changes.

In any case, I think that instead of hurrying things along, the government should dig a little deeper and be in a position to give us better assurances that these issues have been given the attention they deserve. If there are any problems with this bridge, it will not be the people from Ontario or Ottawa, or Montreal or Vancouver who are affected, but local people, in an area that is economically fragile and has a low population density. Yes, a megaproject in this sector may have some very positive effects if the project is a good one, but it might also have a negative impact if we do not bother to look at all sides of the problem because we are in too much of a hurry to get this on the road.

• (1150)

As for the environmental issues, I think they were disposed of a bit quickly. I have a feeling that we tried to meet this deadline by putting some pressure on the stakeholders. For the time being, what I want to do is register my concern in this respect.

Financing is the biggest concern for this project. The cost of this bridge—which is clearly a megaproject—is estimated at $850 million. It would not be the first time that on a project of this magnitude, and for which we have no precedents, there would be cost overruns.

Already, according to my information, a study by Wood–Gordon revealed, last year, that the cost could be about $1.3 billion. Today—faced with a rather innovative project for which experts have already said that the cost could be at least 50 per cent higher—how can we say with any degree of certainty that the cost will be $850 million?

I do not want to use this argument to block the project, but I am trying to point out to this House, the government and the hon. members on the other side, that it would not be the first time in this country that the cost of a megaproject balloons way beyond the government's initial estimates, and that the government is stuck with the deal and forced to pay, at taxpayers' expense, millions of dollars more to finish the project.

I do not think that we can conclude this debate without the minister being present, and he is not in the House right now.

The Acting Speaker (Mr. Kilger): I wish to remind hon. members that it is our tradition not to make any comments on the absence of a member. We all know that hon. members are very busy. I just wish to remind hon. members that they should not comment on the absence of another member.

Mr. Gauthier (Roberval): Mr. Speaker, I am willing not to mention the absence of the member but I would like to know if someone opposite can answer the questions that we are asking.

If the issue is worth debating, it would be important to have a valid speaker to respond to these concerns. Let me remind you that the role of Parliament is really to allow members of Parliament to express opinions on projects.

I think that the motion before us today is aimed at seeking the co–operation of the opposition parties. A number of speeches that were made until now are asking for that support. That support is being given, but—and this is important—the people responsible should at least try and respond to our concerns.

I agree not to mention the absence or presence of a member, but I certainly wish, and I know I am complying with the Standing Orders, that someone could give us an answer and listen to us in order to be able to give details and explanations on this matter.

Therefore, I will go back to the financing issue. It would not be the first time in this country that a project costs more than expected. How does the government intend to finance cost overruns, if any? I suppose that a responsible government has thought of something. If this is the case, I would like to know about it and we would like to know who will take over the responsibilities if the project is a disaster in terms of construction. It is important for us to know that.

• (1155)

Mr. Speaker, you will appreciate that there was a time when the financial situation of the government was sound and perhaps those questions were less important. But when the government is preparing to cut social programs and health care programs, or any other program for that matter, because money is tight, because our deficit is over $40 billion a year, we have reasons to be concerned with this issue at this point. Surely the government has thought of some way to overcome cost overruns, if any, and they have to explain what their intentions are.

We are also concerned with maintenance. I did not come across any estimates in the documents made available to us. They probably exist, but I did not find them. I would like the government to answer the following: What are the estimated costs for the maintenance of this structure each year? Would the costs be paid for by the consortium that will be in charge of bridge management? Have any maximum costs been established? If the maintenance costs are higher than expected or if there are major problems, who will pay the tab? Will the government take some responsibility then or will the promoters deal with the unexpected costs and other potential risks? It would be important to know about that.

Although it is not the same type of structure, one knows that a bridge built over salt water is likely to be subjected to more damage than elsewhere. Therefore, the maintenance costs are likely to be proportionate to the location of this bridge, to the fact that it is an extremely long bridge located, one has to admit, in an area with a very harsh climate, in the heart of the gulf of St. Lawrence and subject to significant weather and climatic variations. It would therefore be useful to be given all the information regarding the responsibility of the government with respect to maintenance costs or in case of possible major structural failure.

These are matters which require some clarification. This project economically is so very important for this region. We must therefore ensure that it is a success in terms of both its construction and its operation.

I know that my colleagues opposite agree that it must be a success. But it is not enough to say it. It is not enough to say that we want it to be a success in terms of its construction and its maintenance, to be a success in social an economic terms, to be a success for the company that will be in charge of its operation, also for the government which is going to be watching people coming and going and which, with this structure, is going to link an isolated province with the continent. We all want that project to be a success in all those respects, but again, it is not enough to just say so.

The government must act in a responsible manner. It must give all the necessary explanations. It must look for every aspect, even the smallest one, which may be a problem or about which people may have concerns in order not to embark, once again, on an unending adventure which finally will result in all Canadian taxpayers paying for something which does not even work properly.

A lot of questions have been left unanswered. I think it is for the House, during this debate, to answer them.

• (1200)

In conclusion, I would like the people mandated by the minister to answer all those questions. Like my colleague from Bourassa, I would like to express my concern over the possible job losses—nearly 400 jobs, roughly 350 jobs—that this project entails, since the bridge's operation will not require as many employees as a ferry service.

I can understand why so many discussions were held with so many people. Before a company closes shop, there are always a lot of discussions between manpower centres, economic development corporations and other stakeholders, in order to find alternatives, retrain employees, etc. Such a situation results in a significant reduction of net employment in the area, where needs are great.

There is no assurance that the people will easily adapt to the necessary social reorganization because of job losses following this negative change. Will the bridge create a positive spin–off in terms of job creation for the residents of the Island and of New Brunswick? Maybe. We hope for the best but it is far from sure and I see a lot of ill defined areas in the whole employment issue. The government would do well to look more closely into it in order to come up with better answers than it did up to now.

[*English*]

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I have a quick comment on the member's speech.

First, there appears to be some confusion between him and the Leader of the Opposition on the environmental effects and the satisfaction on this. I trust that they will straighten out this apparent discrepancy.

I would also like to point out that many of the questions which he wished to pose to the minister were in fact replied to in the minister's address. I do not know whether the hon. member was here at the time. Perhaps he was talking to a colleague. However, many of the questions that were raised were, as I understand it, from at least a failure to appreciate what the minister was saying.

The hon. member mentions the absence of the minister. I would like to point out that almost immediately behind the minister sits his parliamentary secretary, the hon. member for St. Boniface. I believe it is important for all members to recognize the tremendous support that ministers receive from their parliamentary secretaries. These members accept additional responsibilities and do a tremendous job, particularly on detailed questions such as the one the member put.

While I do not wish to build up the hon. member's performance to levels of high expectation, we fully expect all questions of this type to be very carefully analysed and dealt with by the parliamentary secretary.

I have a parliamentary secretary sitting just behind the member for St. Boniface and she is of immense help in debates such as this in dealing with questions. When she speaks on such questions I want it known, just as when the member for St. Boniface speaks on such questions, that these people are acting on behalf of the minister. In fact, quite often they speak more eloquently than ministers. We are very happy with the support that is given.

I am sure the hon. member will want to correct the impression given that somehow the parliamentary secretary is not able to handle the questions he put. I know full well that when the parliamentary secretary rises to speak we will have a detailed and careful analysis of the questions. The hon. member I am sure, being a man who is very fair in his approach in the House, will find the answers extremely acceptable.

It is important to point out that if at any particular moment the minister of public works happens to be out of the House we can rest assured that the presence of his parliamentary secretary backstops very well that absence. The same is true in my case. I was away from the House yesterday on business in Vancouver and I had absolutely no compunction in leaving everything related to my department in the hands of my parliamentary secretary who, as I mentioned before, is a person whose skills and ability I have high regard for.

I trust the hon. member will recognize there are ministers in the House from time to time but we have full confidence in the ability of our parliamentary secretaries. If the hon. member was not here to hear the minister and thus had questions about what he did not hear, we would be—

• (1205)

The Acting Speaker (Mr. Kilger): I wonder if I could ask the co–operation of the House on the issue of the absence and presence of members. As we all know the demands on everyone's time are of such a nature that all members are not able to be in the House at all times. I know we would want to extend that respect to one another.

I believe the minister had concluded his remarks. I will now ask—

[*Translation*]

Does the hon. member for Roberval want to add something to the comments of the Minister of National Revenue?

Mr. Gauthier (Roberval): Mr. Speaker, when a cabinet member hears what he wants to hear, then there is certainly reason for concern.

Remarks that were never part of my speech have just been attributed to me. I never said that the parliamentary secretary was unable to answer questions. Never. Is that what the minister understood? Such behaviour in the House on the part of a minister is cause for concern. I never said any such thing. But I did raise many questions to which the minister was unable to provide explanations in his speech.

The Minister of National Revenue has just told us that the minister has answered all questions asked by the hon. member. Either the minister hears only what he wants to hear or we are facing a problem as far as interpretation or understanding is concerned. There is definitely a problem.

My questions deserve answers. If the parliamentary secretary can answer them, he has only to rise and do so. That is why, considering how time is important in the House, I nevertheless spent 20 minutes to question a project in a reasonable, correct, appropriate and parliamentary manner. I do not want people to say that I agreed to a project when I really had reservations. I did agree to it but at the same time, I did ask for explanations from the minister. There is nothing wrong with that. This is typical of debates in the House, and I would appreciate a more serious follow up, instead of having someone put words in my mouth.

I cannot understand the minister's approach and, when I look at his answer, I wonder if he understands it himself.

[*English*]

Mrs. Jane Stewart (Brant): Mr. Speaker, I listened with interest to the hon. member's 20 minutes and to the speech given by his leader.

They acknowledge that this is an amendment to the Constitution and with glee seem to recognize the government's recognition of the referendum that occurred on the island and the importance of it.

They seem to be setting this discussion up as a precedent for something. What I did not hear them speak about is the message the minister gave about the importance of this fixed link not only for the people of P.E.I. but for all Canadians.

I would suggest to the hon. member that if they are looking at this discussion today as a precedent for something, they should remember that it is important that things discussed in this House be for the benefit of all Canadians. I would suggest that some of the initiatives which the hon. member might be suggesting in the future will not be for the benefit of all Canadians.

I believe that the direction of the party and its focus on solidifying Quebec may not be for the best of all Canadians, nor in fact for the benefit of all Quebecers. However I hesitate to speak on their behalf. I would like to recommend that to the member and have him remember that when the minister was speaking about the importance of this fixed link, he focused on the value for the whole country.

• (1210)

[*Translation*]

Mr. Gauthier: Mr. Speaker, I am absolutely flabbergasted. I can hardly respond to what the hon. member has just said, that is, that the results of a referendum on an issue which she considers of national interest should be binding but that those of a referendum held on an issue she does not consider to be of national interest should not have the same value nor should they concern this House in the same way.

Mr. Raymond Lavigne (Verdun—Saint–Paul): True.

Mr. Gauthier (Roberval): Mr. Speaker, I hear comments to the effect that this is true. That is quite serious. If, for the other side, respect of the democratic process—

An hon. member: We have to listen to this?

Mr. Gauthier (Roberval): Indeed, you do. If, for the other side, respect of the democratic process is important only when it suits their purpose, Mr. Speaker, then it is time they say so.

I think that, in our country, the results of a democratic consultation should always be binding whatever the consequences. If, on the other side, there are members who think that the results of democratic consultation should not be binding when they do not serve their political interest, then I would urge them to discuss it with the Prime Minister. They seem to have a problem within their caucus. I am not sure the Prime Minister would be proud if he knew that his party members plan to apply referendum results only when they suit them. We take notice of that.

[*English*]

Mr. Joe McGuire (Egmont): Mr. Speaker, it is a pleasure for me to address this amendment, secure in the knowledge that the construction of the fixed link is part of the government's program. All that remains is passage of the resolution to amend the terms of the union between P.E.I. and the Dominion of Canada.

I want to thank my colleague, the hon. member for Cape Breton—East Richmond, the minister of public works. He has been a longstanding advocate and promoter of Atlantic Canada and he earned the gratitude of the vast majority of P.E.I. residents with his strong support for the construction of the fixed link. I have been a supporter of the fixed link since day one, having voted for it in the plebiscite in 1988.

For all members present, I would like to clarify a topic which has just been addressed by the hon. member for Roberval and two other members of the House. Prince Edward Island never had a referendum on the fixed link. Prince Edward Island had a plebiscite on the fixed link. There is a distinct difference between the two. A referendum is binding in law. A plebiscite is not binding.

Premier Ghiz wanted to test how the people of Prince Edward Island felt about the construction of a fixed link. Therefore he called for a plebiscite. It was not binding on him to continue no matter what the result was. All he wanted to do was test public opinion to see whether he should go ahead. If the people of Prince Edward Island at that time had said they did not support the fixed link, he was prepared to endorse the voice of islanders and not proceed.

There was never a referendum taken of the people of Prince Edward Island on the fixed link. If any member opposite or on this side believes it was the case, it never was.

Since the House gave approval to the project last June 15 in Bill C–110, my decision to support the link has been reinforced. Even though link construction is really only in its infancy, one can feel a sense of hope and optimism permeating the island community. An official in the construction industry had said that the link is not just an economic boost, it is really the only game in town.

I realize that on P.E.I. support for the link was not, is not and probably never will be unanimous. When the plebiscite was held in 1988 the results were 60 per cent to 40 per cent, approximately. Since then support has grown steadily. Recent estimates indicate that it now ranges in the area of 75 per cent to 80 per cent in favour of the fixed link. Every effort was made to provide forums for legitimate opponents of the project to lay before the legislative committee their reasons for opposition.

• (1215)

During the House of Commons legislative committee hearings last March we went to great lengths to promote a balance in witnesses between the proponents of the fixed link and the opponents of the project.

Over 200 new members in the House did not participate in the debates of the 34th Parliament when we passed Bill C–110 which enabled the project to proceed. When the legislation was enacted here we had already gone through the questions raised by the member for Roberval and other members. They are all in the records, whether in the legislative committee record or in the House debates of last March, May and June. Many of the questions being raised today have already been debated and answered to the best of our ability. If hon. members would like to read what transpired in the House when Bill C–110 dealing with the fixed link went through, they should do so.

Today we are mainly concerned with amending the Constitution. The legislation to build a fixed link has already passed. I can understand the curiosity and the questions hon. members are coming up with today.

As I said earlier, despite local opposition in some quarters support among islanders has continued to grow. We are here today to deal with the final legal obstacle, a court ordered constitutional amendment which would allow a fixed link, a bridge, to replace the steam service guaranteed in P.E.I.'s original terms of union. We were ordered to do this by Madam Justice Reed in a 1992 decision.

I want to remind the House in the strongest possible terms that the Government of Prince Edward Island has already endorsed this amendment and has done so unanimously. The federal government, the Government of Prince Edward Island and the Government of New Brunswick have endorsed the project. In effect it is saying yes to Atlantic Canada.

Because of the inefficiencies of the present ferry system the project will allow the federal government to fulfil its responsibilities to provide an adequate transportation–communication service between P.E.I. and the mainland. The project will allow P.E.I. to share in the transportation vision which opened up other

parts of Canada to growth and development. The project is reflective of the spirit of our federal state.

This is why I am happy to be here today to speak one more time in support of the project. The history of the idea and the development of the concept of a fixed link have been discussed at length and are matters of record. So too are the numerous debates and studies conducted in relation to the particular project. As I said earlier we went through the whole process last spring and early summer.

Since this is the case I want to move to the primary purpose of the debate today, that is to amend P.E.I.'s terms of union, and put on record the original clause. The original terms of union state:

> That the Dominion Government shall assume and defray all the charges of the following services—efficient steam service for the conveyance of mails and passengers, to be established and maintained between the island and the mainland of the Dominion, winter and summer, thus placing the island in continuous communication with the Intercolonial Railroad and the railroad system of the Dominion.

Today's amendment will provide a fixed crossing, a bridge, as a replacement for a steam service. As most hon. members know we do not have a railway system in P.E.I. any more. We are basically connecting our car–truck service to the roads and highways of the rest of Canada.

It has taken over 120 years and over 90 studies to bring about a change that is already providing benefit to Atlantic Canada. In 1988 the Government of P.E.I. crystallized the issue by holding a plebiscite. The positive results of the plebiscite provided the stimulus which brought the concept of the link to reality. The numerous studies and actions taken subsequent to the plebiscite have addressed the concerns of the people and the governments involved.

• (1220)

It is time to recognize that the project makes immense good sense. It has united business and labour in Prince Edward Island. It has brought political opponents together in common cause. In the previous Parliament the Conservative government was basically sponsoring the legislation and the Liberal Party at the time joined with the government in supporting it.

The organization, Islanders for a Better Tomorrow, spearheaded support for the link and deserve credit and recognition for its efforts. This group and all other link supporters believe the project is of tremendous importance to the future of P.E.I. and Atlantic Canada. It will provide an opportunity for P.E.I. to establish itself as a key player in a revitalized economy in Atlantic Canada. It will be an opportunity for our province to be recognized for other things than its small size, equalization payments and potatoes.

The naysayers have raised questions about the environment, the fisheries and the ferry workers. The courts have ruled that all reasonable measures have been taken. Any potential adverse environmental effects of the specific bridge proposal were either insignificant or mitigable with known technology. In the fishery an agreement has already been reached which will provide compensation to fishermen for any disruption or loss of access during the construction period.

Discussions for ferry worker compensation are under way. This booklet will tell us exactly what moves we are making toward the ferry workers on retraining, job opportunities, early retirement and so on. That will all be developed over the next number of years to address the concerns of the ferry workers, which is a very important aspect of the whole discussion.

The scales are heavily weighed on the positive pro–link side. Economic activity will grow. It will grow during the construction period and it will grow in the years afterward. The link will generate experience and create jobs. P.E.I. has a desperate need for jobs.

This is the biggest infrastructure program ever undertaken in Atlantic Canada. There will never be an opportunity as great as the one we now have. It is time to get on with it.

In that vein I want to close with a quote from Rob Matthews, business editor of the Halifax *Chronicle Herald* and the *Mail Star*, in his column of February 4. In part he said: "The issues have already been studied sufficiently for elected and appointed officials to decide the crossing was worth while politically, economically and environmentally. There must be an end to discussions at some reasonable point. Sadly valuable projects are often beset by those who want the process to deliver only their solution or, failing that, another process that will. Entrepreneurs and governments have come to understand that someone will object to almost any construction project. These days there is no single body of opinion on anything. It is much the same with public assessments in which the same few voices and personalities vie for the spotlight, unwilling to accept reality or unable to comprehend that action not paralysis brings jobs and development. There are great benefits ahead as a result of the fixed link. The sooner we can attain them the better".

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, the hon. member gave his definition of referendum and plebiscite and he underlined that since, in this case, it was only a plebiscite, its results were not binding on the government, which decided nonetheless, as we can see today, to respect the will of the people and go ahead with the project.

I also wanted to talk about traffic. Having travelled several times to Prince Edward Island, I can say that the bridge will no doubt have the effect of increasing car traffic on the island. Everybody knows that to go to the Magdalen Islands, one has to

drive across Prince Edward Island to take the ferry at Souris. Does the hon. member know about studies on increased traffic that could alleviate our concerns about delays on the way to the Magdalen Islands? Can he comment on that?

• (1225)

[*English*]

Mr. McGuire: Mr. Speaker, in reference to the hon. member's question about a plebiscite, the federal government was in no way, shape or form involved in it. The plebiscite was strictly within the province of P.E.I. It was held to give the government, under Premier Ghiz at that time, an indication of what the islanders felt about a fixed link to the mainland. It had nothing to do with the federal government. The federal government was not even remotely involved with the project at that time. It was merely a sampling of public opinion as to what islanders actually felt about the fixed link.

As far as getting to Magdalen Island, which is part of the beautiful province of Quebec, I would think a fixed link would make it a lot easier. The member would not have to wait at Cape Tormentine for any length of time. He could simply drive up, drive over the bridge, continue on his way to Surrey and catch the ferry to Magdalen Island. He would be able to spend more time there once the fixed link was built.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I will be very brief. I have a question of clarification for the member for Egmont who just spoke.

I visited his constituency on several occasions. I find it to be a very beautiful part of our country. I am slightly envious of him in representing that constituency. I know he would be of my constituency as well. I invite him to visit any time he wishes to do so.

I have two points of clarification. The first has to do with the plebiscite. Could the member confirm my recollection that when the plebiscite was held the question implied that perhaps the fixed link could be a safe underground tunnel as much as it could be the construction of a bridge?

Second, I heard him say in his speech that the constitutional amendment we are discussing today has been dealt with in the Prince Edward Island legislature. I was not aware of that. Could the member clarify if the amendment has been dealt with in the Prince Edward Island legislature, including the parts about tolls and possible privatization of the structure?

Mr. McGuire: Mr. Speaker, I invite the hon. member to revisit Prince Edward Island any time, and all members of the House. It is the best place one could possibly visit in the summertime. I would not want to visit the hon. member's riding in the wintertime either so I do not expect him to come to Prince Edward Island.

The question on the plebiscite did not include any options. The tunnel was never on the ballot as an option. It was strictly: "Are you in favour of a fixed link?" The people who were bidding for the fixed link considered in the development of a proposal the option of a tunnel. I think they found only one bidder who actually went into the matter of the tunnel to any great depth. Even that company felt it was much too expensive to continue any further exploration of that option and that the most economic option was the bridge option.

It was not considered at all on the plebiscite. The people who did look into it on the construction side and the bidder side felt there were many environmental problems with the tunnel. It was not an economically viable option.

On the member's second question, the provincial legislature last spring passed a unanimous resolution endorsing the constitutional amendment to the terms of union between P.E.I. and the Dominion of Canada. That has already gone through its legislature. It is a resolution only. It was directed, as we are directed today by Madam Justice Reed, that this had to happen before the bridge could be legally used in place of a ferry system.

• (1230)

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, it is a very great privilege to join in this debate today. It is a particular privilege to follow the hon. member for Egmont who for such a long time has been an advocate in this House for all of the interests of his home province of Prince Edward Island. He has been such an advocate for the establishment of the fixed link.

Before I continue, Mr. Speaker, I would like to congratulate you on your appointment. It is a delight to have you in the chair. I am sure you will prosper there with all of us to be your sheep, shall I say.

With regard to this debate, in the more than five years I have been privileged to be a member of this House representing a riding in Atlantic Canada, I have stood countless times and spoken on matters of great and indeed of crucial interest to the people of our region. Frequently we have looked at the possibilities of development for employment, development to create a better climate for business, development in the area of natural resources and so on and so forth. We have met walls because of our small population. We have met difficulties because of the problem of distances, as in every region of this country, et cetera.

It is with particular gratification that I stand today to speak in support of the constitutional amendment to enable the building of the fixed link crossing between New Brunswick and Prince Edward Island.

There are many reasons that this fixed link is a superb idea. Members much more involved from the provinces of Prince Edward Island and New Brunswick have articulated these ideas, but I would like to talk just about one area where I see the fixed link making a difference. It was very interesting that a member questioned my colleague from Egmont about the traffic and about getting to Iles–de–la–Madeleine, which is the area I want to talk about.

In spite of all of the setbacks and drawbacks in Atlantic Canada, we think we really are the most fortunate people in the country. If one is fortunate enough to live in Atlantic Canada, particularly in Nova Scotia, Prince Edward Island is normally the vacation place of choice. I must say New Brunswick is also, but we like to go to P.E.I. for the beaches, the wonderful golf courses, the great food, the terrific restaurants, and on and on.

I have been visiting Prince Edward Island as a tourist since I was a small child. I have jokingly referred to the fixed link from time to time as the span of Green Gables. That reminds us why young women in this country consider a visit to Prince Edward Island to be practically a religious experience: the shrine of Anne of Green Gables and that great Canadian writer, and feminist I might add, Lucy Maud Montgomery.

I have spent many hours as a child, as an adolescent and as an adult sitting in a car, usually at Cape Tormentine, waiting for a ferry. I remember one particular visit at this time of year. When Joe says he does not want to go to the Battlefords in February he is probably right. However, getting to P.E.I. in February can be quite something too when one is dependent upon the mercy of the ferry in the Northumberland Strait when the ice is in.

There was a meeting. It was the kick–off to a very famous political campaign. The Atlantic provinces student Liberals were meeting in Charlottetown in 1968 to decide whose students would support the leadership of a great political party. A group of us from Halifax headed out for Tormentine. Given that it was February we did pretty well. We arrived there in about four hours from Halifax. We then waited for six hours until the old *Abegweit* could get into the dock. We got on the *Abegweit*. I think normally it takes about 45 minutes to cross in good weather, but seven and a half hours later we landed in P.E.I. It is one thing when it is a group of students. We had a good time on that ferry.

An hon. member: I suspect you did.

• (1235)

Ms. Clancy: Yes, we did. We really did not mind a whole lot the almost seven hour extension of the trip.

I remember we were met on that illustrious morning by one of Prince Edward Island's most famous sons. I refer to Premier Alec Campbell as he then was and who today is Mr. Justice Campbell of the island's supreme court. Premier Campbell was not very happy on that day. He knew the ferry had been frozen in the middle of the strait for over seven hours. He took the opportunity to make a public speech right there and he got a good crowd, as island politicians usually do. He spoke about the fact that the ferry really did not fulfil the constitutional agreement to create a proper link and a proper mode of transportation to and from Prince Edward Island.

That happened 26 years ago this month. I remember it very well. Consequently most of my subsequent trips to Prince Edward Island have been by air or in the summertime, but I have never forgotten the passion with which Premier Campbell addressed this issue.

I discussed this issue on many occasions because, as the member for Egmont can tell you, I was not a total convert to the concept in the beginning. The member for Egmont, the Secretary of State for Veterans, two other premiers of Prince Edward Island, Premier Callbeck and former Premier Ghiz, and the present member for Malpeque have all had a part in convincing me that this is absolutely the right thing, not just for the people of Prince Edward Island, not just for the people of Atlantic Canada but for the people of Canada. It will create the access we need and deserve to get to the cradle of Confederation, one of Canada's unique beauty spots.

Members who have been here for any length of time know and new members will learn very soon that being members of Parliament gives us a very privileged sense of the country as a whole, as a unit from sea to sea to sea.

To go to Charlottetown and see where the fathers, sent by the mothers, of Confederation first met to discuss what would happen in 1867 gives one a very particular and very warm view of what the politicians of the day were struggling over, arguing over, negotiating and deciding to do for Canadians then and now. Young Canadians from the other nine provinces would benefit from visiting, seeing and spending time in the cradle of Confederation. I agree that we would all benefit, young people in particular, from seeing all the parts of this magnificent country.

Tourism is one of Prince Edward Island's major industries and we certainly do not see people staying away because of the ferries. However, as we enter a more modern age heading toward the year 2000 it is only sensible to ensure that access to that province be done in the most sensible, safest and time saving way. That is why those of us in this House from the province of Nova Scotia stand in great support of our colleagues from Prince Edward Island and in great support of our colleagues from New Brunswick.

Another thing I would like to bring to the attention of the House is the fact that this fixed link is going to create an incredible number of jobs. In the provinces of Prince Edward Island, Nova Scotia and New Brunswick the creation of jobs is something every one of us is committed to and I can only say it is with an almost spiritual fervour. We do not like to be considered

the poor relations of Confederation. We do not like to be called the have not provinces.

• (1240)

This fixed link will create an economic boom and an advantage to business and tourism. I am in favour and I say three cheers for those who decided to go ahead with the fixed link.

Ms. Roseanne Skoke (Central Nova): Mr. Speaker, I listened with interest to my colleague, the hon. member from Nova Scotia.

As the member for Central Nova, the issue of the fixed link is one of major concern in my riding. It is recognized that the Northumberland bridge, the fixed link to Prince Edward Island, is a link to economic opportunity and progress for Prince Edward Island and all of Atlantic Canada. This link will create job opportunities for Atlantic Canadians throughout construction of the bridge and maintenance thereafter. It will create opportunity for tourism and economic progress.

However in my riding of Central Nova some concerns have been expressed regarding competition between the fixed link at one end of the island and the ferry service at the other end. The employees of the ferry service rely upon this means for commercial and domestic transport and for carrying tourists from Caribou to Wood Islands. The shipbuilding industry and Steelworkers of America Union rely upon the building of new ferries and the maintenance of those existing for their livelihood.

I wish to reassure the people of Central Nova that the competing interests between one end of the island and the other and competing interests between New Brunswick and Nova Scotia along with the competing interests of construction workers, ferry workers and shipbuilders can be very readily reconciled.

The fixed link will create employment opportunity as well as tourism opportunity for all of us in Atlantic Canada. It will in no way diminish the importance of the ferry service running between Wood Islands and Caribou. The continuation and upgrading of the ferry service between Caribou and Wood Islands will create opportunities for tourism and economic progress in Central Nova and for the province of Nova Scotia.

Therefore on behalf of the people of Central Nova I support the motion put forward this morning by the hon. minister of public works. I thank my learned colleague for her comments.

Ms. Clancy: Mr. Speaker, I want to congratulate the hon. member from that great riding of Central Nova which for the first time in many years boasts a member from the Liberal Party. I congratulate her on her election and on her comments this morning.

In talking about the benefits of the fixed link to tourism I was remiss in not particularly mentioning the Caribou–Wood Islands service. It is essentially a summertime service and is also a great boon to tourism. The ferries on that line are built in the shipyard in Pictou county and all of us want nothing more than to see this line continue. It too is a wonderful way to travel between Prince Edward Island and Nova Scotia to get the benefits of two of the most beautiful places on earth, that is Prince Edward Island and Pictou county.

I know when the hon. member speaks with her passionate devotion to the people of her area they can be assured of the safety of that line and the continued interest in both the use of that line for tourism and business. The two access points to Prince Edward Island, to New Brunswick and Nova Scotia can work very well together in harmony and to the benefit of all Canadians.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, in May 1873 the government of Sir John A. Macdonald passed an act admitting Prince Edward Island to Confederation. A month later his cabinet approved an order in council which also promised the "efficient steam service for the conveyance of mails and passengers to be established and maintained thus placing the island in continuous communication with the intercolonial railway and the railway system of the Dominion".

The provision of that order in council has now become part of our present day Constitution. The promise has been kept for 121 years. Today it is the intention of both the federal government and that of Prince Edward Island to change the wording of the clause but not the promise itself, thus committing the federal government to a fixed link instead of a ferry service.

• (1245)

At the outset I want the House to note the intention of our forefathers. Their intent was obvious. They were clearly intending to obligate the federal government to keep the island in continuous communication with the mainland. The mode of transportation by ferry was also specified and the federal government wishes to confirm that same intention. However, today it wants to specify a different mode of transportation.

The Reform Party of Canada does not wish to argue that a bridge would not be beneficial to Prince Edward Island. Common assent to the plan has been given by provincial plebiscite and resolution.

The fixed link has weathered protests by environmentalists and engineers who argue that the bridge will be unhealthy or unsafe. It has endured bad press, public dispute and court challenges and now all that remains is to change this clause. No one argues that the bridge will mean more prosperity for the maritimes and increased economic development for Prince Edward Island in particular.

The principle of a bridge replacing a ferry is not the substance of our complaint today. The Reform Party wants nothing but increased prosperity for all of the maritime provinces. However, the federal cabinet should not pass an Order in Council today to change this clause. To alter it today requires an amendment to the Constitution, that document foundational to our nation, the instrument which defines our political system and, more specifically, defines the nature of the relationship between provinces and the federal government.

I address two different audiences today. To the audience in Prince Edward Island, I understand why it needs this bridge or why it wants it. It will be good for that province and I think there is widespread public support in Canada for the bridge.

To my second audience, the Government of Canada, what it is attempting to do in this House today is both incorrect and unwise. Allow me to explain what I mean.

The Government of Canada is proceeding under section 43 of the Canadian Constitution which reads:

> An amendment to the Constitution of Canada in relation to any provision that applies to one or more, but not all, provinces—may be made by proclamation issued by the Governor General.

The government assumes that it can safely proceed under this section because it also assumes that this issue relates only to the federal government and two or three provinces. Is this really the case? Could it be true that the provision of a fixed link to Prince Edward Island involves all the provinces of Canada, not only the maritime provinces? I submit that although this amendment does not apply directly to every province of Canada, it affects every province in an important and substantive way and therefore the government could be acting improperly.

If changes are necessary at this time, it should proceed in a fairer and more conventional manner by way of section 38 of the Constitution, a section which at least attempts to involve the input of all Canadians.

How are other provinces involved? This venture is a shared cost venture and these costs are not shared between just one province and the federal government. The subsidy which now operates the ferries is taken from the federal government's general revenue. Who contributes to the federal treasury, all provinces or just a few? All provinces are involved today in subsidizing Prince Edward Island's ferries and we are happy to do so.

However, the estimated cost of the bridge, $850 million and climbing, will also be borne in some fashion by all members of the federation because the federal government will subsidize this bridge to the amount of $43 million per year for the next 35 years. This is not an insignificant sum. This kind of significant commitment requires the approval of all Canadians.

However, there is an additional problem. The government through a constitutional amendment will continue to commit itself not just to the fixed link but to the original intention of the clause written in 1873. That intent is to place the island in continuous communication with the mainland.

What if problems are to develop? What if the bridge suffers cost overruns of more than 10 per cent? Another member indicated that it may double. Other projects around the world such as the tunnel under the English Channel or the Hibernia oil project nearby have experienced vast cost overruns. We all know the appalling record of past federal governments in this regard. We will be committed to a bridge no matter what problems occur.

What if, God forbid, this bridge should collapse? The government will be constitutionally obligated to rebuild it. The question I am asking here is a serious one. By constitutional amendment all members of the federation will be committed to providing a fixed link with the mainland forever.

• (1250)

If the bridge is rendered unusable for periods of time during the winter or encounters other major problems, the intent of the constitutional amendment will still stand. Continuous communication with the mainland will have to be maintained by the government. In other words, if the fixed link proves unworkable the government will still have to provide a ferry service.

Speaking outside of constitutional law, the government could not allow an entire province to be cut off from the mainland for very long. A ferry would have to be provided if the bridge proves to be unreliable. If it comes to a disagreement and finally to law, the people of Prince Edward Island could demand a ferry service through the courts if necessary.

The member for Lac–Saint–Jean noted the ambiguity between the French and English versions of this amendment earlier today when he mentioned that in one version it says they may and in the other it says they will. That is still unclear. It is a moot point. We will be obligated and in this case we will be obligated to this continuous communication.

In that case the cost of this constant communication with the mainland would effectively double. This is a much greater commitment than the government would now have us believe. This is a significant commitment that every province in Canada deserves to address through a resolution under the current constitutional arrangements by each legislature under the authority of section 38 of the Constitution.

Although it is clear to me that the government is acting incorrectly, perhaps unlawfully and certainly unwisely, I do not propose a legal remedy. Constitutional change should never be forced on the nation in the name of expediency. If the government insists on proceeding in this manner, there is a simple resolution which lies in the decision of the Federal Court of Canada given in March of last year. Madam Justice Reed there

indicated that a discontinuance of the ferry service must be sanctioned by a constitutional amendment. We agree to that. She gave the House of Commons no direction as to the wording of that amendment in the form of a resolution.

If the government must go ahead with this change, and I repeat many of us feel this is not the way to go about constitutional change, it should reword its resolution to reaffirm the constitutional intent to provide constant communication with the mainland but to despecify the mode of transportation required. To be very clear, the amendment would promise a continuous link with the mainland, period.

In this way the government would have a free hand to choose the least expensive transportation option in the future while still carrying through with its plans for a bridge today.

Here the Government of Canada would not be committing all provinces to provide a fixed link for all time and at any cost, and under no circumstances could Canada be legally obliged to provide a bridge and a ferry service at the same time.

Although this legal argument is significant, it does not form the basis of our objection to this resolution. Our objection springs from a root that goes far deeper than a simple legal technicality. The Constitution of Canada defines the relationship between provinces and the federal government. The amending formula is the way to redefine or to change these relationships. If we redefine these relationships we must be careful to do so in a way that shows consideration for all parties. We show consideration to all parties in order to preserve good will between them. Countries are not built on technicalities. They are built on relationships. Those relationships, especially in this period of Canada's history, must be preserved at all costs or the federation is lost.

The Reform Party of Canada envisions a better process for our nation, one that preserves national relationships and respects the wisdom of individual Canadians, one that provides popular ratification of constitutional change in a bottom–up process, not a top–down process like we are experiencing here again today, in which each concerned Canadian can participate in constitutional conventions and finally have their say through a referendum.

This government is proceeding today just as it might have 50 years ago when it would simply pass a resolution to ask Britain to change the BNA Act. This process is no longer acceptable to Canadians.

I think of the case of the Roman Empire. At the start of every major undertaking they would pray to the god Janus. Janus was a two faced god who looked into both the past and the future. They hoped to be guided by this god who would say: "These are the mistakes we made in the past and we will not repeat these as we try to guide our nation forward into the future".

• (1255)

That god passed into the history books along with the Roman Empire but we can learn from that concept. When it comes to constitutional change, if we ignore what we have gone through in the past few years as we plan for the future, we are making a serious mistake in the House of Commons.

The Canadian voter is no longer tolerant of politicians who fall victim to what we describe as Ottawa fever as soon as they are elected. This disease results, as we have talked about before, in selective hearing, poor memory and the inability to discern the common sense of average Canadians. Ottawa fever killed both a government and a national party just a few months ago. Has this government learned from the mistakes of the Conservatives?

I have a genuine fear that this House and this government are embarking on a legislative program, including these constitutional changes, that shows that they have the early symptoms of Ottawa fever.

The finance minister talks about filling the loopholes and broadening the tax base in the upcoming budget. He puts a pretty spin on an ugly subject by saying that Canadians want to increase equity in the tax system, which is just another way of saying that the government wants more out of the taxpayers. This is at a time when taxpayers are pleading with the government to stop gouging them and start listening about cutting some expenses.

On another issue, many voters, especially the voters of Markham—Whitchurch—Stouffville, are demanding the right to recall MPs but their appeals fall on deaf ears. We cannot see any movement on this right to recall. Why is that? Why is it that no one is listening to that?

Now we see this government promising also an ill–defined aboriginal self–government even after the Charlottetown accord was soundly rejected by Canadians. How is that possible?

This government is running far ahead of the voters. It may even be in a different running lane, I am not sure. The House needs to stop pushing only the government's agenda and start pushing ahead with the people's agenda.

Is it any wonder Canadians have a negative attitude toward governments in general? If the government will not listen to Canadians and cannot put its financial house in order, how will it possibly deal with wisdom regarding constitutional issues which form the foundation of that house?

The Constitution has been the focus of much needless hurt in our nation. It started with the patriation in 1981, a unilateral action which caused the rancorous constitutional conferences of the mid–eighties. These led to the political disasters of Meech Lake and the Charlottetown accord. Out of them emerged the

Bloc Quebecois and a full-blown separatist movement that threatens to split our nation in two.

Today, what do we find? Yet another amendment to the Constitution, virtually free of national debate, unfettered by consultation with anyone with Prince Edward Island, slipped under the noses of parliamentarians as if the last decade simply disappeared. It appears that the government has learned nothing from the mistakes of the past.

Not only that, but the government conveniently ignores the voices of millions of other Canadians who have said through their votes and through other mechanisms that they are demanding other changes to the Constitution, changes that they say are at least as important, possibly more important, than these.

We have long advocated changes like a reformed Senate, entrenched property rights over which there is already a lot of general national agreement, positive changes such as a constitutional ceiling on government spending, something that would ensure that undisciplined politicians could never again spend our children's inheritance.

Last year the ousted Conservative Party barged ahead with a constitutional change for New Brunswick, just after that very change was rejected as part of the Charlottetown accord. Reform voted against it. Now we see this government forcing us to accept changes on behalf of Prince Edward Island. Reform once again rejects the process that ignores the cries of millions of other Canadians. This process should be a source of shame to this government.

This small amendment is no small matter. It deals with an enormous principle. It brings back memories of how our Constitution has been mishandled over the past 15 years. The Reform Party of Canada opposes this amendment on three firm grounds. The first I went over at some length earlier in my presentation. It is simply unwise to glibly approve a permanent, unqualified commitment to the bridge.

• (1300)

The second ground is that of consultation. To satisfy voters and preserve the relationships of the federation, the government should proceed in a way which allows input from every province and, through a referendum, every citizen.

The third principle is that of common sense. It says: "First things first. We ought not approach the House lightly on such weighty subjects. There are other important constitutional issues that could be and should be dealt with at the same time".

To sum up, the Reform Party would be very pleased if one day at the end of a proper consultative process the House dealt with a balanced package of positive, popular constitutional amendments that included perhaps a re-worded amendment for the benefit of Prince Edward Island.

Today the Canadian people expect to participate in the most important decision that the House can make. It is foolhardy to push their patience once again regarding constitutional change.

I would therefore ask the Prime Minister to reconsider the process by which this decision has been brought to the House. I urge all members to carefully distinguish expedient choices from choices that are motivated by a concern for the future, a search for wisdom and a love for your country.

My concerns and the concerns of each of our constituencies deserve more of a hearing than a few short speeches given to a basically empty House.

This is not mere housekeeping legislation we are considering. Any changes we make now become a permanent part of our Constitution. The obligations we shoulder today will weigh on our grandchildren a century from now. Surely this law should not be sandwiched between bills on excise taxes and port operations. This process trivializes the Constitution of Canada, the foundation of our nation.

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, just a comment then a brief question to my hon. colleague opposite.

I did not hear the full extent of his remarks but I did pay particular attention to some of his wording. If I quote him incorrectly I hope that he will do the honourable thing and advise the House that I have done so.

The hon. member made reference to this creeping into the House of Commons and somehow the guillotine will come down fairly soon on a decision which is of gargantuan importance to Canada, to the world and to other planets if you will. I am paraphrasing of course, but I understand the hon. member is new to the House. However new to the House does not give you the right to flagrantly abuse—

The Acting Speaker (Mr. Kilger): I know the minister is a very experienced parliamentarian and that he would want to direct all of his comments through the Chair.

Mr. Dingwall: Mr. Speaker, as I was making my point through you to the hon. member, it does not give him the right to abuse flagrantly and selectively some of the discussions which took place in this Chamber not more than a year ago. He suggested in his remarks that somehow this evil thing that we put before Parliament today was concocted, if you will, in the back rooms. It has been around for five full years.

I cannot understand why the hon. member would try to give that impression to his constituents. Perhaps we might wish to have a recall of the hon. member's ability to remember all of the facts and all of the things that have gone on in this House.

The question I have for the hon. member is the following. Does the hon. member not think it appropriate that the people of Prince Edward Island, who over 130 years ago decided that they would become a part of Confederation, have now determined through the most democratic way, namely a referendum, that they wish to amend those terms of reference which they consummated over 130 years ago? Is the hon. member saying to Canada's smallest province, to that group of individuals, that they no longer have that right as other Canadians in British Columbia, Alberta, Manitoba and across this country have that right?

• (1305)

Is the hon. member suggesting in a code that because one comes from a small province, because one comes from a small population base, one does not enjoy the rights that other provinces have? Is that not what the hon. member is suggesting?

Mr. Strahl: Mr. Speaker, I was moved. I do not know what it is that the minister seems to get so apoplectic about every time I speak. This is the second time he has become so vociferous in his attack on me. I am not exactly sure why.

If I could address the points he raised I will go through them and try to remember them all. He said that I should not use selective memory in my remarks concerning last year's discussions but that I should think back to the extensive discussions.

What I was trying to emphasize during my presentation was that I have not forgotten the extensive consultations of last year. I have not forgotten that other members of the House, including every other party but—not the Bloc perhaps—the Reform Party of Canada were in favour of the Charlottetown accord. The Reform Party of Canada was in tune enough with the Canadian people to know they had rejected it wholeheartedly.

I was not dissociating myself from that discussion. Of course, I remember that and so should the hon. minister. Of course we want all discussions to be out in the open. Of course we want things to be decided through a referendum. When it comes to recall, if the minister thinks I am nervous of being recalled I invite him and his government to bring forward recall legislation at the earliest possible moment and we will put it to the test. It will not happen here.

It will happen first of all in Markham. I am convinced of that. As a matter of fact I expect thousands of people to come out to the rally tonight to determine that. If the minister wants to bring that kind of legislation forward, he will have widespread support on this side of the House. I am starting to get a little wound up myself but I mentioned it clearly if the minister was listening to my speech.

I am not opposed to the idea of a bridge. The bridge may be a wonderful idea but to cherry pick your way through the constitutional orchard picking a cherry here, a cherry there, with the government deciding what it wants to do even if it has no support among the Canadian people at large. If there is going to be constitutional change the people want to ratify it themselves. They proved that during the Charlottetown accord. They will not accept anything less. If the government wants to check on the pulse of the Canadian people, do not be afraid to go to a referendum. The people will give it the answers it requires. They may well approve this change. I hope they do but the process must remain, involving all Canadians. If it does not it has no support from the Reform Party. I believe it has no support among the Canadian people.

Mr. Dingwall: Mr. Speaker, the hon. member has a selective memory. He should realize and understand that to suggest this is cherry picking with regard to constitutional reform is utterly wrong.

The Government of Canada, the Government of Prince Edward Island as well as the Government of New Brunswick signed a tripartite agreement. In order to consummate the agreement they duly signed after appropriate consultations with their constituents. After a referendum in the province of Prince Edward Island, the Federal Court of Canada stated it was necessary for that document to have full legal effect not only for the short term but for the long term to change constitutionally the terms of reference affecting the province of Prince Edward Island and the Government of Canada.

It is quite one thing to stand in one's place and accuse the government of the day of cherry picking on constitutional reform when it is the exact opposite. The court is saying clearly and unequivocally, if you wish to give long-term legal effect to a binding agreement duly entered into in good faith by three separate parties, you should and must make a change in terms of the constitutional reference. That is the rationale.

• (1310)

I am surprised that the hon. member, who is quite adept on his feet, would not be cognizant of that important fact. That is why today in this legislature, as some time ago in the legislature of P.E.I., this constitutional amendment had to be put forward in order to give legal and binding effect to an agreement duly entered into by three different provinces and the Government of Canada.

Mr. Strahl Mr. Speaker, I know the minister mentioned that he did not listen to all the earlier speeches. Perhaps this is the part he forgot.

I did mention that Madam Justice Reed's decision demands a constitutional change. I did not argue with that either. However, we are talking about process. Constitutional change affects all provinces and all Canadians when it is the foundational document that guides us. We cannot say it only affects Prince Edward Island. The federal government is obligated for $43 million and change a year or maybe more. It involves all Canadians.

It is why we have talked repeatedly of the need to approve constitutional change through a national binding referendum. I am not afraid of referendums. The government has talked several times about referendums and how it enjoyed the referendum process in P.E.I., how it was a positive process and how it involved people and how it has grown from 60 per cent support to 70 per cent support today. I applaud it and I applaud the people of Prince Edward Island.

I am saying not to be afraid of consulting the Canadian people on constitutional matters. When you ask for their opinion they will give it to you as they did in the Charlottetown accord. They will give it again. If it is properly presented with a bottom up consultative process they will approve the necessary changes. They would probably approve this one. It is the process and the process is wrong.

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, unlike most of the members opposite I have listened to today, both from the Bloc and from Reform, I would like to do something interesting and actually speak to the motion that is on the floor of this House.

Mr. McGuire: That is a good idea.

Mr. O'Brien: I do not want to talk about the Senate. It might be a neat idea if we actually spoke to what the minister has put before the House, the actual motion that is up for debate and not hear threats from members of the Bloc about a referendum that is looming in their province and their opinion or use this, as has been done by several members of the Reform Party, to argue about the Senate and the need for constant, daily referendums.

We had a very decisive referendum on October 25, 1993. The Canadian people spoke very clearly about the vision they have for this country. They spoke so clearly that the government has had to occupy some seats on the other side of the House. Let us not be under any illusion about the authority of this government and of its ability to act.

I congratulate the minister for his cautious review of this project. It was very thorough as he explained the entire Northumberland Strait bridge. I applaud and congratulate him for the restraint he has shown in the face of comments from members opposite which have, quite frankly, been largely irrelevant and very much off the topic.

I stand in my place today as a member of Parliament from Ontario, from the riding of London—Middlesex, to speak in favour of the motion. It is disappointing for me to hear members opposite, particularly the member for Calgary West who spoke earlier today, expressing very parochial views of regional self–interest. This is not a time for the narrow, petty objections we have heard so much today. It is a time to build this nation, not to tear it down. This is not an issue of the west versus Prince Edward Island or Atlantic Canada. This is a major project of national significance. Certainly it is going to benefit the province of Prince Edward Island and Atlantic Canada. If it benefits that part of Canada then we all benefit and I am proud to support it.

As Liberals we are the only truly national party in the House at this time. Perhaps that is the reason there is a national perspective from this side and a very regional and limited perspective from the other side, be it from Bloc members or from Reform members.

• (1315)

We have heard this silly argument that if we are prepared to reopen the Constitution in this matter then indeed we have to be ready to reopen the Constitution on any matter. To advance that in this House as a serious argument is highly ridiculous. This is a technical amendment to the Constitution. It was ordered by a judge in order to make the project possible. It is a far different situation from reopening the entire constitutional nightmare this country went through over the past several years.

Frankly, my colleagues on the opposite side are making irrelevant comments or certainly are groping to hang their own particular hobby horse on this motion.

I would like to speak to the motion as it is before us. The government has used a very open and transparent process to build this bridge. There have been massive public consultations. It has been one of the most democratic processes on a major decision to be made that this country has undergone, yet we are still hearing objections.

There is a partnership in place with the private sector to build this particular project. The development company assumes the majority of the financial risks. The whole of the Canadian public will benefit from this particular project. The SCDI will own and operate the bridge for some 35 years. It speaks very much to the idea of partnership our government put forward in its red book which was so heartily endorsed by the Canadian people.

The process has been very open. The theme is a partnership with the private sector. Obviously there are myriad economic benefits to be achieved by this project.

The Canadian people voted for a government which recognized the need to create jobs in this country. That is what the message was in October 1993. This project will create a number of badly needed jobs. As was stated earlier by the minister there will be 3,500 jobs over three and a half years in the construction of the project. There will be another 2,000 spin–off jobs once the project is built with fully 96 per cent of these new jobs to be filled by Atlantic Canadians.

I could be parochial and strictly take care of the needs of southwestern Ontario or address them in my comments today. I do not think that is my role as a member of Parliament. We have heard too much of that petty approach to politics today in this House, not on this side I might add but from members opposite, unfortunately.

We have to look at this as an important project to a part of our country which badly needs an economic boost. I am going to support it and I am pleased to see it will do so much for employment.

The project will also show an increase in tourism of some 25 per cent. One can readily understand the spin–offs in jobs that will create in the service sector as Canadians find it easier to get to Prince Edward Island. I have had the opportunity to visit that beautiful island as I hope have many other members and I intend to go back. It will be a pleasure to cross on the bridge.

Concern has been expressed about the ferry workers and the loss of their jobs. This is a worry for all of us. I am pleased that the minister in tabling his statement has shown very clearly there will be fair treatment for the ferry workers. They will have the first choice for employment on the bridge project. There is a fair severance package to be put in place for the displaced workers. As we speak consultations are under way with the unions to make sure this takes place.

We have heard some concerns raised about the environment. One of the few relevant comments from the other side addressed the issue of the environment. However it totally ignored the fact that a comprehensive environmental review has taken place to make sure this project is environmentally sound. In fact a federal judge ruled that the government has taken great care in meeting the criteria of the federal environmental review.

• (1320)

Frankly, there is no evidence whatsoever that there is any serious environmental concern with this project. In fact the over 90 studies on the environmental aspect alone reached the opposite conclusion, that the project is environmentally sound and that it will have no significant impact on the environment.

Of course that would include fishermen in the area. It has been acknowledged that fishermen in the area may lose an opportunity during construction to fish certain waters. Obviously they will. In recognition of this a $10 million compensation fund is to be established by the developer to compensate these very fishermen.

Again the environmental review has clearly shown that the project is environmentally sound and there is to be compensation for the fishermen in the area whose livelihood will be affected.

We heard about the engineering and safety concerns of this project. The bridge has been designed to the highest standards. It has a life span of 100 years before needing a major retrofit. It has been independently assessed by engineers and found to be very sound.

As the member of Parliament for London—Middlesex, I want to take a national view on this. I invite members from all sides of the House, particularly those members opposite, to rise above petty politics. Find some vision and courage and endorse this project which is nationally important for this country. Let us move forward to the 21st century with the vision that this is our nation, all of it, from coast to coast to coast and that is the way we have to look after it. Let us not try to set up one region against another.

It would be nice to hear the members opposite speak to the motion with a little more national vision than what we have heard so far.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, I would like to address some comments to my hon. colleague opposite—he often refers to us as being opposite—and two questions.

First of all, I found his preliminary remarks mean. He said: "I for one will say something interesting". It is too bad for the minister who, I feel, said interesting things, too bad for the Leader of the Official Opposition and too bad for the other speakers. It was indeed interesting. Congratulations.

I would also like to express disagreement with what he said about the relevancy of our remarks, and I would like to remind him of the Constitution Act, 1791, which established the foundation for the system of parliamentary representation. The people who elected Reform Party members, or you or us in the Bloc Quebecois, know very well that the relevancy of the remarks we have to make in this House depends only on our opinion. On that point also I disagree with my hon. colleague.

I would like to put a question to him. One of his colleagues spoke of a plebiscite in the case of Prince Edward Island, whereas the minister spoke of a referendum. With regard to the referendum, this is the term you used, and we used the term you brought into the debate.

The Acting Speaker (Mr. Kilger): Order, please. I call the hon. member for Terrebonne to order. I would simply remind all members that they should refrain from directly addressing other

members of the House and that they should put their questions and comments through the Chair.

Mr. Sauvageau: I apologize, Mr. Speaker.

My first question to the hon. member is this: Is it a plebiscite or a referendum that was held in Prince Edward Island?

Is the hon. member's disappointment that great because we support this proposal? Would he like it better if we opposed it? He talks about petty politics and so on, and he seems deeply disappointed. I get the impression he feels that way because we support this proposal. I am right?

[*English*]

Mr. O'Brien: Mr. Speaker, I would be happy to answer the member's questions.

• (1325)

First of all, if I might correct his comment, what I said was that as the minister did, I intended to speak to the motion and that I would find that to be an interesting process. I thought this House was all about the process of actually rising in our places and speaking to what was on the floor, without getting into some diatribe about some future referendum in Quebec which has very little, if anything, to do with what we are supposed to be speaking to here today. My earlier comments were that I would try to speak to the motion.

As to the member's questions, I agree with him. I have heard the term plebiscite used in reference to the vote in Prince Edward Island and I have heard the term referendum. I am sure he knows some people believe that to be an argument of semantics, that the terms are interchangeable. There are others who would say no, there is a very real difference between a plebiscite and a referendum.

My colleagues and friends from Prince Edward Island most often referred to the vote that was taken as a plebiscite. It was 60 to 40 in favour of this project in 1988. Frankly I think it is a political science or semantics argument.

As to my disappointment that the member asked me about, no, I was very pleased to hear the Leader of Her Majesty's Loyal Opposition rise in his place today saying he would support the project. However, I heard Bloc members lecturing the minister about anticipated objections from the Bloc. I was in the House and heard the minister's statement. Not once did he make reference to members of any particular political party and what their views might be. He simply invited support from all members of the House and he hoped that he would not hear particular objections raised.

We are a little tired on this side of these gratuitous lectures and irrelevant comments and that is the source of my disappointment. However, I am very pleased the Bloc has seen fit to support the motion. It would just be nice if those members would speak to it.

[*Translation*]

Mr. Raymond Lavigne (Verdun—Saint-Paul): Mr. Speaker, one of the extremely positive aspects of the bridge over the Northumberland Strait is that it is one of the first and most important capital projects on which the federal government and the private sector will co-operate closely.

Ten years ago, examples of this kind of co-operation in public works were extremely rare.

For the public and in practice, the distinction between public sector and private sector projects was very clear. One presumed that public works like roads, sewers, energy production were carried out by governments and financed with tax revenues. This perception has changed entirely over the last few years.

In all the industrialized world and at all levels of government, we see private companies and consortiums take on infrastructure work that was previously the preserve of the public sector.

Conditions can change, but the basic principle is that the private sector makes the necessary financing arrangements and assumes most of the risks in exchange for the right to acquire or rent the facility and charge user fees.

It is quite clear that Canadians are also changing their opinion on how we can modernize our infrastructure. According to a recent study by the Canadian Construction Association, for example, close to 58 per cent of Canadians agree that we should ask users of freeways to pay for the construction of a network which is financed by the private sector, instead of imposing a tax on gas or special levies.

• (1330)

One of the main reasons for this changing attitude is the alarming debt burden all levels of government are faced with as well as the disgust more and more Canadians feel towards their government, which keeps increasing taxes to finance costly megaprojects. Yet we must renovate our infrastructure, especially in the transportation, communication and energy areas, if we want to remain competitive on the world market.

That is why the principle behind letting the private sector finance and build much needed public facilities is becoming more and more interesting.

Although Canadians generally support this principle, they do have some legitimate concerns about joint participation of the public and private sectors in infrastructure projects. The public wants to be sure it will not be asked to bail out ill-conceived and underfinanced projects. It wants to be sure that private contractors will meet environmental standards. It wants to make sure that the cost will not become prohibitive, once these facilities are put in the hands of the private sector. It wants to make sure that the decisions concerning co-operative projects are made

openly, in the best interests of the public and not only of the government's friends.

Given these facts, the Northumberland Straight bridge project is of particular interest at this time. During the development of this project, public concerns were carefully considered. The go-ahead was given only after a very open and public review. The deal was signed only after financial soundness was ascertained.

Virtually all the risks associated with the construction and operation of the facility will be borne by the promoter. The fare structure and the appropriate fees will be carefully regulated through federal legislation. Our government is firmly committed to supporting the renewal of this country's infrastructure both in terms of job creation and in terms of enhancing our long term efficiency and competitiveness.

The President of the Treasury Board, who is at the helm of our infrastructure program, publicly invited the private sector to take an active part in this initiative. With this new approach, I think that we have every reason to regard the fixed link project as an excellent model of joint venture implementation and public interest protection. This project has undergone an extremely stringent and comprehensive environmental assessment.

Allow me, Mr. Speaker, to add a few words to what the minister said about how great the project is with regard to the environment. Much has been written on this issue. For the best part of the five years it took to develop the project, environmental considerations have been the primary concern of both the government and the promoter. Of course, this project has been subjected to the most thorough environmental assessment ever conducted on a project of this magnitude. In fact, 90 analyses were carried out, as the minister pointed out this morning, of the impact the bridge will have on the environment. Ten thousand people from both sides of the strait were consulted, and the discussions were very open and honest. The people have had many opportunities to speak on the requirements of the project during the 90 or so public hearings that were held.

• (1335)

The project meets all the technical and environmental requirements.

Let me remind you, if I may, of the result of the last court challenge: the Federal Court concluded that the government's environmental assessment process had been much more thorough than required.

I think that this project will be well received by the people for whom it is so very important that we pay close attention not only to the technical quality of construction but also to the protection of the environment.

That is also why I am sure that this project will set new standards in terms of public consultation and care for the environment.

I am especially pleased to notice that even if construction has already started, this crucial question will continue to be a central concern for the promoter as well as for the federal and provincial regulatory agencies.

The contractor will have to follow a very strict environmental management and protection plan. The project will be continually monitored to ensure that it remains environment friendly.

I fully support this project not only because it is a good thing, but also because it generates substantial economic activity as well as much needed jobs and, more important, it is environment friendly.

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, the House of Commons is being called on today to approve or reject a government motion to amend the Constitution of Canada under section 43.

This section enables the House of Commons and a particular province to amend the Constitution on various points which, in my opinion, are very diversified and wide-ranging. It would have been interesting if the Canadian government and the provinces had found enabling procedures for Quebec when it wanted to endorse the 1982 Constitution Act through the Meech Lake Accord, in order to become an equal partner.

During this speech, if I may, I would like to go back to the Constitution, because that is what we are dealing with here, despite the fact that the Prime Minister does not want to talk about it any more. I would now like to raise some issues relating to Bill C-110, that passed third reading in September 1993.

Some Islanders have been worried about the fixed or mobile link with Canada's mainland for many years, ever since Prince Edward Island joined Confederation. Others prefer to keep the island as it is and to lead quiet lives in the country of their ancestors.

Our fellow citizens in Prince Edward Island wanted a link with the mainland so badly that they decided a few years ago to settle this issue in a plebiscite. This plebiscite, held in January 1988, showed that a majority favoured the establishment of a fixed link between the Island and the mainland.

• (1340)

No one in the government or the Official Opposition is against the will of the population. But let us not forget that this will is as valid for the people of Prince Edward Island as it is for those living on Vancouver Island, the Magdalen Islands and even Newfoundland, if bridge technology allowed it.

Unfortunately, there are prerequisites to the implementation and development of megaprojects. Allow me to point out five prerequisites I regard as essential. First, the projects must be carried out legally; second, we must have the necessary financial resources; third, the environment must be protected; fourth, this megaproject must benefit the population and help to create jobs; finally, we must ensure that all Canadian citizens can be treated the same way.

I would like to see if the conditions I just listed are met by this project.

As far as legality is concerned, as I was saying at the beginning of my speech, part of the population, in a plebiscite, authorized the Prince Edward Island provincial government to go ahead with the project. But the other side, brought together in the Friends of the Island Coalition, strongly objected to this project for different reasons. First, the dangers for the lobster and scallop fishery, migratory birds, the environment and the Islanders' tranquillity.

We must not dismiss this group which opposes this project. It applied to the Federal Court, which issued an order requiring the Minister of Public Works to conduct an environmental assessment pursuant to section 12 of the Order in Council in relation to the developer's detailed construction plan, before making any final decisions which may have irreversible environmental consequences.

On April 22, 1993, the specific environmental assessment prepared by Jacques Whitford Environment Consultants for Strait Crossing Inc., at Ottawa's request, was presented.

Although this study shows that this project is not harmful to the environment, as we agree, the Friends of the Island do not accept the decision and have appealed. The Court of Appeal upheld the lower court's decision, which apparently means that the project is now legal, but we must raise questions about its morality. The opponents will watch everything the developers do as they carry out the project.

Now let us talk about the financial resources. A few weeks ago, Canada's national debt passed the $500 billion mark, not counting provincial and municipal debt. I will be very brief in my financial evaluation. The federal government now pays Marine Atlantic around $21 million a year for the cost of the ferry service between Prince Edward Island and the mainland. The ferry service is adequate and fits in with the local environment very well.

Several years ago, the federal government announced that it was considering building a fixed link under one main condition: that the costs not exceed the price of the ferry service for the same period. Yet, the federal government is about to give to the private sector an annual subsidy of $42 million, in 1992 dollars, for the construction and management of the bridge, over a period of 35 years. This represents close to $1.47 billion, in constant dollars, for the whole duration of the contract. From that angle, no one can claim that the fixed link project is self–financing. Can Canada afford to spend $21 million a year, this on top of what it is already paying for the ferry service?

We are not opposed to the principle that Prince Edward Island is entitled to a ferry service subsidized by all Canadian taxpayers. In fact, this commitment greatly facilitated things when PEI joined Confederation; it was an historic constitutional compromise.

We do not oppose the fact that the federal government continues to fully respect this constitutional right, although I must point out that this same government was not as generous in the past when dealing with Quebec's historic constitutional rights. Remember what Mr. Trudeau did in 1982. It is because of episodes like this one that Quebec is irreversibly headed for sovereignty.

• (1345)

Moving on to environmental concerns, in spite of all the studies conducted and the approval obtained from both the trial and appellate divisions of the Federal Court, there is no question that during construction and most likely afterward, the lobster and scallop fisheries will be disrupted because of the underwater movements resulting from the construction of a fixed link. The proof is that plans have been made to set aside $10 million every year to compensate the 240 fishermen affected by the construction of the bridge. We are only talking here about the construction phase. What will happen to the fishery once the fixed link is in operation? Will the government have to continue paying the $10 million in compensation? Are the fishermen supposed to rely on unemployment insurance to get by? Will they be joining the growing ranks of unemployed fishermen throughout the Maritimes and Quebec?

I would now like to examine the issue of job creation and the benefits to be derived from this megaproject by the residents of Prince Edward Island and New Brunswick. During the construction phase, more than $1 billion will be invested and normally, this should result in the creation of temporary jobs and bring about some semblance of prosperity.

Initially, the project backer will have to bring in workers from across North America. This is the case with of all megaprojects. Since this is a pan–Canadian venture, we are counting on Quebec construction workers to figure prominently in bridge construction activities. Quebec workers—and there are many of them in my riding of Beauport—Montmorency—Orléans—are known for their skills and willingness to work on megaprojects. Need we remind people that Quebecers worked on some of the largest hydroelectric projects in North America, if not the entire world. I am confident that initially, the unemployment rates in both provinces affected will decline substantially. However, the question we need to ask is this: Does the Government of Canada

and do the residents of Prince Edward Island and New Brunswick want temporary jobs?

The municipal infrastructure program provides for the creation of temporary jobs across Canada, including the two provinces just mentioned, the aim being to get the economy going again. However, we cannot continue to let people dream, and then leave them to fend for themselves when the temporary jobs end. Creating temporary jobs causes no great harm, but eliminating permanent jobs is downright criminal.

Currently Marine Atlantic employs 420 persons on a permanent basis. These jobs have been around since 1917. Upon completion of the bridge over the Northumberland Strait, there will be a net loss of 360 permanent jobs. The company will need only 60 people to operate the bridge. Of course this does not include all the jobs lost in the shipyards in the Maritimes and Quebec, including MIL Davie in Lauzon, which builds and repairs the ferries that connect Prince Edward Island with the continent. What are we going to do with these 360 people? Negotiate allowances? Invest in skills upgrading and relocation allowances, if necessary? That is a problem we will have to consider when we vote on this motion.

I mentioned the loss of 360 jobs, but I did not mention the potential loss to the communities in Borden and Cape Tormentine which will see a significant drop in economic activity. A special development fund of up to $20 million will be created to help them. However, $20 million can provide relief only for a limited period of time. Then what will happen to these people? And this amount adds to government spending.

A final criterion: fair treatment of all Canadians. As I see it, we have a mandate to be fair to the people we represent. Although the construction of this fixed link is financed partly by the private sector, the Government of Canada is committed to paying an annual contribution of $41.9 million in 1992 dollars, indexed for a period of 35 years, which, as I mentioned before, works out to a total of $1.47 billion.

• (1350)

This subsidy enabled Strait Crossing Finance Inc. to obtain financing through a private bond issue worth $660 million. The bonds have a triple–A rating, the best guarantee that can be given to the banks. Furthermore, the government agrees not to retain from the subsidy money owing from debtor companies in the case of tax default, for instance, so that potential investors enjoy the same guarantees they would have in the case of government bonds.

Once again, I would like hon. members to remember when they vote on this motion, that we were sent here by our constituents to ensure all citizens are treated fairly. If other provinces have a similar request, are we in a position to give them the same treatment? We do not have to amend the Constitution to have an ultra high speed train in the Quebec–Windsor corridor. One could say the same about giving the Magdalen Islands a new ferry from MIL Davie Shipyards in Lévis. When these items are tabled in the House, we should be as open–minded as we are today about the bridge between Prince Edward Island and New Brunswick, and our decisions should always be based on the five principles I just described.

I want to say that this House should always be very circumspect when deciding how taxpayers' money will be spent. I am convinced that partisan considerations are inappropriate when discussing projects that will be part of our legacy to future generations.

As the Official Leader of the Opposition said this morning, the House of Commons should take into account the democratic choices made by people in a plebiscite or a referendum.

In concluding, I would like to say the Bloc Quebecois is always glad to talk about the Constitution.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I wanted to thank my colleague for his speech. I have three questions to ask.

If I understood correctly, my colleague was saying that it was a bad deal. Taking the $40 million or so which the ferries now cost and using that amount to build a bridge over a 35–year period and then not having any subsidy to pay afterward was a bad deal. That is what I understood. Let him correct me if I misunderstood; that is why I am asking the question.

He also talked about "temporary jobs". Of course, when you build a bridge, work begins and then it is over. The jobs will not continue once the project is complete. But is it not true that there is still a possibility, a great possibility, I would add, of creating jobs in tourism, increasing trade and so on? Did my colleague forget to mention these jobs that no doubt will be created or does he believe that no other jobs will be created because of this new bridge?

Finally, I find it interesting that my colleague, who in a way attacked the project, also said, "Let us be open–minded, because when other projects come up, like one for the Magdalen Islands or others that might benefit Quebec, we should be generous". Listen, I want to be generous with you, but I would like you to be generous in this case too.

Mr. Guimond: Mr. Speaker, I would like to tell the member for St. Boniface that I noted the three points. In the first one, he says that apparently I find it is a bad deal. I do not know if you were here at the beginning of my speech.

Mr. Duhamel: I was here and I listened.

Mr. Guimond: You were? Great.

I said that I stand with my party; we are for the project, but I simply said that when it comes to megaprojects, we must be cautious and take some principles or prerequisites into account. I referred to the questioning and the whole process that had been followed before. I mentioned the environmental concerns of Friends of the Earth and others.

• (1355)

In conclusion, I am not against the project; I do not say that it is a bad deal. All I am saying is that we must be cautious about investing 1.47 billion in 1992 dollars in a difficult period like this. It is simply a message of caution that I was getting across. I am not against the project and neither is my party nor was my leader this morning.

About the temporary jobs, it is the same reasoning as for the present infrastructure program. Once the street is paved or the sidewalk is built, there is nothing more to do. The street will not be repaved for years.

What I said is that once the bridge is built, only 60 permanent jobs will be created to operate the bridge and the jobs of the 360 ferry workers will be lost. You mention tourism development on Prince Edward Island and I agree with you that it—

The Acting Speaker (Mr. Kilger): I would just like to remind the hon. member and all our colleagues in the House to avoid addressing one another directly and to go through the Chair, please.

Mr. Guimond: Mr. Speaker, I was in full oratorical flight, since I am a passionate man, but you are right to call me to order.

Yes, we agree that tourism will develop on Prince Edward Island as a result. The question is, given that it is an island, is the tourism structure limited by geography? I agree with the hon. member that there will be development, no argument on that point, but I was talking about the temporary jobs building the bridge.

As for open–mindedness, I am sure that my colleague understood what I meant. When the time comes to discuss in this House or in committee the need for a high speed train between Quebec City and Windsor and to give the MIL Davie shipyard the contract to the Magdalen Island ferry, which will maintain 10,000 direct and indirect jobs in the Quebec City region—we are talking about maintaining jobs. It is important to create jobs, but it is also important to maintain them. The Official Opposition has shown that it is not narrow minded. It has shown openness and I am sure that hon. members opposite will show the same openness when the time comes to discuss the two issues that I mentioned, the high speed train and the ferry.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Just a point of clarification, Mr. Speaker. I think that you can count on the Liberal Party to be very open minded. Open mindedness has always characterized our party and I believe it will still be the case in the future.

If I am not mistaken, my colleague said he was in favour of the project, and so is his party, but he also pointed out that Friends of the Island had some concerns about possible environmental impacts.

Does my colleague think that these concerns are so serious—of course we will be careful but just the same—as to warrant stopping the project? Has enough been done so far, with 90 analyses and the 80–odd meetings? Is there enough evidence to allow us to proceed with the project with some assurance that it will go well, that it is not too risky?

Mr. Guimond: Mr. Speaker, the answer is no, the project must not be stopped, it must go forward. I think that our stand is clear on that. On the other hand, if the project has no impact on local lobster and scallop fishermen, why did the government feel the need to compensate them? This would mean that compensation is paid for nothing.

I am not saying that the concerns of the group were futile, just this: even if its action was dismissed by the courts, the group will have to keep a watchful eye on things to make sure that the project will be as environment friendly in reality as studies claimed it will be. That is the point I was making about the environment.

• (1400)

[*English*]

The Speaker: Order. It being two o'clock p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members.

STATEMENTS BY MEMBERS

[*English*]

TEACHING EXCELLENCE IN SCIENCE, TECHNOLOGY AND MATHEMATICS

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, this morning the recipients of the Prime Minister's Award for Teaching Excellence in Science, Technology and Mathematics were honoured. The 17 recipients, coming from all parts of Canada, are all exceptional teachers. They have formulated and put into practice innovative teaching methods.

In my riding, Mr. Richard Hopkins, a teacher at Napanee District Secondary School, is cited for creating an applied science and technology program which responds to local community needs. The students gain invaluable practical experience. There can be no greater testimony to Mr. Hopkins' ability than the fact that it was his students who nominated him for the award.

I note that the award winners are presently in Ottawa. I ask the House to join me today in congratulating all 17 worthy recipients of this national award.

* * *

QUEBEC SOVEREIGNTY

Mr. Jean H. Leroux (Shefford): Mr. Speaker, in yesterday's *Montreal Gazette*, one could read "Anglo–Catholics demoralized by Bloc victory". On behalf of my party, the Bloc Quebecois, I would like to reassure my fellow anglo–Quebecers. We have been elected by the people of Quebec to promote and prepare the sovereignty of Quebec. Perhaps now is the right time for the English speaking of Quebec to join us, to get more involved in the preparation of Quebec's future.

Let us look forward together. Doing this would make the process of change easier for us and the rest of Canada, hopefully side by side in harmony as partners in a new deal.

* * *

RECALL LEGISLATION

Mr. Randy White (Fraser Valley West): Mr. Speaker, many people in the riding of Markham—Whitchurch—Stouffville have expressed the desire to initiate recall proceedings to replace their elected member of Parliament.

The majority of people in my riding of Fraser Valley West want recall legislation to ensure that I and those who follow in my footsteps are held accountable.

My colleague from Beaver River, Alberta, has twice submitted a recall bill because neither the Liberal nor the Conservative governments want to be held accountable to those who elect them.

It is time that the 295 people in this House acknowledge the wishes of the vast numbers we represent and provide them with the rights they deserve and the accountability we require.

Let us all together acknowledge the need to represent Canadians to the best of our ability and the right of Canadians to recall us if we do not. Let us all commit to recall.

* * *

TEACHING EXCELLENCE IN SCIENCE, TECHNOLOGY AND MATHEMATICS

Ms. Paddy Torsney (Burlington): Mr. Speaker, two exemplary teachers from the Halton Board of Education were honoured with the Prime Minister's Award for Teaching Excellence in Science, Technology and Mathematics.

I extend my congratulations to Mr. Robert Loree and Mr. Keith Clark.

The qualification for winning this award is that a teacher must have shown a major impact on student performance and interest in science, technology and mathematics. Mr. Loree developed the Science Can! Foundation. Over 10,000 students in three provinces have participated in this highly successful organization. Mr. Keith Clark led teachers in developing the grade nine destreamed science curriculum.

Encouraging the interest and participation of students in the fields of mathematics, science and technology is critical to ensuring that Canada will be able to continue to compete in the 21st century.

I am certain that the hon. member for Oakville—Milton, the hon. member for Halton—Peel and the rest of the Government of Canada members join me in congratulating Robert Loree and Keith Clark and the rest of the recipients of this terrific award.

* * *

ACADEMY AWARDS

Mr. John Cannis (Scarborough Centre): Mr. Speaker, as a member of the Standing Committee on Canadian Heritage, I would like to bring to the attention of the House that last week the Academy of Motion Picture Arts and Sciences announced the nominations for this year's Academy Awards ceremony to be held in Los Angeles on March 21.

Once again the excellence of Canadian film making was recognized with the nomination of two highly regarded projects. The first, "The Mighty River", directed by Frédéric Back and produced by Hubert Tison at the Société Radio–Canada, was nominated as Best Animated Short Film.

The second, "The Broadcast Tapes of Doctor Peter", produced by David Papernay and Arthur Ginsberg at the Canadian Broadcasting Corporation in Vancouver, was nominated as Best Feature–Length Documentary Film.

I would like to congratulate our nominees and recognize the quality and dedication of our public broadcasters. They deserve our continued support.

* * *

• (1405)

MULTICULTURAL WEEK

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, this week in British Columbia we celebrate multicultural week. Multicultural week started in 1984 to celebrate our cultures and traditions. In British Columbia, where multiculturalism has played such an important role, all people come together to share and understand each other. Cross–cultural education has destroyed many barriers and is helping in the fight against racism. Multiculturalism teaches us about people and helps us all understand and appreciate each other.

Lectures, meetings and cross–cultural events will take place during the week, giving all people a chance to dismiss our biases and myths and to immerse in a wonderful world of differences and similarities.

Multiculturalism applies to all of us. We all have a culture, we all have ethnicity. Let us all celebrate in the spirit of understanding that permeates this week–long event and that will unite all people in British Columbia.

Happy multicultural week to our British Columbians and a vote of thanks to all those who have spent hours of volunteer work to promote and keep all cultures of Canada alive.

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[*Translation*]

BISHOP WILLY ROMÉLUS

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Mr. Speaker, I wish to bring to the attention of this House that His Lordship Willy Romélus, Bishop of Jérémie, in Haiti, was recently recommended for a Nobel Peace Prize nomination by Professor Roberto Miguelez, of the University of Ottawa, and that since that time, many organizations have also supported his nomination.

It is worth recalling that for several years already and at the risk of his life, on which attempts have been made many times, Bishop Romélus has been leading the fight for the liberation of the Haitian people. As early as February 1984, Bishop Romélus was calling for internationally supervised elections in that country and on February 22, 1993, he received the Governor General of Canada Medal.

In view of that, Bloc Quebecois members have decided to support his nomination and are hoping that many other members will follow.

* * *

[*English*]

MICHELLE MORTON

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I rise in the House today to recognize an outstanding Canadian athlete, one who lives in my riding of Calgary Southeast. Michelle Morton is a speed skater competing in Lillehammer this week as part of our Canadian Olympic team.

Michelle embodies the spirit of what we are all about as Canadians. Great hopes coupled with hard work have achieved results which for her were not completely expected. Michelle has recurring attacks of asthma and it is her focus and determination that now place her as a powerful member on the Canadian roster.

Her persistence as a competent athlete at both the provincial and national levels demonstrates that obstacles can be overcome in the pursuit of a dream and we are proud of that achievement.

On behalf of all of the residents of Calgary Southeast I send our encouragement, admiration and affection.

Go get them, Michelle.

* * *

[*Translation*]

CANADA SCHOLARSHIPS

Mr. Martin Cauchon (Outremont): Mr. Speaker, on Friday, February 11, I had the honour of representing the government in my riding of Outremont at a ceremony where 97 students from the University of Montreal received awards from the Canada Scholarships Program. These scholarships are awarded to students who excel in science and engineering. During this ceremony I was able to witness the attachment of many of them not only to their province, but also to Canada. After the ceremony, one of the students asked me why the scholarships were taxable. They felt the government was giving with one hand and taking back with the other.

I draw the attention of the ministers responsible to that, because these hard–working students are the bearers of the values of excellence we seek to promote. They will be the leaders of tomorrow, and we should give them all the help we can give. Canada Scholarships are certainly a good program but if we do not tax lottery prizes, should we tax scholarships?

* * *

[*English*]

JOB TRAINING

Mr. Tony Valeri (Lincoln): Mr. Speaker, a key issue in the Liberal campaign platform is getting Canadians back to work. One way this will occur is by strenghthening and assisting the small and medium–size business sectors.

We all know of small businesses that have had difficulty obtaining proper financing. The Canadian Federation of Independent Business makes the point that equity markets are biased toward large firms. The only way to relieve the equity problem of small firms is to create incentives for Canadians to invest their savings in private businesses to create wealth and jobs in local communities across the country.

• (1410)

With so many Canadians facing retraining, the government must begin to acknowledge that informal training provided by small and medium–sized businesses is a critical dimension to the retraining taking place. The government must develop training initiatives which support small businesses involved in retraining in the informal setting.

Our public funding of skills development should focus on literacy and generic skills. Maximum autonomy should be placed at the local community level to determine training needs and outcomes.

If any of these recommendations are adopted it would help spur a recovery in the small and medium–sized business sectors and assist in the recovery of the Canadian economy. This is, after all, what Canadians have asked for.

* * *

OLYMPIC WINTER GAMES

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, in a world rife with conflict it is easy to overlook the fact that the Olympic games were created for the purpose of gathering nations together under a banner of peace. The five rings of the Olympic flag symbolize the joining of all five continents in the spirit of athletic competition.

Despite the bitter war in former Yugoslavia, hope for peace in Europe now rests in Lillehammer, Norway.

I am therefore very proud of one of my constituents from Parkdale—High Park who is representing Canada at the 17th Olympic Winter Games. Kennedy Ryan will compete in free–style skiing in which she will join young athletes from around the world.

Let us not overlook the spirit of the games. I congratulate the Ryan family and friends who are just as proud as I am of all of our Canadian Olympic athletes.

* * *

[*Translation*]

CHILE

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, as you know, I am a Quebecer born in Chile, a country I love with all my heart, and which lived under a long military dictatorship until 1989, when Patricio Aylwin was democratically elected president.

His mandate will end on March 11 when he will be replaced by Eduardo Frei, who was elected last December.

Every nation in the world has been invited to send a delegation to the ceremonies marking this handing over of office. More than 20 heads of state have already confirmed that they will attend this major event.

Chile is particularly important for Quebec and Canada.

It is therefore desirable for Canada to send a ministerial delegation to represent our country on March 11. I strongly urge the government to do so.

* * *

[*English*]

THE ECONOMY

Mr. Ted White (North Vancouver): Mr. Speaker, I am disturbed to note that the Canadian dollar dropped by more than half a cent yesterday, continuing a rapid decline which started after the last election.

Since the end of October 1993 the dollar has lost more than two and a half cents, raising the cost of imports and increasing the risk of rapidly escalating interest rates in the near future.

The Minister of Finance has not publicly set a target level for either the dollar or interest rate levels. I urge him to do so as soon as possible so that Canadian businesses and citizens can make plans for future spending.

The minister must be aware that upward pressure on the cost of living will result from the decline of the dollar. I hope that he is not trying to inflate his way out of an impending debt crisis rather than take positive action to reduce government spending.

The message from the people of Canada is clear. Cut out entire segments of government and grants to special interest groups rather than raise taxes or permit a major decline in the Canadian dollar.

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TEACHING EXCELLENCE IN SCIENCE, TECHNOLOGY AND MATHEMATICS

Mr. Ovid L. Jackson (Bruce—Grey): Mr. Speaker, I rise to bring to the attention of the House and to give our congratulations to the 17 national level winners of the Prime Minister's Award for Teaching Excellence in Science, Technology and Mathematics.

I would especially like to mention Mr. Douglas H. Cunningham of Bruce Peninsula District High School in Lion's Head, a village in my riding of Bruce—Grey. He is a recipient of the award at the local level.

Mr. Cunningham is an example of excellence and enthusiasm in instilling in our youth those skills critical to the future of a healthy Canada.

I know that the Bruce Peninsula District High School in Lion's Head is known for the outstanding students it produces, especially in the field of science. The people of Bruce—Grey riding salute Mr. Cunningham for his outstanding contribution.

I know that members of this House will join with me in recognizing and congratulating, on behalf of all Canadians, all the winners of this well deserved award.

* * *

[*Translation*]

WINTER OLYMPICS

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, a great sense of pride filled the heart of all Canadians, on the day before yesterday, when Edi Podivinsky won the bronze medal in men's downhill skiing in Kvitfjell, Norway.

[*English*]

Edi is only the second Canadian to win an Olympic men's skiing medal. His achievement is matched only by Steve Podborski's result in the men's downhill at the 1980 Lake Placid Winter Olympics. To achieve excellence in his event Edi Podivinsky had to overcome the pain of injury and adversity. He is an athlete with the determination to meet every challenge.

Sport is at the heart of the Canadian identity. It gives Canadians a sense of pride, mutual respect and confidence in our ability to succeed.

In the spirit of our rich sporting heritage the Canadian government is proud to be a partner in building sport for the future and in supporting the development of our heroes such as Edi Podivinsky.

[*Translation*]

On behalf of all members I would like to congratulate Edi Podivinsky for his remarkable achievement.

ORAL QUESTION PERIOD

[*Translation*]

ORGANIZED CRIME

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, last night on *Le Point*, Radio–Canada broadcast a report from a smuggler which confirms there are close ties between the warriors and organized crime in Montreal.

In another article published today by journalist Michel Vastel, we read that last autumn, the RCMP cancelled two police operations that were to take place on a Mohawk reserve near Montreal.

Could the Solicitor General or the Prime Minister inform the House whether they obtained answers from the RCMP to the questions I asked yesterday about warriors involvement in certain criminal activities of organized crime in Montreal?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I discussed the matter with the Commissioner of the RCMP this morning. He informed me that the RCMP enforces the law throughout the country and that it had no knowledge of a drug warehouse on an aboriginal reserve in the Montreal area.

I may add that we must take very seriously the information I was given by the RCMP commissioner, who is one of the world's leading police officials.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, with all due respect for the work of the RCMP, one nevertheless wonders how the RCMP could be expected to know what is happening down there if it does not go there.

I also wonder how we can reconcile the minister's answer with what was said by the person who appeared on television last night and claimed to have been an eye witness to the facts I just reported.

The Prime Minister says: Name names. Who, who? Well I can name Minister Claude Ryan of the Quebec government who, for many years, was responsible for the Sûreté du Québec and who said yesterday he had known for years that organized crime and the warriors were working together. Perhaps the RCMP should talk to the Sûreté du Québec or the Solicitor General could talk to his Quebec counterparts.

Once again, my question to the Solicitor General is this: Could he tell the House who in the federal government, at the political level or otherwise, ordered the cancellation of a major police operation planned last December by the RCMP and the Drug Enforcement Agency on reserve territory? Who cancelled the operation? There was a government here last December.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, of course I cannot comment on the RCMP's operations. Does the Leader of the Bloc Quebecois want to jeopardize the outcome of these investigations with his questions? I wonder why he is asking me these questions today.

Hon. Lucien Bouchard (Leader of the Opposition): The Leader of the Opposition is merely transmitting questions that are being asked all over Canada, questions that are reflected on television and in reports in the newspapers. It is a very legitimate question. We have a right to know. Canadian and Quebec voters have a right to know whether the law is being observed and whether there are in this country certain "no go" zones for law enforcement. And the Solicitor General has a duty to answer these questions.

• (1420)

Which reminds me, I have another question which is even more specific: Could he confirm the allegations published in today's newspapers that the chief of the squad in charge of anti–drug operations at the RCMP prevented his officers from going on reserve territory to pursue surveillance operations and make arrests?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I can assure the Leader of the Bloc populaire, excuse me, the Bloc Quebecois—it is not very popular right now—

Some hon. members: Very popular!

Mr. Gray: Thus, I can assure the leader of the Bloc Quebecois that there are no "no go" zones in this country, including aboriginal reserves. I cannot confirm the allegations made in the article by Mr. Vastel which appeared today, but I repeat that the government intends to ensure that people obey the law across

this country. And I hope I can count on the Leader of the Opposition to fully support our policy in this respect.

Mr. Michel Gauthier (Roberval): Mr. Speaker, given the statements made yesterday by the former Quebec Minister of Public Security, it is clear that the only person in Canada not to know that the RCMP and the Sûreté will not take action on Mohawk land is the Solicitor General of Canada.

Both he and the Prime Minister told us during the course of a debate that the situation was extremely delicate and that caution had to be exercised. Why does he maintain that the RCMP can take action on Mohawk land without any problem whatsoever, considering that even the Prime Minister stressed the delicate nature of the situation several days ago?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I want to say again that under this government there are no no–go zones.

I do not know what the situation was when the Leader of the Opposition was in the Conservative cabinet. He may want to tell us himself, but I can say there are no no–go zones right now. It is the intention of this government to have the law enforced everywhere in the country. Just because we do not see mounted police on television does not mean they are not at work on the reserves or anywhere in Canada where there is work to be done to enforce the law.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, since RCMP authorities have confirmed that in addition to cigarettes, smuggling networks deal in luxury items such as clothing, jewellery and alcohol, how can the Solicitor General expect us to believe that these networks would not be used to deal in the most lucrative item of all, namely cocaine?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the opposition House leader must have been in a dream world the last week or so. If he had not been, he would have heard the leader of our party, the Prime Minister, and myself saying that the reason we have to act immediately after years of neglect, including the period when the Leader of the Opposition was in the Conservative cabinet, was that there were smuggling networks involved not only with tobacco but with alcohol, drugs and high powered military weapons.

We said that right in this House. That is why we have enhanced enforcement efforts all over the country. Rather than this type of approach by the Official Opposition, I would think it would express support for the efforts we are taking which go far beyond what was the case when the Leader of the Opposition was on this side of the House as a member of the Conservative cabinet.

* * *

GOVERNMENT EXPENDITURES

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

As new members we have now sat through numerous government briefings in which we have been presented with departmental and program mission statements, mandate statements and statements of objective. We notice that very few of these statements contain any reference to the serious financial position of the government or the interests of taxpayers.

• (1425)

Would the Prime Minister, this week, direct all departmental program and agency heads to revise their mission statements to include deficit reduction and maximizing benefits to taxpayers as explicit goals of every department, program and agency of the Government of Canada?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if I were to do it this week I would be late. I did it the first day I formed the government.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): I will ask the ministers to make sure they run a lean, effective government and to make sure taxpayers are getting service for the tax dollars they pay.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a supplementary question for the Prime Minister.

As the Prime Minister knows, over 70 per cent of the net expenditures of the government are statutory expenditures and not voted on annually by the House.

Would the Prime Minister consent to bring the review of statutory spending within the purview of the House and its committees on an annual basis?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the hon. leader of the Reform Party will know that there will be budget bills in front of the House and that he will be able to present amendments. If he wants to reduce old age pensions of course we will vote against it.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a further supplementary question. Perhaps we will get further this time.

The Auditor General points out that federal revenues from user fees, from government facilities, services and goods exceed

$3 billion annually but that these fees are not subject to regulatory review or parliamentary scrutiny.

Would the Prime Minister direct the Treasury Board to provide Parliament with a government-wide summary of user fees being charged, the revenues raised and the authorities under which they are established?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, revenue information is provided in various levels of detail both in the public accounts which have now been filed with the House as well as in part III of the estimates.

We certainly want to be in a position to provide whatever information we can to be helpful to parliamentarians. We are reviewing the whole matter with respect to what improvements could be made in presentation and disclosure in that connection and to determine the appropriate information that would be helpful to members.

I will be writing to parliamentary committees to seek their advice on what types of information with respect to user fees they would find useful in their deliberations.

* * *

[*Translation*]

EUTHANASIA

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, in 1991, the Conservative government introduced Bill C-261 on euthanasia and cessation of treatment, which was later dropped from the Order Paper. A private member's motion on the subject was debated in March 1993, and the House rejected this motion.

Instead of having a debate of no consequence on the issue, will the government table a bill to decriminalize, under certain circumstances and conditions, the act of assisting the terminally ill to put an end to their suffering?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the government intends to provide through Parliament a forum for informed discussion of the important and complex issues this subject raises.

At a time that we will announce and by means that we will develop through discussion in caucus and cabinet, we will furnish to the House an opportunity to explore the public policy questions that arise, and likely in a free vote an opportunity will be afforded for each member of Parliament to express her or his view on these questions. The matter will come forward to this House in an informed way so that the issues around this terribly difficult but important subject can be addressed.

• (1430)

In closing may I remind my hon. friend that the vote last year on the private member's bill was taken in the shadow of the judgment of the Supreme Court of Canada in the Rodriguez case. Many members felt it was best to await the outcome of the court's determination before having Parliament act. We now have the judgment in that case. We know that the judges feel it is our responsibility and we intend to discharge it.

[*Translation*]

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, does the minister not recognize that it is pointless to hold yet another debate if it does not result in legislation, especially since the Supreme Court has concluded that Parliament must settle the issue one way or another, not just talk about it?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can assure the hon. member that we will find a way to put the question before the House so it is not academic. It will be meaningful. If it involves a proposal for change in legislation with a free vote then that is exactly what we will do.

* * *

GOVERNMENT EXPENDITURES

Mr. Charlie Penson (Peace River): Mr. Speaker, my question is for the Minister of National Defence.

In 1983 four household moving van lines were convicted of price fixing and are now under a prohibition order, of which I have a copy. Yet only these four van lines can bid on the department's moving business, from which 900 other moving companies are effectively excluded.

Can the minister provide a statement of whether its present government tendering practice is contrary to the letter or the spirit of the prohibition order or in fact may be illegal?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, certainly I have no knowledge of any action the department is involved in that is illegal. I am sure it is not the case.

I answered a similar question from my colleague from Waterloo a few weeks ago. The matter is being looked into and I will get back to the House at the earliest opportunity. At the moment it is somewhat premature to comment any further.

Mr. Charlie Penson (Peace River): Mr. Speaker, a supplementary question for the minister. I am still waiting for the answer to a question from two weeks ago. In the meantime the government tender closed on February 12 for this year's moving business.

Can the minister assure us that these tender bids will be open to public scrutiny when they are opened?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, under the arrangement we have with the company involved, any changes to the regime have to be made by July of the previous year. The former government did not make that change. We have until July 31 of this year to address the situation. I assure the hon. member we will address it.

* * *

[*Translation*]

TAINTED BLOOD

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health. The inquiry on the tainted blood scandal started its hearings yesterday in Toronto. We found out that the victims only had until March 15 to accept a compensation settlement and to abandon any legal claims. The victims who do not sign this agreement would not receive any compensation.

Does the minister recognize that this is shameless blackmail, a real holdup unworthy of a civilized society?

Hon. Diane Marleau (Minister of Health): I should explain, Mr. Speaker, that the March 15 deadline was set by the provinces for a provincial program that was accepted by the provinces and not for a federal program.

Mrs. Pauline Picard (Drummond): Mr. Speaker, will the minister make a commitment, in the name of compassion and decency, to pay interim compensation without asking the victims to abandon any legal claims?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, Justice Krever was commissioned to review the safety of the Canadian blood system and to make recommendations on how it can be made even safer. I fully support the inquiry and will do everything to ensure its success.

In reply to the hon. member's question, I say again that the March 15 date is part of a provincial program to help the victims of tainted blood. Perhaps she could direct her questions to another level of government.

* * *

● (1435)

JOB TRAINING

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, recently on the TV program "Venture" it was revealed that the type of training unemployed Canadians are getting through human resources development not only does not help but may actually hurt their chances of getting a job.

My question is for the Minister of Human Resources Development. Will the minister table the human resources development document that was quoted in the "Venture" program and call for an immediate free debate on the future of job training in Canada?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I am not sure where the hon. member has been but a week or so ago the House had three days of debate on the whole issue of employment, training and social security.

I would suggest he start reading his news clippings and *Hansard* so he can be up to date on what Parliament is doing before he asks a question.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I am sure the Canadian people will appreciate that answer.

By the time the review of social programs is complete the government will have spent over $1.5 billion on what, according to the minister's department, is useless training. So as not to waste the time of the unemployed or taxpayers' money, will the minister tell us what steps he is taking to ensure this problem is addressed immediately?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I am very happy to report to the House that yesterday we had a meeting of all the provincial ministers of employment, labour market training and social services, as well as those from the territories. We discussed a number of issues.

One of the things we agreed on was that we take immediate steps to end duplication of services, to look at where there are cost overruns, where we can begin to rationalize programs like training in order to save money and get better delivery of services.

The hon. member should be very happy we have now been able to achieve full scale co–operation of all the provinces, territories and the federal government toward the objective of achieving better training and employment for all Canadians.

* * *

[*Translation*]

TAINTED BLOOD

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, my question is for the Minister of Health. As soon as the inquiry on the tainted blood scandal opened yesterday in Toronto, Justice Krever asked that the mandate of this inquiry be extended by one year, given the complexity of this case.

Does the minister share the opinion expressed by Justice Krever and, as a result, will she extend the mandate of the inquiry so that it can shed light on the whole complex issue?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, as I said earlier, I am quite concerned about this. We must reassure Canadians that their blood bank is safe. Yes, Justice Krever asked for a little more time and we will consider his request, but we are also anxious to see his report. So we will try to give him the answers he wants in order to get the results that Canadians need.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I am sure the minister is aware that rushing the testimony would reduce the extent of this inquiry. As a result, and for the sake of consistency, does the minister not agree that the Canadian Hemophilia Society and the commission should be given the money they need to clear up this whole scandal?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, it is a tragedy our blood system was contaminated as it was in the early eighties. It is essential we understand why it happened and make sure it never happens again.

A budget was set by a previous government. It allows the beginning of the inquiry. I know that cabinet will give consideration to the request for further funding.

* * *

THE ENVIRONMENT

Hon. Charles Caccia (Davenport): Mr. Speaker, my question is for the minister of energy and natural resources.

As she knows carbon dioxide is a primary cause of climate change and poses a threat as a greenhouse gas.

• (1440)

In view of the fact that there is a firm commitment to reduce carbon dioxide levels by 20 per cent by the year 2005, can the minister indicate to the House when she will be in a position to announce a federal–provincial plan for reducing carbon dioxide emissions by 20 per cent?

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, let me thank my colleague, the hon. member for Davenport, for his question on an issue of international concern.

Generally the approach of the government is one of consultation, co–operation and partnership. This is going to be a multi–stakeholder process or strategy that we put in place involving all levels of government, the private sector and individual Canadians.

As the hon. member may be aware, at a historic first meeting in November 1993 federal and provincial ministers of energy and the environment charged their officials with the task of developing a strategy and recommendations to stabilize greenhouse emissions to 1990 levels by the year 2000 and to consider sustainable options for reductions of greenhouse emissions by the year 2005.

It is my expectation that the joint committee will report in November 1994. I am sure at that point the government will be developing further working plans in relation to our commitments.

* * *

THE BUDGET

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, my question is for the Minister of Finance.

The minister stated in the House that in the next budget he will reduce the tax allowance for business meals for the sake of greater equity. The best estimates are that this change in the tax code endangers 24,000 jobs in the restaurant industry.

Would the minister please explain to the people of Canada and to the workers in this industry how the likely effects of his proposed tax measures are consistent with his party's campaign slogan jobs, jobs, jobs?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the hon. member's quotation is from a different government.

I would like to confirm that the Minister of Finance made a statement in the House last Friday saying that a budget would be coming down on Tuesday. Such measures as those tax changes that he mentioned will be in the budget, if indeed that is one of the changes.

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, I refer to a statement made right here that this would be something that the minister would do in the budget.

I have a supplementary question. Could the minister please inform the House on the number of manyears of work that will be created by the very capital intensive infrastructure program and how many manyears—

The Speaker: Order. I wonder if the hon. member might put his question in a little more general terms. We are getting into specifics.

Mr. Grubel: Mr. Speaker, I will try to be politically correct.

Some hon. members: Oh, oh.

The Speaker: I do not know that it is so much a matter of being politically correct, it is so that we can understand the question.

Mr. Grubel: I wonder whether the minister could tell the House the number of man years and woman years of work that will be created by the very capital intensive infrastructure program and how many man years and woman years of work will be lost by the lower spending in the very labour intensive restaurant sector.

• (1445)

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, as I said earlier the details of the budget will be given on February 22.

The tax changes the hon. member mentions have not been stated in this House. If there are such changes they will be stated in the budget itself and at that time the answer will be obvious.

* * *

[*Translation*]

SOCIAL ASSISTANCE

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development. In today's newspaper coverage of the meeting of human resources ministers, we learned that the federal government, through its reform of social programs, intends to play a major role in social assistance and deal directly with Canadians, thereby violating provincial jurisdiction in that field.

Will the minister dare to confirm that he is considering abolishing transfers to provinces regarding social assistance and launch a direct payment program for Quebecers and Canadians?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, what I can confirm is that yesterday we had a very co–operative, collaborative discussion with all the ministers from the provinces. We agreed to undertake a major review and re–examination of a number of programs that affect Canadians. That was a clear demonstration of how federalism works well when you make it work well and when you want to make it work well.

We look forward to working together at both levels of government to ensure that Canada's social programs effectively meet the needs of all Canadians.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, very cordial agreements were also reached at Meech Lake and in Charlottetown between the ministers representing the two levels of government. How can the minister explain that his government, which was elected on the platform of no more references to the constitution, is so blatantly violating provincial jurisdiction?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, coming from a member who voted against the Charlottetown agreement it is no wonder she uses that as the model. We intend to do things very differently.

We intend to work in a co–operative way with all Canadians both through the federal and provincial governments. I say to the hon. member that this is not a matter of fighting over turf. This is not a matter of battling over jurisdiction. This is really a matter of how we can co–operate to get the best use of very scarce resources for the benefit of all Canadians.

That is our objective. I am glad to say it was one that was shared by all the provincial ministers at that meeting.

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UNEMPLOYMENT INSURANCE

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance.

On January 1 the government imposed a 7 per cent payroll tax on all workers and employers in Canada in the form of an increase in unemployment insurance premiums, which all economists agree will kill jobs.

How is this tax increase consistent with the government's job creation objectives described in the red book?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the unemployment insurance premium increase that came into effect in January was a minimum amount. At the same time it was announced by the minister that the premiums would be held at a flat level because of the job creation commitment this government has.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, if increasing UI premiums kills jobs, then it follows that reducing UI premiums would create jobs.

When does the minister expect to announce a reduction in UI premiums?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, in the absence of the Minister of Finance with whom I have had many interesting and co–operative discussions on this matter, if the hon. member could curb his patience the Minister of Finance will present one of the most important and significant long term documents this House has seen in a long time next Tuesday.

* * *

• (1450)

IMMIGRATION

Mr. Reg Alcock (Winnipeg South): Mr. Speaker, I have a question for the Minister of Citizenship and Immigration.

Like many other members I have had an opportunity to meet with refugees from the former Yugoslavia. These people are in

terrible shape. They have family members scattered all across the former Yugoslavia or in the surrounding countries.

Can the Minister for Citizenship and Immigration tell us what impact the changes he announced recently will have on refugees in general, but in particular refugees from the former Yugoslavia?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I thank the member for his question and interest in this area.

In addition to our peacekeeping role which is well known to all in this Chamber, Canada has attempted to do its best through immigration and refugee policies to try to alleviate the suffering in that area.

In 1992 the previous government extended a special program whereby individuals from the former republic of Yugoslavia in Canada on visitors visas would be allowed to reunify with their families. We have agreed to extend that program until July of this year. Some 3,000 individuals have taken advantage of that measure. In addition, we have also permitted on a similar family reunification basis for individuals in the former republic of Yugoslavia to apply from there and some 8,500 people have taken advantage of that program.

Also, in the levels that we have announced, 7,300 will be government sponsored refugees. Of that we have increased the number from the former republic of Yugoslavia to 2,400. We have also provided a reserve of 400 that we would not for one moment be shy to use if conditions worsen in that part of the world.

We have every hope that sanity will prevail very quickly.

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[*Translation*]

INTERNATIONAL TRADE

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, in recent days, we witnessed the unfortunate breakdown of trade negotiations between the United States and Japan. If the verbal escalation degenerates into a real trade war between those two countries, Quebec and Canada will likely be adversely affected.

My question is directed to the Minister for International Trade. Is the minister not concerned by the adverse effect this conflict could have for Quebec and Canada?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, throughout the period of negotiation between the United States and Japan we have made consistent and frequent interventions with both countries. This was done to ensure that any trade measures they contemplate on a bilateral level do not sideswipe other GATT members, in other words, that the principle of most favoured nation treatment be preserved in any such arrangements.

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, the Minister for International Trade agrees with our views.

My supplementary question is for the Prime Minister. Would it not be desirable for the Prime Minister to personally inform the President of the United States of Canada's interests and concerns?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, the discussions to which the hon. member refers have been broken off, as he is probably aware, and the United States is acting unilaterally in the protection of what it sees as its trade interests. There is no reason for the Prime Minister of Canada to intervene in that situation.

The concern we had was centred on whether the United States and Japan would agree, which they have not, upon measures that could have affected Canadian trade interests. That has not happened.

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MUSEUM OF INDUSTRIAL HISTORY

Mr. Randy White (Fraser Valley West): Mr. Speaker, my question is for the Prime Minister.

Canadians can remember that the previous Prime Minister provided for a federal penitentiary in his riding at taxpayers' expense. Now the federal government recently approved $4.5 million of funding for a museum of industrial history in Shawinigan, the current Prime Minister's riding.

Is it the intention of the present Prime Minister to equal or exceed the former Prime Minister in delivering federal funding to his own constituency?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, let me tell the hon. member that this project was asked for many months ago by the local authorities. In fact, the municipal government, the provincial government and all the political parties in the province of Quebec unanimously support this initiative. It is sad the hon. member's party did not run a candidate in Quebec because I suspect that party would have supported the project also.

• (1455)

The contribution of the federal government is modest compared with the contributions coming from the private sector and the provincial government. It will allow the creation of employment. It will be a centre of tourism. It will generate and spin off a number of financial consequences which will benefit the entire region and not exclusively the riding of the Prime Minister.

Mr. Randy White (Fraser Valley West): Mr. Speaker, time and time again we hear just what we heard a moment ago. That seems to be a commitment of previous governments or of some other past groups. The fact is if this government can do away with EH–101s it certainly could have prevented this $4.5 million expenditure.

Is the Prime Minister today delivering on the promise he made last fall in his own campaign to look after his riding? Is the Prime Minister saying that he is delivering $4.5 million to his own riding at the expense of taxpayers across this country?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, let me remind the hon. member that this contribution is part of a number of other contributions from the private sector. The private sector is investing three times the amount the federal government is investing in this project.

It will create employment for hundreds in the region and will serve the interests not only of the riding of the Prime Minister but the entire region.

I assure the hon. member that if he visits the area he will be proud to see that this region is benefiting from the overall expenditures of the Canadian government.

* * *

[*Translation*]

CANADIAN EXPORTS

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, my question is directed to the Minister for International Trade.

This morning we learned that Canada's position as an exporting country has been deteriorating for ten years. From 1982 to 1992, Canada's share of world exports was reduced by over 5 per cent. This translates into an export loss of $7 billion in U.S. dollars and, according to Claude Picher of *La Presse*, represents a 300,000 job loss for Canada.

What concrete measure does the government intend to take to correct the disastrous situation of Canadian exports, which is an important reason for the collapse of our job market?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, the statistics the hon. member cites reflect the fact that there has been a global recession. Specifically in the case of Canada, however, we have put in place a number of initiatives intended to take the opportunities offered to Canadian companies by the successful conclusion of the Uruguay round at the GATT and by the implementation of NAFTA as elaborated by this government when it came into office.

Our trade promotion programs and activities are intended not only to exploit those additional opportunities that result from the reduction in trade barriers but also to identify new opportunities particularly in Asia and across the Pacific, including for example our friends in Korea who offer us all sorts of new trading opportunities.

* * *

PUBLIC SERVICE OF CANADA

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the President of the Treasury Board.

Treasury Board has a policy allowing employees to attend school full time while receiving full pay. Recently someone in the National Transportation Agency received a salary of more than $80,000 a year while attending university full time.

• (1500)

Will the minister tell us how many federal employees are currently on this paid leave status, attending university instead of performing the work for which they were hired?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, employees go on training programs to learn and to be able to use that as a valuable resource of information when it comes to doing their job.

I would be happy to look into any of the specifics the hon. member happens to be concerned about. The government is concerned with the efficient spending of tax dollars. Certainly training is a very important part of efficient use of tax dollars.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, you and other members will know of the importance of Pearson International Airport to the Canadian economy. It is one of Canada's most prized pieces of infrastructure. Its importance to the economy of southern Ontario and to all of Canada is beyond question.

Recently there have been some reports in the press that have given us a confused message on what will be happening to this valuable piece of infrastructure.

Would the Minister of Transport be so good as to clarify for all members present what the position of the government might be with respect to any plans in the short term or the long term for improving the performance of Pearson and in fact improving the value of this piece of Canadian infrastructure?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, I certainly agree with the hon. member that Pearson has enormous economic importance, not just to the greater Toronto area but to Canada as a whole.

The question we must face and that I want to address in response to my hon. friend's question is that in the short term we have announced there will be no new construction this year. We

are going to complete the construction that was begun last year under a quick start project.

I want to emphasize that we intend to listen to members of Parliament from the greater Toronto area. We intend to listen to the leaders of the municipalities, the city of Toronto and other communities in that area to make sure that when we do something at Pearson we do the right thing.

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PRESENCE IN GALLERY

The Speaker: I wish to draw to the attention of members the presence in the gallery of three distinguished visitors: His Excellency Sung-Joo Han, Minister of Foreign Affairs of the Republic of Korea; Hon. Jim Smith, Minister of Community and Social Services of the Nova Scotia Legislature; and Hon. Dan Miller, Minister of Skills, Training and Labour of the Legislature of British Columbia.

Some hon. members: Hear, hear.

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PRIVILEGE

MEMBER FOR MARKHAM—WHITCHURCH—STOUFFVILLE

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville): Mr. Speaker, I rise on a question of personal privilege to clarify an issue that has become a subject of debate not only in this Chamber but also across the nation.

This has impeded my ability to function effectively and efficiently as the member of Parliament for the riding of Markham—Whitchurch—Stouffville. This is the earliest opportunity for me to address the issue in the House.

Approximately two weeks before allegations against me first appeared in the media, I was contacted and threatened by an anonymous telephone caller. It was suggested to me that I should withdraw a pending appeal against the Toronto Board of Education at the Court of Appeal level; if I did not I would become front page news and suffer dire consequences. I ignored this threat and as a result I am standing before the House today.

Threats of blackmail or intimidation should not and will not compromise my commitment to free speech as a member of Parliament. Since this threat was made, accusations about my qualifications have been reported in the media.

• (1505)

These accusations have seriously damaged my personal and professional credibility. In fact the media went beyond making simple accusations. They carried on a campaign of character assassination and were joined by others who jumped on the bandwagon to discredit my qualifications. I was accused, tried, convicted and executed due to their sheer ignorance. They created an hysteria without checking the facts with me regarding my academic credentials. Some accusations such as exaggerating my qualifications were mild in comparison to assertions of outright lying about my credentials.

On the public record I categorically refute all accusations of lying, exaggerating or misrepresenting any of my academic credentials.

I have earned a bachelor of science degree, a master of science degree in physics, a master of education degree in administration, a post graduate certification in education and, last but not least, a certification of completion of intermediate in laws abbreviated as LLB intermediate from the University of London.

I would like to add that none of these credentials is honorary or purchased from a diploma factory. I would also like to add that LLB intermediate is not a degree. It is a recognition of successful completion of two years of law education at the University of London, England.

To clear any doubts whether any such recognition exists, I would like to quote relevant information from the certificate of completion sent by the registrar of the University of London on February 2, 1994. It reads: "This is to certify that Jag Bhaduria passed the intermediate examination in laws in 1976 in the following subjects", et cetera, et cetera. I respectfully request unanimous consent to table these documents.

I have also been accused of misrepresenting myself or representing myself as a lawyer. I have never been a lawyer or represented myself as a lawyer to anyone. Even completion of a law degree will not entitle me to practise law without fulfilling further requirements. There are many persons in Ontario and in other provinces who do possess completed law degrees but are not lawyers.

I can understand the anger generated by these wild, false and baseless accusations. I agree with and applaud the right hon. Prime Minister when he stated that he does not like being lied to. Nor do I. Nor does any hon. member of the House.

With my conviction and firm belief in the policy of honesty and integrity of elected officials at all levels, I refute these false allegations in the presence of my peers in the House. We do not have to be saints but we must strive to uphold these principles. I invite my colleagues in the House to examine my academic credentials and weigh the accusations in a rational and judicious manner.

In conclusion I request the House to ensure that no Canadian be subjected to the demeaning and humiliating accusations I have been confronted with since becoming a member of Parliament.

The Speaker: The Chair at this point is not convinced of the linkage between the words that the member has used and his impediment to being able to carry out his functions.

• (1510)

However, I wish to review the documents which I will permit to be put on the table but not tabled. I will consider what the hon. member has said and I will get back to the House just as soon as is feasible.

* * *

[*Translation*]

THE LATE IRÉNÉE PELLETIER

Hon. Jean J. Charest (Sherbrooke): Mr. Speaker, even as I address this House, Mr. Irénée Pelletier, who was the member of Parliament for the constituency of Sherbrooke between 1972 and 1984 and who unfortunately passed away last Friday, is being buried in a religious ceremony in the church at Saint–André–de–Madawaska, the village of his birth.

Irénée Pelletier died at the age of 54. He was the 13th of 14 children, something many of us can identify with, and he accomplished many things in his life.

After receiving a BA from St. Francis Xavier University in Nova Scotia, he earned a Ph.D. in political science from the University of Toulouse in France. The subject of his thesis was Canada's aid to developing countries, and this was in the very early seventies.

He had a very full life. He was a member of the Canadian forces and he was also very active. He travelled extensively and after his studies he worked as a professor with the faculty of administration at the University of Sherbrooke. In 1972 he ran for the first time as the candidate of the Liberal Party of Canada in the riding of Sherbrooke. Of course he won that election and those that followed in 1974, 1979 and 1980.

While sitting in the House of Commons as the member for Sherbrooke, he was very active and became interested in several issues. For several years he chaired the Standing Committee on Regional Industrial Expansion. He was Parliamentary Secretary to the Minister of Agriculture. He was also very active in various interparliamentary groups.

He was very interested in peace and disarmament issues. In fact—I remember because he told me himself—he had to make a personal, very difficult decision when the House held a debate on cruise missiles and he felt compelled to vote against his own government on a motion to test these missiles.

He told me how torn he was feeling during this debate and how he finally decided to take a very personal position that, incidentally, reflected his deep concern over the hunger problem and other issues affecting to different degrees people suffering around the world.

I had the privilege to face Irénée Pelletier during the 1984 general election. If I may, I would like to relate an election anecdote that says a lot about Mr. Pelletier. We conducted two polls during the election. The first one said basically two things: first, that Mr. Pelletier was very popular with Sherbrooke voters, which was bad news for the other candidates. Another piece of bad news at the very beginning of the campaign was that Mr. Pelletier was going to win the election. The second poll asked the same questions, with the same results.

• (1515)

At the end of the campaign, Mr. Pelletier was just as popular with Sherbrooke voters but this time we found out the wave that was about to sweep Canada was also going to have an impact in the constituency he had been representing since 1972.

Today, it is with some emotion that I join those who have known him in saying how much we will miss him. I met Irénée Pelletier several times after the 1984 election. He was always very generous. I saw him a few days before he died. He was a committed man who served his community better than anyone else ever did. He left his mark in Sherbrooke in several areas because he was a very effective member of Parliament, and he always supported those who sought to help the disadvantaged in our society.

Sherbrooke has a service organization called Cercovie that he was instrumental in founding several years ago. We can thank Irénée Pelletier for that accomplishment.

On behalf of my family and especially of those who knew Mr. Pelletier, who had the privilege to be represented by him in the House of Commons, I want to say how much we will miss him. I especially want to offer our sincere condolences to his family and say in closing that the constituency of Sherbrooke and the country as a whole have lost a great man.

Right Hon. Jean Chrétien (Prime Minister): Madam Speaker, I would also like to speak on this subject. I too would like to extend my sympathies to the family of Irénée Pelletier, a distinguished member of Parliament who served with me in this House for 12 years.

In my view, here was a man who truly embodied what Canada stands for. Hailing from the Madawaska Valley in New Brunswick, he earned a degree from St. Francis Xavier University in Nova Scotia. He went on to earn a Ph.D. in political science in France before returning to teach in Sherbrooke.

First elected to the House of Commons in 1972 he was, in the words of his successor, an excellent member of Parliament. He was extremely dedicated and friends with everyone. He was very industrious and keenly interested in international affairs. Typically, however, he was deeply concerned about poverty and focused a lot of his attention on regional development. Given his

rural roots, he was appointed Parliamentary Secretary to the Minister of Agriculture.

Individuals like Irénée Pelletier who serve in Parliament are fine examples for others to emulate. On behalf of Aline and my party, I want to offer my condolences to the Pelletier family. May he always be remembered as a gentleman who served his riding, his province and his country with distinction.

Mr. David Berger (Saint–Henri—Westmount): Madam Speaker, I too served with Irénée Pelletier from 1979 to 1984 and I was deeply saddened by his demise.

Mr. Pelletier came from Saint–André–de–Madawaska, New Brunswick. A former university professor in Sherbrooke with a doctorate in history, he represented the people of Sherbrooke in the House of Commons, as my hon. colleagues pointed out, for 12 years, from 1972 to 1984.

In October 1975 he was appointed Parliamentary Secretary to the Minister of Agriculture, the Hon. Eugene Whelan.

Mr. Pelletier was a great champion of the Canadian marketing board system.

[*English*]

At a conference of Canadian grocery distributors in 1977 he decried the sometimes adversarial relationship between government and the food industry.

• (1520)

He said: "An effective food policy, supported and administered through effective programs, is one that can only be achieved by a united approach".

[*Translation*]

One subject was particularly close to his heart and that was aid to developing countries. He even wrote his doctoral dissertation on this subject. In 1976 he travelled the country with fellow members Andrew Brewin and Douglas Roche to make Canadians aware of the needs of developing countries.

In a speech, Mr. Pelletier said:

[*English*]

"Canadians have not only a Christian responsibility but a human responsibility to help correct inequalities, and if the developed nations do not share with the developing nations chaos will result. Fifteen per cent of the world's population control close to eighty per cent of the world's wealth. Under these conditions we are just not going to have a peaceful world. The Third World is just not going to accept it".

[*Translation*]

After being defeated in 1984 he became involved in municipal politics, was elected alderman and then mayor of North Hatley.

Three years ago Mr. Pelletier studied in Rome to become a priest. This was to be the crowning achievement of a career in which the emphasis had always been on dedication.

On my behalf and that of my colleagues, I wish to extend my deepest sympathies to his family and friends, as well as to all those who were close to him.

Mr. Jean H. Leroux (Shefford): Madam Speaker, although I did not know Mr. Pelletier, I wish to recognize his service in government from 1972 to 1984. On behalf of all members of the Bloc Quebecois, I would like to offer my sincere condolences to the family and friends of Mr. Irénée Pelletier, former member of Parliament for Sherbrooke.

[*English*]

Mr. Nelson Riis (Kamloops): Madam Speaker, I want to join with my colleagues in paying tribute to Irénée Pelletier, whom we remember in this House from the seventies and early eighties. We remember him to be a very popular member in his constituency. Often visitors from the constituency would come to Ottawa and he would go out of his way to introduce them, particularly to those of us from western Canada. I personally always appreciated that.

The fact that he won election after election speaks well of the kind of constituency person he was. We all remember the issues that he was deeply devoted to, not only in terms of overseas development from a Canadian perspective but particularly his concern for the plight of people living in many of the countries in which our aid projects were undertaken.

He would share those experiences from his travels and his knowledge with us in the House, particularly in those days in the evenings over dinner. He would come back from a trip and explain the kinds of conditions he experienced. I found him to be a very motivating individual and a very kind and compassionate member of Parliament.

I simply want to join with my colleagues in saying that Mr. Pelletier will be missed. Our hearts and our prayers go out to him, to his family and to his friends today. Again I want to say how sad we were when we learned of his passing.

[*Translation*]

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Madam Speaker, I would like to take a few moments to pay tribute to the memory of Dr. Irénée Pelletier.

I had the opportunity to deal with him on several occasions between 1985 and 1989. I think he was not only a politician and academic but mostly a person of great integrity and human warmth who was interested in his community, his country and anything that had to do with the quality of life.

He was always ready to work with all interested parties to improve the quality of life not only for ourselves but also for the generations to come. I would like to pay tribute to his memory and to extend my deepest sympathy to his family.

GOVERNMENT ORDERS

• (1525)

[*English*]

PRINCE EDWARD ISLAND FIXED LINK

The House resumed consideration of the motion.

Mr. George Proud (Hillsborough): Madam Speaker, this is the third time that I have had the opportunity to make a statement in this House concerning an aspect of the continuing saga of the fixed link between Prince Edward Island and the mainland.

For the benefit of those members who have recently joined us in this Chamber, this is an issue which has been at the top of the political agenda in Atlantic Canada for many years. The first major discussions about a fixed link evolved around a railway tunnel in the late 1880s. Then there was a combination of bridge, causeway and tunnel in the 1950s and 1960s. Now we are at the stage at which the actual construction of a bridge has begun.

The construction of a bridge between Prince Edward Island and the mainland has not been without controversy. Several court challenges have been mounted to prevent the construction.

To those who oppose this project I must say I respect the passion which they have shown for the cause, but at the same time I must respectfully disagree with the positions they have put forward. The governments of the Atlantic provinces, the Government of Canada and the vast majority of the residents of the regions agree that the construction of a fixed link should go ahead.

One by one the barriers to the construction of this project have fallen away. The latest reincarnation of this project, if I may be permitted to use that term, came about in 1987. Since that time more than 90 studies have been conducted and countless public meetings have been held with the general public and with special interest groups in all three maritime provinces.

Now it has been said, and it is true, that the original generic design of the bridge did not pass an environmental review panel. However, careful study of the specific design of the current bridge did satisfy all of the requirements.

A special panel was convened to study the effects of the bridge on ice in the Northumberland Strait and it concluded that the bridge would have no significant effect.

Fishermen and ferry workers were concerned that the bridge would affect their livelihood and their specific concerns have been addressed with a settlement being reached with the fishermen in the area just last week. Talks are continuing with the ferry workers. I have every confidence that they too will come to a successful and mutually acceptable conclusion.

The work on the project has already begun and the economic upsurge in the Borden area of Prince Edward Island is noticeable already. The construction of the yards for fabrication of the concrete piers of the bridge is under way and employment has been created both there and in the town of Borden which is undergoing a mini real estate boom.

Just last week a tender was awarded to a New Brunswick firm for $40 million worth of concrete to be delivered to the site, a contract which will create some 50 additional jobs. The construction will get into full swing in the year ahead and the economic spin–offs will be of tremendous importance to Prince Edward Island and to the rest of the region.

The very fact that the construction is under way has pointed out a major flaw which presently exists in our transportation system. Because of the geological make–up of Prince Edward Island it is necessary to transport gravel and fill from New Brunswick for construction of the yards in Borden. The truck traffic, as a result of this, has necessitated extra crossings of the ferry this year. There have been delays in truck traffic because of increased volume. All consumer products that come into Prince Edward Island come in by truck, and every delay adds to the eventual cost paid by consumers.

• (1530)

Because of the severely cold weather this winter which has affected most of Canada there has been a tremendous build–up of ice in the Northumberland Strait. Some crossings last week took over five hours whereas in summer it would take about 45 minutes.

This shows that an improved system of transporting our goods out and our consumer products in is badly needed. If we in Prince Edward Island are to prosper and if our economy is to recover we must have a dependable and efficient transportation link with the rest of Canada. We have gone beyond the time where we can adopt a casual attitude when it comes to getting our goods to market. The world has become a highly competitive place and we have to compete at the very highest level if we are to succeed.

A few days ago I spoke in the House about the need for continued equalization payments to help the poorer areas of Canada carry on while they develop their economies. This fixed link project is one of the major construction projects in Canada today. When it is completed it will leave the lasting effect of an improved transportation system in our area.

The benefits will not only be immediate as we enjoy this influx of capital into our economy. They will flow to us for many years to come. The construction itself will create a pool of expertise in Atlantic Canada which will be in demand around the world for similar projects. The bridge itself will initiate a stability in our marketplace that is not there at the present time. In the future people can plan, schedules can be set, and products can get to market.

The last number of years have not been bright in Atlantic Canada. Our unemployment rate is the highest of any region. I also said a few days ago that there was not a politician in Atlantic Canada who would not be happy to see equalization funds flowing out of our region to help other areas of Canada rather than flowing in to bring us up to national standards. That is what this project is about. It is about creating opportunity for Atlantic Canada. It is about creating the opportunity which will allow Prince Edward Island and the rest of Atlantic Canada to stand on their own two feet.

We have tremendous resources in our region. We live within a one–day drive of millions of people who are looking for quality goods and services. We must be prepared to go after those markets and we must have the tools to be able to compete.

Since I have been involved in public life, and that goes back some 20 years, we have heard among other things two prescriptions for the recovery of Atlantic Canada. It has always been said, first, that we must add more value to our products and, second, that we should extend the length of our tourist season. Both these will become easier when the completion of the link and the improved transportation network it will entail become a reality.

The construction of this bridge represents our best hope in both the short and long term to create a dramatic economic improvement in Prince Edward Island and the rest of the maritime provinces. That is why we in the House must show our continuing support for the project. That brings us to the debate we are conducting today.

Transportation has always been one of our most dominant concerns in Atlantic Canada. During the age of sail we were at the leading edge of the world technology but during the winter months we could not sail very far. The age of sail gave way to the age of steam and changes had to be made. At the time that Prince Edward Island entered Confederation in 1873 and for a number of years thereafter, the link between my province and the mainland was steamship during the summer months and iceboats powered by oars in the winter.

The construction of the railway led Prince Edward Island into Confederation. Our Fathers of Confederation were sufficiently astute to include provisions in the Constitution that there be a steam service provided by the Government of Canada. Like the transportation systems of the day that was a state of the art constitutional provision. It made sense at the time to guarantee that the best available transportation system was included in the Constitution. That is precisely what this amendment is doing today. It is bringing the Constitution and its provisions with respect to transportation up to the present time.

• (1535)

There are those who have argued, even in court, that this provision of the Constitution should not be changed. They have used that argument to try to prevent the building of the link. That argument is no more valid than it would be to argue that some of the statutes in some of our jurisdictions which once banned the automobile should not be changed.

The Constitution is a living thing. Constitutions must change and adapt to the changing times in which we live and to the advances and changes in technology which affect our daily lives. One wonders if the ferry service between Prince Edward Island and New Brunswick has been constitutional since the steamship gave way to the diesel powered ship many years ago.

This amendment will allow for people of one province of Canada, Prince Edward Island, to become full partners with the rest of the country. The Trans–Canada Highway in Prince Edward Island will be joined to the Trans–Canada Highway in New Brunswick and islanders will be able to transport their goods directly to market in a timely and efficient manner.

We are entering an exciting time in Atlantic Canada. A new era of prosperity will come to our region fuelled in part by the regional economic policies of the government and in part by the construction of this very major project.

I urge all hon. members to support this constitutional amendment and to bring the Constitution of Canada as it impacts on the transportation system of Prince Edward Island into the 21st century.

[*Translation*]

Mr. François Langlois (Bellechasse): Madam Speaker, I am glad to be able to make a few comments on the interesting speech of my hon. colleague who just spoke.

On this side of the House, it is always with interest that we observe what is being done for some provinces of Canada, especially Prince Edward Island which was able to renegotiate its terms of union with Canada and which today sees a project which has long been a source of argument on the Island and in

the rest of Canada. The federal government will finally allocate the required funds.

Considering the expressed desire of the people of Prince Edward Island and the willingness of the federal government to invest in this project, all we can do is acknowledge the democratically achieved decision of the population of P.E.I., which was presented with all the facts. It is not for us to decide what is good for them. We can only respect their will, although we look with some envy at the terms of union of British Columbia, which included a railroad from sea to sea, and more recently at the promises made to Newfoundland, in 1949, after lengthy negotiations.

Unfortunately Quebec never really negotiated its terms of union. We were, through an Act of the British Parliament, incorporated into a union of British colonies in North America. In 1867, we did not have much to say. No referendum was held in Quebec then, despite the repeated requests of the Liberal opposition.

This is why we hope that in a few months, like our friends in Prince Edward Island, we will be able to make a wise, enlightened and positive decision as to our fate as a nation and our desire to negotiate with Canada the terms of Quebec accession to full sovereignty.

• (1540)

[*English*]

Mr. Proud: Madam Speaker, I thank the hon. member for his intervention in the constitutional debate that he wants to get me involved in. I want to add that this constitutional amendment comes about because of the bilateral constitutional amendments that are allowed with one province but not more than one. That is why this has happened in New Brunswick and in Newfoundland.

It is happening in Prince Edward Island today because the legislative assembly of Prince Edward Island passed the same resolution last year. We are being asked to do so in this House today. I am sure the hon. member and his party agree that it should go ahead and see no problem in passing it.

As far as getting into the constitutional debate of the rest of the country, I will let other more qualified people than myself get involved in that.

[*Translation*]

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Madam Speaker, I am pleased to participate in the debate on this bill, that is this constitutional change.

[*English*]

I am pleased to speak in support of this resolution which will clear away one of the final remaining obstacles to the Northumberland Strait bridge project. Before proceeding further I want to answer a few questions raised today. Neither the minister nor I had the opportunity to provide answers.

Some members will recall that a member of the Reform Party questioned the process the government was undertaking with respect to this initiative. I remind that colleague and other colleagues that the judge had directed the constitutional change. The judge had indicated the change could be undertaken via section 43. It is important to make those points for fear that someone may believe proper advice was not followed.

I was also somewhat taken aback by that member of Parliament who, with a certain amount of enthusiasm, suggested the government had received nothing but bad advice, that it might even have been proceeding illegally. I have to say this person does not lack in confidence and I wonder what credible source my colleague was quoting.

I underline as well the fact that the people of Prince Edward Island joined the union. They made that decision with a condition and it is correct for them to amend that condition. It is correct for them to determine that condition should be changed because they decided to join under it.

[*Translation*]

This morning, I believe the Bloc Quebecois made reference to a firm which indicated that some $1.3 billion might be spent on that project. If that is indeed the comment made, it is erroneous. The fact is that this firm said in 1988 that even if the project was to cost $1.3 billion, it would be worth it. This is not the same statement at all.

I also want to point out that we did have a reliable source, an independent engineer, who certified that the project would cost approximately $840 million. Again, this amount was certified by an independent party.

I must add another comment. If there are additional costs and if the project goes over the estimated budget, what will happen? I think some are under the impression that the government would foot the bill. On the contrary, it is the private sector which would have to absorb these additional costs.

Finally, you are well aware that environmental concerns were raised regarding this project. I simply want to remind hon. members that more than 90 studies were conducted and over 80 meetings were held; moreover, two court decisions concluded that the project was very reasonable from an environmental point of view. Of course, you can never be absolutely sure, but if you look at megaprojects, you will see that the government proceeded very cautiously with this one, at least as regards financing and environmental aspects.

• (1545)

Finally, there was this question about the workers. It is unfortunate—and I share this concern with my colleagues from both sides of the House—that workers will be displaced. It is really very unfortunate. I want to remind this House that this government makes it a priority—and I hope it is the same for all

my other colleagues—to find ways to meet the needs of these men and women.

With regard to the fixed link project, those workers will have hiring preference and some will be able to take advantage of early retirement programs. There will be training and retraining programs as well. I insist on it and I hope that we will work very hard together to try and make sure that these men and women will not find themselves out of work because of the bridge.

[*English*]

Having answered those questions I felt needed some additional detail, I want to proceed very quickly with some of the main points I consider important from my particular perspective.

Our government made it clear during the election campaign and in the recent throne speech that putting Canadians back to work is the number one economic, political and social challenge facing this country. We are committed to taking every step within our power to support job creation, to stimulate increased economic activity and to restore hope and confidence in the future for all Canadians. This project helps in reaching those particular goals.

Nowhere is this more the case, the need that is, than in Atlantic Canada which almost more than any other area of the country has suffered too long from high levels of unemployment resulting in dependency and despair. Everyone should welcome this initiative for that part of the country which has been hard hit economically.

The Northumberland Strait bridge project will have an immediate significant impact on the economy of Atlantic Canada in general and that of Prince Edward Island in particular. The rest of the country can expect to feel the positive effects of this project in the long term too. That is a positive spin off.

Members will recall we have estimated there will be 1,000 direct jobs for each of the four years of construction or almost 3,000 person years of employment in all. That is a lot of work for a lot of people. Under the terms of the contract between the federal government and the contractor, more than 95 per cent of these jobs will come from Atlantic Canada. Of course with its high unemployment numbers it is of particular importance to this area as well as the rest of Canada.

This project will provide a tremendous boost for employment throughout the region. It will provide thousands of workers with gainful employment and the opportunity to practise and improve their job skills, quite apart from the work it will provide. However direct employment tells only part of the story.

The contract also specifies that some 70 per cent of the total procurement requirements will be sourced in the region. These requirements are massive: thousands of tonnes of cement, reinforcing steel cable, fabricated metal, manufactured components, et cetera. Given that the total project is estimated at $840 million to $850 million, the wages and procurement expenditures paid by the developer will inject more than $.5 billion into the Atlantic economy over the next five years. This should give a real kick–start to the economy in a region of this great country that badly needs it.

It is also important to note that this bridge project most definitely is not a make–work project aimed at providing some short term relief for some of Canada's poorer provinces. Obviously once the bridge is built some jobs will cease, but there will be spin–off benefits. There will be an increase in tourism and in business opportunities. I could go on.

[*Translation*]

I for one have found the hon. minister's remarks very enlightening and convincing today. There is no question that the bridge project is a very good deal for the Canadian taxpayers. In accordance with the terms of the union act signed with Prince Edward Island, the federal government is clearly required to fund a link of some kind, whether a bridge or a ferry system, to join the island to the mainland.

In the case of a ferry service, it would cost Canadians taxpayers at least $42 million a year for the next 35 years to allow Marine Atlantic to operate the service. This amount includes the cost of operating the ferries, the cost of maintenance and capital costs, for example, for the purchase of new icebreakers during that period. After 35 years, federal government subsidies should continue and increase because of the demand for service. As the minister mentioned, this would lead to uncontrolled spending with no end in sight, and that is not a good deal for the taxpayers of this country.

• (1550)

Let me add a few comments to what the minister said about the environmental quality of the project. This has attracted a lot of attention during most of the five years that the project was being developed. The environment was the main concern of the government and of the developer. Indeed, this project has been the subject of the most thorough environmental studies ever undertaken for a project of this size. As I said, there were over 90 studies, 80 meetings and the public had many opportunities to speak on the project requirements at some 85 public meetings. This project meets all the technical requirements and all the environmental requirements.

In closing, I ask my colleagues to support this project because it is sound, it will meet the economic, tourism and other needs of the region and I think it is being approached in a most appropriate way.

[*English*]

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, the parliamentary secretary's comments cause me to think of a couple of questions which would appropriately be answered by him. I will have more to say about this motion later when I am recognized on debate.

The parliamentary secretary indicated in his opening remarks that the amendment today is required on the word of the courts. I think the parliamentary secretary is aware that the Federal Court had a number of things to say in regard to this project. Madam Justice Reed did say, as quoted by the previous minister of public works, that the constitutional amendment is not necessarily required until the ferry service is replaced. Of course the ferry service has not yet been replaced, yet we are going ahead with this.

Also the Federal Court ruled that the minister of public works had failed to comply with the requirements of section 12 of the environmental assessment review process and ruled that no irrevocable decision should be taken until this is taken care of. Is it the government's opinion that the section 12 requirements of the environmental assessment process have been dealt with, or does the government now consider that this constitutional amendment may not be an irrevocable decision?

Finally, the department has given jobs and the economy primarily as its reasons for going ahead with the fixed link. However in my constituency in the interests of saving money the Department of Public Works is closing and perhaps bulldozing three buildings owned and occupied by the federal government. That is costing us jobs in the prairies and rural Canada.

I am wondering how the parliamentary secretary can justify closing buildings in my riding and costing jobs while at the same time putting money into the waters around Prince Edward Island to create jobs there.

Mr. Duhamel: Madam Speaker, the hon. member's comment with regard to the Federal Court indicating that a change needed to be undertaken but when that change had to be undertaken is quite right. However, it needs to be done and clearly now it is out of the way or hopefully soon will be out of the way. It removes the last obstacle. I think we are nit–picking a little. I say this with kindness to my colleague. It was going to be done. It needed to be done. It has been done and this has been the appropriate path to follow.

With respect to irrevocable decisions, any decision undertaken by man or woman is not irrevocable. We are about to make a constitutional change. We are in the process of doing so. It is quite possible to do so and I consider this one appropriate. I consider it necessary and I argued that in my remarks.

• (1555)

With respect to the environmental questions I know of no project that has sustained as much scrutiny as this one. I indicated in my remarks that nothing is perfect. Certain things could have been overlooked. I admit that. I am not foolish to that point. However, there were over 90 studies and over 80 hearings. Even our colleagues from the Bloc are supporting it in spite of the fact that a number of individuals pointed out that Friends of the Island had some legitimate concerns. The government and the minister have been extremely responsible in this particular case. We cannot go on forever.

With respect to the hon. member's riding, I do not know if those particular buildings are being closed and jobs are being lost. However that saddens me whether it happens in Prince Edward Island, Saskatchewan, Vancouver, or anywhere else in Canada.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Madam Speaker, my colleagues have addressed the legal and political implications of the matter before us. I want to step back a little further and consider the basic premise.

Do we really need a 13 kilometre bridge across Northumberland Strait? Why do we want to do this? Do the benefits outweigh the costs? Can a near bankrupt Canada afford it? These questions have been debated for 30 years, but in spite of the signing last October as can be seen in this House the debate is by no means over.

Let us start by disposing of the fiction that this will be a privately financed venture. This is a typical government project with the deal structured so that bond holders take no risk and the private operators will repay principal and interest out of the complete 100 per cent subsidy, $42 million a year indexed to inflation for 35 years. This is compared to the current subsidy. I must take issue with the gentleman who spoke a few moments ago when he said that the subsidy was $42 million. The current subsidy is $21.7 million. That is from the public accounts. Therefore, we are talking about a virtual doubling of the subsidy with the alternate program that is being proposed.

The interest on the $662 million initial bond issue is going to be about $700 million, all courtesy of the Canadian taxpayer. The only difference between the deal closed on October 7 and a normal public works tender is that public money will be spent without public accountability.

This gets better. Of the equity 85 per cent is held by subsidiaries of foreign multinationals, Morrison Knutson of the United States and the French GTM International. I do not know what GTM stands for but I suspect it might mean get the money, because get the money they will.

While we are paying off the debt the operators will be able to do whatever they wish with the net revenue from the tolls and that includes shipping the revenue out of the country. I have nothing against foreign investment. In fact I welcome it. However, I strongly object to foreign profit taking without significant investment or risk.

Still it gets better. The consortium has to post a $200 million performance bond, but the premium is being capitalized into the project cost so that the taxpayer is going to pick up the tab as part of the subsidy payments.

If this proposed bridge was between two heavily populated areas or if it was on a major transportation corridor it would be easier to justify. To spend $25,000 per family to make road access marginally more convenient to an enclave of 130,000 people makes no sense at all.

Larger, faster ferries perhaps with better ice capabilities than those now in use could be had for a fraction of the cost. First class ferry service would not be a discriminatory burden on the people of Prince Edward Island.

• (1600)

There are unanswered questions regarding the technical superiority of a high, wind–swept bridge compared to a stable, well designed ferry. The consensus, even among proponents of the bridge, is that any storm severe enough to stop ferry service will also stop traffic from using the bridge. What is worse, even if the winds are not quite strong enough to stop traffic, vehicles will be forced to proceed at a crawl and empty trailers will not be permitted to cross.

If one is coming up from Boston for a load of potatoes and there is no backup ferry, one had better be prepared to park his or her semi until it gets a mite less breezy.

As an engineer I am well aware that almost anything is technically possible if there is a will to do it and if there is no limit to available resources. One takes an idea and just adds money. However, the fact that something can be done does not necessarily mean that it should be done.

Some people may invoke the memory of John Maynard Keynes to justify this massive public expense as a pump–priming exercise to stimulate the economy. Lord Keynes never envisioned a situation in which nearly one–third of a government's revenue is being eaten up to pay interest on its existing debt. If we had faithfully followed his prescription and built up surpluses or at least paid down our debt during the good times I could perhaps agree that more government spending might be of some economic benefit.

Unfortunately during the 1970s and the early 1980s the Government of Canada and most governments in the world piled up debts in good times, not for any lasting benefit but to finance current expenditures. Like spendthrift families, they borrowed money first to pay for the groceries and then to buy champagne and whisky. They stood poor old Keynes on his head and they put us into a financial box where we have no freedom to move about.

Even if one accepts the premise that jobs can be created at the expense of the greater economy, and I certainly do not, but let me play devil's advocate, if spending borrowed money is an effective economic stimulus, surely the same amount of money could be spent on something which would provide greater long–term benefits to more people. Even the people of Prince Edward Island are not united on this question. More than 40 per cent of them clearly indicated they do not want this gift. This is unprecedented. Ordinarily local people in any community will fight tooth and nail for a government project because they have this perception it is free.

Finally, this bridge deal was consummated in the dying days of the Tory government, as was the Pearson airport deal. It has the potential to be another Mirabel or another Olympic dome. Let us slow down and take a cold, hard look at what we are doing.

The last P.E.I. bridge project was further advanced than this one is now when it was axed by the government in 1969. Of course there will be economic penalties to pay to the operator and to the bondholders if we stop, but surely we can still get out of this with our hide intact before the project acquires irresistible momentum.

The one small lever that we have at our disposal in this House is to withhold approval of the proposed constitutional amendment. Let us leave the Constitution alone. Let us provide first class ferry service in perpetuity as promised and forget about completing another monument to Brian Mulroney.

Mr. Morris Bodnar (Saskatoon—Dundurn): Madam Speaker, the hon. member has spoken about cost reductions and whether such a project is one that should be built for practical reasons, but in particular the cost of such a project and who would be paying for it. I wonder whether the hon. member feels the same way about any federal project that may be built in his constituency. It is proposed that a healing lodge be built in his constituency when there are not many aboriginal people living there nor is there proper access to his constituency. Does he feel that perhaps that project should be put on hold and studied again and maybe should not be built as well?

• (1605)

Mr. Morrison: Madam Speaker, I concur most wholeheartedly with the hon. member.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Madam Speaker, very quickly I want to know, and I take it I probably do now, that the hon. member's party does not support this project. The Bloc does, but his party does not. I am always interested in

trying to see the differences, apart from the language differences. This is what I understand.

My colleague is playing devilish little tricks with the subsidy of $21.7 million. He knows full well the figures I used were with respect to capital and other costs. As an engineer he knows that. Let us not play silly little games.

I would like to know what is his definition of an enclave. My definition of an enclave is somewhat pejorative. I am sure he did not mean that P.E.I. is some sort of foreign territory surrounded by others.

There is a contradiction here. One of his colleagues said: "Let's have a referendum. We'll do whatever the referendum results are" and the member says: "Hey, let's not do it". Who is speaking for the Reform Party? Is there any consistency?

Mr. Morrison: Madam Speaker, I am delighted that the hon. member raised the question of the referendum.

First, it was not a referendum, it was a plebiscite. Second, the terms of the plebiscite were very clear in that they stated: "Would you approve of this project if it is going to be more economically feasible than improved ferry service and if there is no danger to the environment?" Since neither of those qualifications has been met, I would suggest that if we want to have a referendum we should have a real one, make it binding, have it now and see how far we get.

As far as referring to Prince Edward Island as an enclave, the hon. member says that is pejorative. He may think so. He obviously reads a different dictionary than I do.

Mr. Duhamel: It is a standard one, English.

Mr. Morrison: It is surrounded by water. Water is a rather effective barrier to most means of transport. I refer to it as an enclave in those terms.

Mr. Wayne Easter (Malpeque): Madam Speaker, the member mentioned that maybe it is time to move to a first class ferry service. I do not know if he is familiar with Prince Edward Island and the amount of physical goods and products we move off the island. Our experience with the ferry service in recent years has been fairly poor.

In fact, talking about economic efficiency, I spoke with some truckers today. The wait at the ferry for truckers is anywhere from three to five hours. As many as 50 to 80 trucks at a time are sometimes waiting in line for the car ferries. One can only handle 13 and the other at maximum can handle 45. The hon. member has to understand that that is just not good enough. We believe a link will change that.

When we look at the truckers, the fuel they are burning, the hours, taking a day longer to get to market in terms of scheduling and so on, it is a disaster for them and for the agricultural industry as well.

What does the hon. member mean by first class ferry service? I hope this is not an example.

The Acting Speaker (Mrs. Maheu): I am sorry, the time has expired for questions or comments.

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Madam Speaker, it is a privilege to rise today to speak on this constitutional amendment regarding the Prince Edward Island fixed link.

I would like to stress those words; we are talking about a constitutional amendment. We seem to be slipping by that little bit of information very quickly in some of the speeches we have heard today.

• (1610)

I would like to begin by quoting from *Hansard* of May 19, 1992 when the House was embroiled in the debate on constitutional concerns. "We believe that the referendum should be a permanent part of the process for revising the Canadian Constitution; nor can it be restricted to one or just a few provinces. The referendum ought to be national so that all Canadians in all regions of this country have the opportunity to speak on the same issue." These are very democratic words and I concur with them. They are from the current minister of public works.

I have no problem with the construction of a fixed link. The merits and drawbacks of this bridge have been widely discussed and debated in Prince Edward Island, across the nation and in the House of Commons. The economic benefits and the costs have all been given consideration. The environmental considerations have all been weighed. Most important, the people of Prince Edward Island gave their assent in a plebiscite held in 1988.

The problem is that we are talking about a constitutional amendment, something that affects each and every person in this country.

I would like to paint a picture. Members in this room should think of a triangle. A triangle stands on a broad base and rises to a point. This is the way I believe and my party believes we should approach these matters, with broad consultation and moving toward a point where we can get a consensus. With this motion the government is turning the triangle so it is inverted and there is no broad base of representation from the people of Canada. This is something that the Reform Party of Canada believes in very strongly, as do many millions of Canadians.

We are all aware that Madam Justice Reed decided the Canadian Constitution has to be amended in order for the fixed link to proceed. However, the reasoning behind the motion in front of us is flawed for two reasons: First, the motion is too specific. It makes specific reference to a fixed link, entrenching it in the Constitution. Second, the motion should entrench the intent of the original terms of union, that is to ensure reliable and regular travel between Prince Edward Island and the mainland, without entrenching the link specifically in the Constitu-

tion. My colleague, the member for Fraser Valley East, dealt with this issue at great length.

I find it inconsistent that this government proposes to open the Constitution and make changes only when it suits its purposes.

I would like to read another quote. On February 3 in the House the Prime Minister of Canada stated that: "No one in Canada wants to discuss the Constitution". Here we are today discussing the Constitution.

We all saw the rejection of the Charlottetown accord and what the Canadian people thought of it. This is just another case of the government's agenda versus that of the Canadian people. The government has chosen to selectively change the Constitution. Canadians do not accept this method.

I would submit that any changes to the Constitution should involve all Canadians and should be approved in a referendum. The Constitution should be concerned with the broad definition of matters rather than ways and means of accomplishing the intent, such as a fixed link.

• (1615)

The Constitution should deal with Canada's commitment to maintain communications and transportation with Prince Edward Island no matter what the method chosen to accomplish this.

We are running into the danger of making constitutional commitments for Canada that may not be in the best interest for all of the country. Technology may change. Currently in this day and age we must realize the rate at which things change. We are going to have to commit to this fixed link throughout time if it is entrenched in the Constitution.

These are things that we have no control of and that may change. I can give members the example of the Florida sunshine skyway and the Chesapeake Bay bridge. They have been known to close for months at a time. Are the proper plans in place for this fixed link?

If we are going to have to change the Constitution, it must be for a good and sufficient reason. We have all heard the emotions of the minister of public works. I would respond that Canadians must feel that they are a part of this constitutional amendment.

In closing, I would like to say that this motion is not just a simple motion to build a bridge. This is a motion to change the fundamental document of how our country operates, the Constitution.

This is a bridge over the troubled waters of true Canadian democracy.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Madam Speaker, I want to make sure that my colleague's understanding of this constitutional change is the same or different from mine.

Prince Edward Island 130 years ago decided that it could and would become part of Canada with a certain condition, that ferry service would be provided forever and a day.

Over the years, a number of options have been examined such as a fixed link. There is now a project under way. It was a judgment of a federal court that unless there were a constitutional change indicating simply that ferry service could be changed by fixed link—that is all it does—the government could be in a position in which it would have to build a bridge and continue the ferry service.

The subsidies, as I have defined them for the ferry service, are going to be used to pay for the bridge. After that, there will not be any more contribution by Canada.

Is my hon. colleague saying that the elected representatives of Prince Edward Island, New Brunswick and Canada should not be determining that it is okay for a fixed link bridge to be replacing ferry service? That is the way I understand this change.

He understands it differently. Could he tell me how his interpretation is different from mine? I have read this several times and that is all I am getting from it.

Mr. Hart: Madam Speaker, in response to the question, it is my interpretation that the intent 130 years ago was to provide communication and transportation.

I feel that this motion should not be directly related to a fixed link because of what I have said in my address to this House. Technology may change. It is wrong to assume that there would be no cost to all Canadian taxpayers down the road.

We are entrenching this in the Constitution. That means that we must ensure over a long period of time into the future that this will be maintained.

Mr. Milliken: Madam Speaker, on a point of order, there have been discussions among the parties and I think you might find there is unanimous consent for the following motion:

• (1620)

That not later than 15 minutes before the ordinary time of adjournment on Thursday, February 17, 1994, the Speaker shall interrupt any proceedings before the House and shall put, forthwith and successively, without any further debate or amendment, all questions necessary to dispose of the motion of the Minister of National Defence and Minister of Veterans Affairs for the appointment of a Special Joint Committee, (Government business, No. 8), and if any division be demanded such recorded division shall be deferred until Tuesday, February 22 at 3 p.m.

The Acting Speaker (Mrs. Maheu): Do we have unanimous consent?

Some hon. members: Agreed.

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources): Madam Speaker, it is a pleasure to rise and speak on this particular issue again. While the issue itself is a very tight one in the sense of dealing with constitutional change, it is interesting to listen to some of the arguments about what a major issue of constitutional change this is.

It is simply substituting one method of linking Prince Edward Island to Canada with another. While the wording that was initially done was probably too restrictive we now have an opportunity to correct that situation and yet we hear arguments that this is a major constitutional change which is going to shake the fabric of the nation. I must look at that with some chagrin and state that this is not a fundamental constitutional argument.

This is simply whether we are going to change the method of linking part of Canada's inhabitants with the rest of Canada's inhabitants. The term fixed link in my view is probably a bit of a misnomer as well. It conjures up causeways and tunnels and linkages. This is a bridge, mind you a big bridge, but just a bridge and it is going to join Prince Edward Island with the rest of Canada.

We have used ferry service before and now we are going to use a bridge. I do not know why we are all uptight about the method of linking Canadians with Canadians.

If we are going to argue some of the issues we have to be fair. I heard one of the members opposite talk about how the subsidy which is going to support the fixed link is going to be double the cost of the present subsidy.

What you have to factor into those numbers is a capital allocation that must go in with those numbers and therefore when we actually compare subsidies of the fixed link and the ferry service they are equal

We also have to face the reality that if we do not have the bridge we are going to need new ferries and there is a very large expenditure of moneys necessary to bring those ferries up to acceptable service over the next 35 years.

We are not comparing doing nothing with doing this particular bridge project.

I think we also have to look at the situation and its impact on Atlantic Canada. The short term impact is great economic activity, spending large sums of money. We are going to see 70 per cent of the procurement come from Atlantic Canada which is going to be beneficial to the people who right now have one of the largest levels of unemployment in the country.

We are going to see 2,675 construction related jobs created in Atlantic Canada and that is going to be beneficial. Upwards of 90 per cent of all labour will come from people who live or will live in Atlantic Canada.

This is not just a five–year project and then it disappears. There are tremendous spin–off benefits which are going to assist in the tourism industry. Projections indicate that upwards of a 25 per cent increase will be achieved in the tourism industry.

We will also see tremendous savings and I am sure that the Reform Party would like to support savings. We have heard members of the government side talk about the delays, transportation costs. Any industry that is tied in to transportation as part of the cost of doing business is going to be happy with this project. I believe the estimate is something like $10 million annually that will be saved by people who are tied in to the transportation side of this problem.

In addition, this project is going to create some very high tech jobs. We build one of these projects and we actually have a spin–off of high tech jobs both in the engineering side of things and in the labouring side where people learn how to work on a construction facility such as this one.

• (1625)

In that sense, we are going to have a double benefit, the short term benefit of the actual construction and the long term benefit in tourism. There will be savings in the area of transportation and also the development of new technology and an educated work force that will be able to export that knowledge and ability around the world.

I say to those doomsayers who say that it is not time to go ahead and that we should rethink our position on this project, we have been rethinking this thing for upwards of 35 to 40 years. It is time for some action. This is a project that Atlantic Canada made. It is going to benefit Atlantic Canada. I see the members opposite shaking their heads. They are more concerned with their region rather than helping Atlantic Canada to pull itself up by its own boot straps.

I say to the hon. members, get on board, support this project and make Atlantic Canada one of the stronger participants in this Confederation. Do not try to keep us down on the farm or locked up on the island. This is a minor constitutional change. It needs your support not your negative talk.

Mr. Jay Hill (Prince George—Peace River): Madam Speaker, I listened with interest to the hon. member's statement.

Being from British Columbia, I was just wondering if the hon. member could explain to the people of British Columbia, with Vancouver Island and all of the economic activity, population and traffic which has to travel back and forth between Vancouver Island and the mainland, how B.C. is able to sustain its economic activity and provide a good enough service with ferries.

I have no problem with the bridge if it is the most economic way to go about it, but I am not convinced that is the case.

I would like the member to explain to the people of British Columbia how Vancouver Island can be serviced more than adequately with good ferry service but we need this fixed link for Prince Edward Island.

Mr. Rideout: Madam Speaker, the member opposite has raised one of the unique things about Canada and that is that we can have differences. Obviously the folks on Vancouver Island like having the ferry service. Obviously the people of Prince Edward Island would rather have a bridge.

I would say to the member that if at some point the people on Vancouver Island decide that they want to have a bridge they should approach their provincial government for one.

[*Translation*]

Mr. François Langlois (Bellechasse): Madam Speaker, I am somewhat surprised at the way the debate is developing, especially when you consider that, during the election and 1992 referendum campaigns, the Reform Party was a staunch advocate of a Senate based on equality, political equality, which means equal representation for all provinces, including, we were told, Prince Edward Island.

However, there is also such a thing as economic equality. The hon. member for St. Boniface made a brilliant presentation on the economic aspects, and arguments were made by government members as well as by some of my colleagues from the Bloc Quebecois. I really wonder what is going on? In the country that Canada still is, why should some regions be treated differently on the basis of their population. It seems to me that some would want to penalize Prince Edward Island on the ground that its population of 120,000 or 130,000 does not justify building a link which has been the subject of so many studies, environmental assessments, reviews and even court decisions. Yet, if there is a decision which was based on an extensive review of the situation in Atlantic Canada, it is probably this one. As far as I am concerned, whether or not we like the idea of a bridge, a tunnel or some other fixed crossing between Prince Edward Island and the continent is irrelevant.

• (1630)

The residents of Prince Edward Island have made a decision which we must respect. Consequently I ask the hon. member: Why does he not want to respect the decision made by those who live on P.E.I.?

[*English*]

Mr. Rideout: Madam Speaker, I agree with the comments of the member opposite. The debate has taken a strange turn. Hopefully as it continues some of my colleagues opposite will see the wisdom of the bridge, get on line and support the project. I gather that one of the benefits of being a Reformer is they can have free votes. Hopefully we will see a few of them come across and support us on this very worthwhile project.

[*Translation*]

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Kamloops—Small Business; the hon. member for Wetaskiwin—House of Commons; the hon. member for Burnaby—Kingsway—Cruise Missile Testing; the hon. member for Hochelaga—Maisonneuve—Electronic Highway; the hon. member for Yukon—Health Care.

[*English*]

Mr. Wayne Easter (Malpeque): Madam Speaker, I rise to speak in favour of this constitutional amendment which allows the federal government to live up to the terms of the constitutional agreement with Prince Edward Island with a mode of transportation infrastructure that is geared to the year 2000 and beyond.

I want to make it clear at the beginning that the legislative assembly in Prince Edward Island unanimously adopted the necessary constitutional amendment in June of last year with the full understanding the Parliament of Canada would proceed with an amendment as soon as possible. Parliament is living up to its commitment and I am pleased by the amount of support from both sides of the House.

Part of the reason for the support is that a lot of Canadians off–island want to link up with us rather than the other way around. I encourage all members of Parliament to come to Prince Edward Island before and after the fixed link is in place, spend a few of their hard earned dollars, have some of the best potatoes grown in Canada; see some of scenery and have some of our lobster. I am getting a little off track blowing up the merits of our wonderful isle. We certainly want it to remain that.

This new bridge enters my riding at the community of Borden. I am well aware of the controversy past and present that surrounds the project. The impact of the construction and the completion of the fixed link will be felt first by the people in my riding and most directly by the people in the community of Borden.

The issue of the fixed link connecting P.E.I. has been under consideration at one time or another since 1885 when the possibility of a tunnel connecting the island was first considered. I do not mind admitting up front that first I favoured a tunnel and I had to be convinced to favour a bridge. I will say that the evidence and public opinion now in Prince Edward Island is very strongly supportive of the bridge.

• (1635)

I have had a considerable amount of indirect involvement with the Borden–Cape Tormentine ferry crossing. My father worked for CN Rail, later Marine Atlantic, as a deck hand and eventually a quartermaster for 32 years on that crossing. From age 12, as many youth did, we would drive back and forth on the car ferries. I have had first hand experience of the delays, of being stuck in the ice for as long as 18 hours. As a result of that experience I recognize the uniqueness of that particular area. Nowhere else in the world will one find the combination of wind, tides and ice there is where this bridge is going to be built.

It is for those reasons that I had to be convinced and looked so seriously at this project with a very critical eye. I have looked at the studies concerning the environment, the ice conditions, the fisheries, the socioeconomic impact and so on. This morning the minister outlined the number and breadth of the studies. I can tell the House of the very extensive public consultations on Prince Edward Island of those studies and of the bridge.

During the election campaign I found a sense of optimism as a result of the project, due to the fact that there would be an expected increase in economic activity during construction and improved transportation infrastructure following construction. There were concerns, and I do not think we can sweep those under the rug, from the ferry workers, from the fishermen and from the people of Borden. We cannot brush them off. They are very real concerns in the minds of those people and must be addressed. As a result of the studies, government has moved to address them in a number of areas. I want to put on the record the way they will be addressed.

As a result of the environmental review the government determined that the construction and the presence of the bridge will result in no significant impact on the environment and the fishery. In order to overcome the difficulty the developer has been required to set aside $10 million as a compensation fund. This fund will be administered according to the terms and process currently being developed by a fisheries liaison committee composed of a majority of fishermen.

Quite a number of Marine Atlantic ferry workers will lose their jobs. That is reality. The government has made the commitment that these employees will be treated fairly and equitably. They will have first right of refusal for the bridge operation and maintenance jobs. A fair severance package will be negotiated between the workers union and Marine Atlantic. The government will provide opportunities for retraining, and relocation assistance will be made available if necessary. A joint consultative committee has been set up to co–ordinate the activities dealing with the ferry workers.

As well, we have to address the concerns of the community of Borden. That is happening on an ongoing basis. One of the last studies done looked at the specifics of the project relating to SCI's bridge proposal and it passed the test. Justice Cullen of the Federal Court stated the following in his ruling with respect to the efforts of Friends of the Island to prevent the project from proceeding with respect to scientific studies and I think it is important to put that statement on the record: "The scientific evidence relied on by Public Works Canada declared all environmental impacts or potential environmental impacts were insignificant.

• (1640)

The respondent SCI and Public Works accepted those findings, were correct in doing so and thus the decision of Public Works was correct in law and certainly not made in a vacuum".

Other members have spoken of the economic impact and spin–off so I will not repeat those facts and figures. However in the long term after 1997 completion there should be economic benefits, savings to transportation costs in the trucking industry and more reliable product delivery for our agriculture, fisheries and manufacturing products. After all transportation is necessary in the delivery of goods to market. We have four years to go. I mentioned in a question to a speaker earlier this afternoon there are major concerns at the moment and major delays in getting our products to the marketplace.

The government has committed itself to ensuring that the risks to the environment and the fishery are minimized. It has committed itself to ensuring that any of Marine Atlantic's work force displaced by the completion of the bridge will be assisted through retraining, relocation assistance and early retirement programs.

I want to touch on one final point. It is the growing sense among some islanders that the link, combined with the possible loss of air traffic control service on the island, could lead progressively toward a diminishing sense of full provincial status. We may need at some point a full review of the transportation infrastucture throughout the Atlantic region, one that will allow all the stakeholders to participate in developing a system that will benefit the region going into the next century.

In conclusion, this project is an investment in our future. This amendment is part of the process to allow that to happen.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I am a little surprised because I know the hon. member is quite an ardent economic nationalist. I now find him vigorously defending a project that is going to pour hundreds of millions of dollars into the pockets of two giant multinational corporations. I find this a little inconsistent.

Earlier the subject of ice delays came up. I will agree with the hon. member that one will get ice delays for ferries, even the

best of them, that one would not get with a bridge. On the other hand, one will not get the sort of wind delays, winter or summer, with ferries that one will get with this bridge.

The only bridge I am personally familiar with which is in any way comparable is the one across the Straits of Mackinaw. It is often closed because it is impassable in bad weather conditions. By going a couple of hundred miles out of their way drivers can get around but it is pretty hard to get around Northumberland Strait. Again I am trying to look at this from a practical, realistic point of view. I would like the hon. member's comment on that.

Mr. Easter: Madam Speaker, in Prince Edward Island we look at the investment and economic activity of this link project in the very short term.

The minister outlined creating jobs this morning. He talked about 70 per cent procurement expenditures in the Atlantic area. Ninety–six per cent of the jobs will go to that area so there will be an economic boost in the initial stages of the project as a result of the expenditure of funds.

Our concern in the study on ice was what ice could do to the bridge. We were assured by all the experts that the bridge will be able to withstand the pressure of that ice.

• (1645)

The fishermen have another real concern: if the bridge delays the ice moving out of the strait it would have an impact on the lobster fishery in terms of the waters remaining cooler and the lobsters therefore remaining dormant for a longer period of time. It would have an impact on lobsters.

Studies have clearly shown that the ice delay would be very limited and would have minimal effect, if any, on the lobster fishery.

Mr. Morrison: I rise on a point of order, Madam Speaker. The hon. member misunderstood my question. When I talked of ice delay I meant delays to ferries due to the presence of ice in the channel. I was not referring to delayed breakup of the ice.

Mr. Easter: Madam Speaker, I will just make a comment on that. Certainly we are familiar with the ice delays to ferries these days. As I mentioned earlier this afternoon, truckers at the moment are having anywhere from a three–hour to five–hour extra wait due to a slowdown in ferry movement because of ice congestion at the terminal and so many trucks moving. Under the current scenario with the ferries and the ice it becomes an extremely difficult situation in terms of getting product to market on time and in an efficient way.

Mr. Rock: Madam Speaker, I wish to make a statement to the House and I wonder if I might have unanimous consent for that purpose.

The Acting Speaker (Mrs. Maheu): Is there unanimous consent of the House?

Some hon. members: Agreed.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Madam Speaker, I am indebted to my colleagues for their consent.

I would like to take the opportunity this afternoon to respond to concerns raised this morning in the course of this debate by the hon. Leader of the Opposition. He raised concerns arising from the translation and a possible different meaning between the French and English texts of the constitutional amendment. The Department of Justice has now provided an opinion by those persons who are drafting experts in matters of this kind.

It is the opinion of the Department of Justice that the French text and specifically the word "remplace" is in the subjunctive tense and as such imports a possibility. In other words the French text, according to the Department of Justice, says nothing more or less than the English text which reads: "may be substituted".

I would like to thank the Leader of the Opposition for having raised the matter. We respect his concerns but we believe they are groundless. I appreciate this opportunity to clarify any possible misinterpretation.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Madam Speaker, I am pleased to speak on this constitutional amendment which the Minister of Public Works and Government Services Canada and Minister for the Atlantic Canada Opportunities Agency put forward under section 43 of the Constitution Act, 1982.

I am one of the last members scheduled to speak. I hope that the parliamentary secretary of the government party will listen to what I have to say. While I will be going over some ground that has already been covered, toward the end of my speech, I will be voicing several opinions which subsequently will have to be analysed.

The amendment in question provides for a fixed crossing joining Prince Edward Island to the mainland to be substituted for the ferry service between Cape Tormentine and Borden. It should be noted that one of the terms of Prince Edward Island's entry into Confederation was that efficient steam service for the conveyance of mail and passengers be established and maintained between the Island and the mainland, winter and summer, thus placing the Island in continuous communication with the Intercolonial Railway and the railway system of Canada.

• (1650)

In 1873 the realization came about that the terms and conditions for admission into Confederation, namely the promise of efficient steam service, were not being adhered to.

In 1877 Ottawa agreed to pay a subsidy for the operation of a steam ferry boat. The *Northern Light* was put into service in the Northumberland Strait.

The idea of building a tunnel under the strait to maintain year–round communication was first bandied about in the early 1880s. However, with the introduction of ice–breaking ferries in 1917–18, the problem of ensuring continuous communication was resolved and the idea of establishing what we now refer to as a fixed link was abandoned for the moment. Only then were ferries pressed into service twelve months of the year.

The amendment in question provides for a fixed crossing joining Prince Edward Island to the mainland to be substituted for the ferry service between Cape Tormentine and Borden.

Let me start by saying that it is rather significant that we find ourselves having to debate a constitutional amendment, since the present government refuses to discuss any amendments to the Constitution which, as noted in section 52 of the Constitution Act, 1982, is the supreme law of Canada.

In a famous ruling, the Judicial Committee of the Privy Council in London compared the Canadian Constitution to a tree capable of growing within its natural confines. History has proven otherwise. It has taken more than a century for us to get around to debating here in the House the construction of a fixed link between New Brunswick and Prince Edward Island.

As much as we want to muzzle debate on the Constitution, the subject keeps coming up because it is part of an evolving process. A country is not frozen in time. It is constantly evolving. The constitutional amendment sought under section 43 of the Constitution Act, 1982, is an integral part of section 38 and subsequent sections which set out the process for amending the Canadian Constitution. We cannot help but recall 1982 and the painful memories it conjures up for Quebec. We cannot help but remember the rejection of the Meech Lake Accord and the rejection by all Canadians of the Charlottetown Accord.

This amendment put forward by the government shows us that constitutional talks cannot be relegated to the back burner and that it is impossible to artificially stop a process which, by definition, is constantly evolving.

This constitutional amendment will put Prince Edward Island in contact with the mainland through the establishment of a fixed link. And I am very happy for island residents.

Representatives of the federal government and Strait Crossing Development Inc., an international consortium, have signed a contract valued at $840 million for the construction of a bridge. It will cost approximately $800 million to build the bridge, while $40 million will go to cover interest charges during the three–year construction period.

Since the debate began this morning we have heard the same speeches. However, the facts cannot be disputed.

The proposed bridge will be 13 kilometres long. This superstructure will replace the ferry service between Cape Tormentine, New Brunswick, and Borden, Prince Edward Island.

• (1655)

It is a fact that the province was given guarantees under the Constitution regarding links with the continent. Today, a ferry service is provided by Marine Atlantic, a Crown corporation. Responsibility for financing, building and operating a bridge connecting New Brunswick and Prince Edward Island was given to Strait Crossing Development, a Canadian company. The company will receive an annual federal subsidy of $41.9 million in 1992 dollars, this amount to be indexed for 35 years, starting in 1997. This works out to a total of nearly $1.5 billion. The company obtained financing through a private bond issue worth $660 million. The bonds have a triple–A rating, the best guarantee the banks can have.

Although I agree with this amendment, since we are bound by one of the terms of union under which Prince Edward Island entered Confederation in 1873, I nevertheless have some reservations about the project. The cost of the ferry service operated today by Marine Atlantic, a Crown corporation, is around $28 million. There are some substantial differences here. The bridge subsequently becomes the property of the federal government. The agreement provides that the federal government will acquire ownership of the bridge in 2032. In what condition will the bridge be at that point? That is certainly a question we can address in the House. Does the government have sufficient guarantees that the bridge will be handed over in good condition and that it will not have to invest in extending its useful life?

During the first year, tolls will equal the rate charged for the ferry, which is $11.05. Subsequently, increases should not exceed 75 per cent of the rate of inflation. The promoter will collect the toll fees. At this point, one wonders whether this is a firm commitment or whether the door is still open for renegotiating rates if traffic remains below the forecast levels.

Economic spin–offs will include about 2,675 person–years of work during construction, or 900 to 1,000 jobs annually with a construction season of about nine months. As we said earlier, 96 per cent of the labour force will be from Atlantic Canada. However, what will happen after completion of the project? Is it back to the vicious circle of unemployment insurance and welfare? Will tourist revenues be sufficient to prevent this?

The government admits that about 420 permanent employees with Marine Atlantic will lose their jobs when the bridge is opened to traffic and that only 60 jobs will be created. This means a net loss of about 360 jobs. Further costs are expected, including negotiating service allowances and funding for re-

training and relocation, if necessary. We do not have the answers to these questions yet.

• (1700)

It will cost $10 million to compensate fishermen. A federal–provincial agreement respecting the construction of the fixed crossing was entered into by the Government of Canada and the provinces of Prince Edward Island and New Brunswick.

Prince Edward Island and New Brunswick will each receive $20.4 million toward upgrading their road system. Is equal treatment to be expected for all of Canada? Finally, the communities of Borden and Cape Tormentine will receive a special development fund of up to $20 million.

Some 70 per cent of the construction materials for the bridge will be purchased in Prince Edward Island. The delivery of fish and farm products will no doubt improve. Tourism is expected to increase by 25 per cent. Are these estimates based on genuine studies, studies demonstrating the feasibility of this project? And the island's shipping industry will save $10 million a year according to the Liberal Party. I doubt it.

Of course, we must not overlook the effects of building such a structure will have on shipping, wildlife, fish, migratory birds, agriculture and ice.

God forbid that this project become another Hibernia, a project which has swallowed up in excess of $1 billion in public and private funds to date, for the federal government contribution to that project presented some fundamental flaws as the Auditor General pointed out in his 1992 report. He described the Hibernia project as high–risk due to the uncertainty of prices as well as technological and environmental factors. We hope that the construction of the bridge will not be plagued with the same problems.

With regard to the bridge project, Parliament and more importantly the public should be provided with quality reports throughout the project so that corrective action can be taken immediately, as required. A work schedule should be submitted to Parliament and a special House committee should follow the progress made in all areas—financing, construction per se, deadlines, environmental studies—and report to the House at specific times.

The Bloc Quebecois believes that taking these comments into consideration and supporting this amendment will take care of a long–standing request. I hope that the Prince Edward Island bridge project is built on solid ground because we will be the rightful owners of this infrastructure 35 years from now.

To be a good deal, this project must be accompanied by a comprehensive set of clear and measurable objectives; sufficient co–ordination of monitoring of industrial benefits must be put in place; environmental damage must be kept to a minimum throughout the project and the rights of the fishermen must be preserved during the entire process.

We, in the Bloc Quebecois, hope that the minister will take into consideration the points I have just raised and, in the near future, respond favourably in this House to the suggestion of setting up a special House committee, as major investments are at stake and it is essential to monitor carefully the use made of Canadian taxpayers' money and hopefully preserve steady, structuring and paying jobs for the young people.

• (1705)

Mr. Benoît Serré (Timiskaming—French River): Madam Speaker, first, I would like to congratulate the members of the Official Opposition, the Bloc Quebecois, on the facility with which they turn any subject discussed here in the House to their advantage and bring it around to the only debate that concerns them, their only goal and objective, which is independence and the separation of Quebec.

Some hon. members: Hear, hear.

Mr. Serré: I am glad that they applaud when I talk about separation and independence, because I see that you are sending a clear, unambiguous message: Quebec independence is what you want, not Quebec sovereignty. I am glad to see the reaction of my hon. colleagues in the Bloc Quebecois.

They have that knack and I see the rationalization they used for approving this project. They said, "Because there was a plebiscite in Prince Edward Island, we must respect the will of the people". They draw a parallel with a future referendum in Quebec. I would like to make a distinction.

The project in question is a bridge, a link, something to unite Canada and build Canada, something constructive. The eventual referendum in Quebec is a plan to destroy bridges and ties in this country. These people do not want a constitutional amendment; they want the outright destruction of our country, and I will never agree to that.

Mr. Fillion: Madam Speaker, I must sincerely tell you that I thank the hon. member for his comment. Throughout the election campaign—and it was publicized in English Canada and in French Canada, in Quebec and elsewhere—we said that while we were here in the House, the Bloc Quebecois's mandate was to prepare for Quebec sovereignty.

Some hon. members: Hear, hear.

Mr. Fillion: We did not refrain from saying and explaining that during the election campaign. Our leader and other members are ready to explain this position throughout Canada.

Our action and our position today is not to destroy what exists but to ensure that there is some fairness. There was something unfair about Prince Edward Island's treatment. Today, we are trying to repair that error which has lasted over 100 years. So we are also seeking this same fairness for the province of Quebec in various fields and social areas from the federal government. I think that is what our distinguished members on the government side do not like; for once, the voice of Quebec is being heard in this House defending and safeguarding its interests and giving all of Canada clear, precise, unambiguous positions.

The Acting Speaker (Mrs. Maheu): Therefore, I give the floor to the hon. member for Davenport, for a question or a comment.

Mr. Caccia: No, Madam Speaker, I would like to make a speech.

The Acting Speaker (Mrs. Maheu): In that case I cannot give you the floor.

Mr. Ménard: Madam Speaker, I would like to make a comment.

The Acting Speaker (Mrs. Maheu): Certainly but are you in your seat?

I am sorry. I do not want to make fun of you, but you must speak from your seat. Twice already members have spoken when they were not where they should have been.

An hon. member: He is where he is supposed to be.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Madam Speaker, I have never been so properly told off.

• (1710)

I want to comment on the excellent speech by our colleague. I could not help making the link with the speech of the previous speaker.

I imagine that if we, the Official Opposition, had done any kind of filibustering regarding this motion, which is so important for the quality of life of Prince Edward Island residents, we would have been criticized and accused of being anti–democratic, of not respecting the result of the referendum, and of refusing to promote the democratic process in this country.

Now that we are co–operating with the government, and I think it takes some audacity to rise in this House to say that, because we are co–operating with the government, we are branded as being biased and anti–democratic and as wanting to side–track the debate.

We must be clear, and this is essentially what the previous speaker meant. There cannot be two types of democracies in this country: one which suits English Canada and government members, and one which suits the government.

The support of the Official Opposition is clearly meant to convince the government to make the decision it should make for the population of Prince Edward Island. It goes without saying that we respect the outcome of any referendum. After all, we nationalists accepted the verdict in 1980 when Quebec's National Assembly, which was the first one in the country to pass legislation on such public consultations, held its referendum.

That verdict was not favourable to us, but in a democracy, win or lose, you must accept the decision of a public vote. Consequently, we accept the decision made by the people of Prince Edward Island. In the next few years, when Quebec holds a referendum to democratically decide its future, I hope that the hon. member, as well as all the members opposite, will accept the result of that democratic process.

Mr. Fillion: Madam Speaker—

The Acting Speaker (Mrs. Maheu): We are not going to have a debate between two members of the same party. Do you have a brief comment?

Mr. Gilbert Fillion (Chicoutimi): Madam Speaker, I will make a brief comment since I realize the time for questions and comments is about to expire.

I would like to ask the parliamentary secretary to consider the questions I raised in my speech. I do not want to turn this into a nationalist debate. I am sure that the Department of Public Works will look at each of these issues and try to deal with them, and that a special committee of the House will be appointed to monitor the entire project.

* * *

BUSINESS OF THE HOUSE

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Madam Speaker, I wish to confirm what the government House leader announced last Thursday, that tomorrow, February 16, will be an allotted day. The Order Paper will reflect this designation.

* * *

[*English*]

PRINCE EDWARD ISLAND FIXED LINK

The House resumed consideration of the motion.

Hon. Charles Caccia (Davenport): Madam Speaker, to improve the movement of people to and from beautiful Prince Edward Island it seems to me there is an alternative which is safer, environmentally preferable and less expensive than the proposed bridge. It is an alternative that would create more jobs in the long term. That alternative is an improved ferry service.

Let me outline the advantages of improving the ferry service versus building a bridge 14 kilometres long which in winter and early spring would mean keeping a passage open under very difficult climatic conditions.

An improved ferry service would cost an estimated $36 million a year. That includes the continual replacement of vessels and building a capital fund for making the ferry replacement fund sustainable.

• (1715)

By contrast, the proposed bridge would cost $42 million a year for 35 years which, if my mathematics are correct, would amount to $1.47 billion. The difference between the two approaches amounts to a saving of some $210 million over 35 years in favour of the improved ferry service.

Also there is the question of additional road construction. The improved ferry service will not require such expenditures. However, by contrast, the bridge will require an expenditure of some $41 million. That is another saving amounting to $41 million.

Then there is the compensation to the towns of Borden and Cape Tormentine. The improved ferry service would not require such compensation but, by contrast, the bridge requires an estimated $20 million for the link. The continued ferry service does not require compensation to municipalities. This is another saving amounting to the $20 million I just mentioned.

If we add all these items the ferry option would result in saving some $271 million without taking into account cost overruns estimated to be as high as $550 million and without taking into account unemployment insurance plus training and relocation of ferry workers for an estimated total of some $25 million.

Having compared the financial aspect let me briefly compare the question of jobs. During the next 35 years, in the case of the improved ferry system there are likely to be some 8,200 person years in jobs that could be created in the form of refitting and building new ferries. By contrast, during that same period the bridge would generate only 2,400 person years in terms of construction jobs.

After the 35–year period and once the bridge has been completed the job picture would be as follows. The improved ferry service would provide an estimated 400 year–round jobs and an additional 325 summer operating jobs. These figures were provided by the union. By contrast, the bridge after completion would provide only an estimated 60 to 80 operating jobs. In essence the emerging employment picture is very much in favour of the improved ferries alternative because it would provide more jobs than the proposed bridge, namely 5,800 more person years during the next 35 years, an estimated 340 more jobs in winter and an estimated 645 more jobs thereafter in summer.

On the democratic process used in arriving at the decision to build the bridge, the public was consulted on a link which many understood to mean a tunnel or a bridge. A consultation on the construction of the bridge did not take place. Actually my understanding is that the vote on this consultation was considerably close: 51 per cent voted in favour, 46 per cent voted for the improved ferry service, and 3 per cent expressed an undecided position.

• (1720)

Before concluding it is important to make a brief reference to studies related to environmental impacts. The studies that have been quoted and used were conducted by the proposing department, namely the Department of Public Works. When an environmental assessment panel was formed and reported it recommended against the idea of the bridge. Its recommendations were disregarded.

Those of us here today who believe in the increasing importance of environmental impact assessment believe it incumbent that at least a panel be appointed to examine the whole proposal again, to point out the weaknesses of the bridge and to determine whether the feasibility of the proposal is such to warrant it proceeding.

What worries me considerably about this proposal is what will happen 35 years after the completion of the construction of the bridge when the private consortium will retire and the bridge will become public property. Obviously the structure will be eroded; salt water has that effect. The public will inherit a structure to maintain which most likely will require considerable repairs, and that after the public having spent or invested some $1.47 billion over the next 35 years for the construction of the bridge. A corroded structure is what the next generation of politicians and decision makers is likely to inherit and what the Canadian public is likely to have to cope with.

For all these reasons I believe the alternative of an improved ferry system would be more desirable and in the public interest.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Madam Speaker, I get the feeling that the party to which I belong caught the government party by surprise in deciding to support the amendment before the House today. I get the feeling that the government party was counting on the opposition of the Bloc Quebecois, and possibly even that of the Reform Party, to withdraw a proposal that it did not care greatly for. The comments of the hon. member who just spoke lead me to believe this is so.

I think the government party, the Liberal Party, made promises to Maritimers, particularly to the residents of Prince Edward Island, in an attempt to win votes, 125,000 votes to be exact, not an insignificant number. In making this promise they were hoping that the other parties in the House would not support them. I think they were caught a little off guard when we supported them. I would like to ask the hon. member who just spoke if he was trying to extricate himself from this matter honourably by recommending a ferry when his party, his minister and the minister's parliamentary secretary all seem to favour a fixed crossing. I wonder if the government party could tell the

opposition if it wants a bridge, yes or no? We are not sure any more.

• (1725)

Mr. Caccia: Madam Speaker, I am surprised that the hon. member feels somewhat confused or does not understand that the Liberal Party, in keeping with a tradition of allowing freedom of thought and opinion, has agreed to an open, honest debate on an issue of public importance such as this one. I would hope that the same spirit of openness prevails within his party. Certain members of the Bloc, notably the distinguished environment critic, had the opportunity and were able to express their opinion freely this afternoon, particularly on such issues as sustainable development and environmental protection.

I listened with a great deal of interest to the hon. member whose position is similar, if you will, to my own. The views he has expressed will enrich the debate taking place in the House this afternoon.

Mr. René Laurin (Joliette): Madam Speaker, this will be a brief comment, just to tell the member of the government party: good for them if they are free to express themselves without necessarily following the party line. However, within the Bloc Quebecois, we had a consensus before the election. We knew beforehand on what we agreed and disagreed. We solved our problems before; then when we came here, we came as a bloc and today we think as a bloc.

So if the party in power had thought about it before, perhaps you could have made promises that would have seemed more sincere to your constituents and today you would not need to appear divided.

Mr. Caccia: I am not aware that in the programs of the Bloc Quebecois before the election, all members of the party had taken a position in favour of building the bridge. But if such a position was indeed taken, I would be very glad to see it, if the member wants to show it to me one of these days.

[*English*]

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs): Madam Speaker, I am speaking today in support of this resolution not because I am following the party line. However I listened with great interest to the remarks of my colleagues. It is an indication our party is willing to accept a diversity of viewpoint. I am not affected in my decision because I sit beside the hon. member for Halifax and the hon. member for Egmont who are speaking strongly in support of the resolution.

What we have heard today in the debate reflects a very good argument for the fixed link and for the constitutional amendment. In terms of jobs we have heard that the proposal will create 5,300 jobs over a period of three years. Moreover, we have heard that 70 per cent of procurement requirements will be filled in Atlantic Canada.

We have also heard that tourism will be increased—and I say in respect to my colleague from Davenport that tourism should be considered in this respect—by about 30 per cent during the period of the bridge construction and about 25 per cent thereafter. This is a significant economic stimulus for a province and an area which has suffered greatly in the past decades.

• (1730)

One of the members opposite mentioned that the project was supported by a plebiscite in 1988, six years ago. We have also heard requests for consultation. Surely six years and 80 public meetings is adequate consultation.

We heard other members from Prince Edward Island, including the member for Egmont, say there are waiting times of three to five hours for the ferries. It affects transportation to the island. We also heard the hon. member for Halifax describe how she had to party for seven hours on a ferry that could not get across the water.

These are all impressive arguments which have convinced me without question that this proposition should be supported.

I come from the province of Ontario as do many other members on this side. My province through its support of the general revenue will support this project. I have heard several comments today which made me think that in this kind of basic proposition where we share responsibilities, it is not always recognized.

Someone suggested this particular project affected all parts of Canada because of its need for constitutional amendment and the general revenues of Canada would be used and therefore it should be subject to the interests of all of Canada. That member who comes from the province of British Columbia should recall there have been many items of this kind in the past, including a case in the province of British Columbia.

When British Columbia entered Confederation there was an agreement in the terms of union for British Columbia that a railway would be built with subsidies amounting to $50 million, enormous sums at that time equal to the total general revenue of Canada. That is in the Constitution, just of course as the ferries were in 1873.

We have an obligation along these same lines. When a constitutional amendment which so clearly affects a single province or two provinces in this case, for the sake of the efficiency of the Constitution such bilateral amendments should proceed without requiring even more protracted consultation or negotiation in the constitutional realm.

The people of Prince Edward Island have waited a long time for a bridge. We heard from one hon. member earlier that it was over 100 years ago in the 1880s when a fixed link of a certain kind was first proposed. It was again proposed in the 1950s and 1960s. In those cases it did not come to fruition. Many other

things did in that period, including the CPR and the transcontinental railways. It would seem they were not in the best interests of Prince Edward Island.

If Prince Edward Island has 138,000 people as someone referred to earlier, that is a population larger than that of the province of Saskatchewan or part of the Northwest Territories when the commitment was made to build the CPR or the Grand Trunk Pacific or other railways.

I do not think it stands simply because the population is of the order of 130,000 that this is an enclave and that long term commitments this country has made to that wonderful island should not be honoured in the most modern ways possible. It seems to me this is a very modern way of recognizing the commitment we made to maintain a communication–transportation link with Prince Edward Island.

This morning I toured the Department of External Affairs and saw the communications system it is replacing at very great cost. I was reminded by the person leading the tour that this simply has to be done. It is essential because the link with the rest of the world has to be as modern as possible. Here too we have no choice. Indeed we have a greater obligation, a moral obligation to go through with this project.

In summary this fixed link will provide a stimulus to the economy of the province that currently requires the largest amount of federal government subsidy per capita. It will create jobs. It will give an economic boost in procurement, in direct jobs and in long term tourism jobs.

• (1735)

We all know about Prince Edward Island from Anne of Green Gables. All of us should have the benefit of visiting that wonderful and unique part of Canada. In the case of tourism this country is running a deficit on the current account of about $10 billion. This is an extraordinarily large deficit, one that costs us enormously over the long term. Prince Edward Island is one part of Canada where tourism has been successful. With this bridge it will be even more successful.

For that reason I believe the project taken in the longest term—and here I dissent from the view of my colleague from Davenport—is economically sensible and feasible. The benefits will be indirect and long term but they are important to the people of Prince Edward Island.

As some hon. members have pointed out, the subsidy will be larger than the current one, but it would be no more than the cost of replacing the ferries.

Finally, it is important to carry out the long term commitments that have been made to Prince Edward Island to link that part of Canada with this part in the most modern and efficient way possible. It seems to me this proposal meets those obligations.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Madam Speaker, I am very interested in the comments the hon. member made about efficiency. I wonder if he is aware that water freight is ten times as efficient as truck or highway. Where is the cost of efficiency coming from by moving products from the island to the mainland?

Has the member done any cost study on how much extra will be spent in moving produce from the island to the mainland?

Mr. English: Madam Speaker, I have not done any studies but I am aware that water transportation is much cheaper for much longer distances. However I would say that anyone who has waited for a ferry as opposed to crossing a bridge knows one is a great deal easier and more efficient than the other.

We heard personal accounts from some hon. members who have had to wait for ferries. We heard about the three to five hour waits and other complaints about the ferry service. Currently it is not efficient. I do not think we are living up to our obligation that was first made in 1873 and has been made several times since then.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Madam Speaker, the hon. member made reference to the inconvenience of waiting for ferries. I have waited for lots of ferries. I have also waited for bridges to be opened when they were closed because of the weather. It did not make any difference. It was just as inconvenient and just as uncomfortable waiting for one as waiting for the other.

The hon. member made reference to tourism. If this is going to be such a boon to tourism, I wonder why tourism operators on the island are campaigning to keep the Caribou Point ferry operating even if the bridge is built. They believe the tourists want tourism. They do not want just to get from point *a* to point *b* like a load of Prince Edward Island potatoes going to market; they enjoy the ferry. That was actually brought to my attention by a study done by a noted economist from the maritimes, Dr. Peter Townley from Acadia University who has panned this monument to vanity at every opportunity.

• (1740)

Mr. English: Madam Speaker, I too have waited for ferries and have waited to cross bridges. However, studies in this case have indicated that it is more efficient.

On the question of tourism, while it may be true that in specific places there may be some thought that a ferry crossing is a tourist event of some significance, one does not, to quote the hon. member's words, feel like a sack of potatoes on a ferry. I would think the majority of tourists would dissent from that view.

It certainly seems to be true that the people of Prince Edward Island dissent from that view. There will be more tourism. There will be more economic activity. All of the studies seem to confirm that view. The people of Prince Edward Island expressed that view in the plebiscite.

In that respect the hon. member may have a particular case, but it is not the general case.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Madam Speaker, it is indeed a privilege to participate in this debate on the amendment to the Canadian Constitution as it relates to the Prince Edward Island terms of union.

I have had two occasions to visit Prince Edward Island. My stays were not long enough. The first time I arrived by air and the second time I arrived on the island by ferry.

The island is beautiful. The residents of Prince Edward Island have much to be proud of. There are a lot of farmers on the island. Earlier we heard from the hon. member for Malpeque whom I notice has the same problem as I do in that he forgets to button up his jacket when he is speaking before the House. It must be a weakness of those of us who have earned our living by farming. I would also just mention that the best bowl of clam chowder I have ever had was in Charlottetown, Prince Edward Island.

I am not opposed to Charlottetown. I am not opposed to Prince Edward Island. I am not opposed to building and I am not even opposed to this project in principle. However I believe it is time to look at the process, to look at cost and to assess whether this is the right decision for Canada at this time.

Some constitutional issues have been brought forward by other speakers, particularly from our caucus. I totally concur with the member for Calgary West who questioned why this was such an important issue but Senate reform had to be put on the back burner.

Senate reform seems to be taboo in the House as far as the government is concerned, while amendments to the Constitution that affect Prince Edward Island, that have affected New Brunswick in relation to language laws in the last Parliament seem to be no problem whatsoever. The discussion on property rights in this House seems to be taboo and cannot be brought forward. However the principle of aboriginal self-government seems to be quite appropriate and has been discussed at length in this House.

I do not want to dwell on constitutional issues. I believe the fiscal crunch facing Canada is the priority for most Canadians. I would like to make my address primarily on the fiscal aspects of this project and the priorization we as Canadians and we as members of Parliament need to expose ourselves to.

Megaprojects are wonderful. They grab headlines. A megaproject was completed in my riding. It had been promised for many elections before it was completed. Finally in the 1988 election it was promised and actually was completed, at considerably more cost than was projected I might add. In fact governments have been trying to opt out of funding this megaproject because they were not able to meet the estimated cost of the project. However megaprojects do grab headlines. They are vote getters and attention getters.

Unfortunately tax relief for the middle class does not seem to be as popular. It does not seem to get the headlines. Therefore politicians and governments tend to forget about that aspect when projecting the business of this House and introducing orders and bills.

A few thousand very costly jobs seem to be quite an attention getter. From what I am able to determine the cost of each job created, and these are just temporary jobs by the way, is approximately $310,000 per person year. That is a pretty rich plan if you ask me.

However long term low unemployment as a strategy does not seem to be attainable by this government. It seems to be a much lower priority. Oftentimes it seems to be forgotten. We all know that the private sector is the job creator and the way to create jobs is to reduce the tax burden on our private and small businesses so they can generate jobs and lower the unemployment situation which is intolerably high.

• (1745)

Hibernia is another megaproject—no problem. As an attention getter, a vote buyer it is going ahead. However, can we put a cap on federal spending? No, that is just unreasonable. We have to forget that.

I believe it is time that the government laid out in frank terms its priorities to all Canadians. We have had a lot of motherhood and apple pie stuff. A lot of it is in the famous red book. The naked truth is that as a nation we are over $500 billion in debt. That is over half a trillion dollars in debt and it is not a time when we can say we would like to do this or that. Rather, it is a time of deciding what we must do to maintain a reasonable standard of living and pass on a heritage to our children of which they can be truly proud.

It is time that we as leaders of our country must listen to Canadians to find out what their priorities are and then try to represent those priorities in this House in the legislation we support and in the decisions we make.

For the past few years Reformers have been listening very closely to Canadians to try to determine what those priorities might be. We think we have come pretty close to sensing what Canadians feel is important and what they would be prepared to see go by the way, at least for the time being. After all, I would remind this House that our caucus has grown from one member to 52. That was no small feat and no accident. It came from listening to Canadians and accurately representing their concerns in the election and we are responsible to also represent those concerns in this House.

Let me presume that the priorities of Canadians are also the priorities of Canadians on Prince Edward Island. I know that my comments do not remain in this assembly. The people of Prince Edward Island are watching me. I am not concerned about that because I think the aspirations of the people of Prince Edward Island are not that different than the aspirations of most Canadians. I want to talk about the priorities that I believe are the priorities of the residents of Prince Edward Island.

I know that most Canadians place a high priority on health care. I would just like to relate a little about what is happening in my own province of Saskatchewan. We had governments that liked to build monuments, that liked to build hospitals. We probably have more hospitals per capita in our province than in any other part of Canada. Unfortunately, we now have no money to operate those hospitals. Our priorities were probably wrong. In fact, I am sure they were wrong.

I wonder if the residents of Prince Edward Island would trade away their health care system to have a bridge to the mainland. It is an interesting thought and I have not heard that thought being represented by members on the opposite side.

Also, there is concern for the need for funding of ongoing education, particularly post–secondary education. It is important for young people in every province of Canada, including Prince Edward Island.

Do we want to build a bridge for the young people of Prince Edward Island so they can drive across that bridge and go into the United States to find quality post–secondary education? Or are we going to place a high priority on education within our own country even if it means not expending funds to build a bridge from New Brunswick to the island?

I think of quality of life for our senior citizens. I would like to ask senior citizens if they would be prepared to trade their Canada pension plan for a bridge or financial security in retirement years for another megaproject. These are the types of decision, the types of priorities we need to weigh in our minds.

Being a small business person, a farmer, I have to weigh the benefits of seeing megaprojects go forward or seeing a tax structure which I can live and prosper within and make reasonable profits for my business.

Canada is facing this fiscal crisis and if we as individuals were in exactly the same situation we would be very prudent to make wise decisions. Unfortunately, governments do not always makes those types of wise decisions. Quite often they are thinking about buying a yacht rather than keeping up with the mortgage payments. As the Canadian government, we must not only maintain the mortgage payments but we need to reduce the deficit so that the mortgage does not become totally uncontrollable.

• (1750)

That deficit and that debt also affect the residents of Prince Edward Island and I am sure that if they have a bridge that the country cannot afford to maintain, if they have an economy that does not justify the use of that facility, it will be a sorry day and a difficult thing to explain to future generations.

These are types of illustrations that we as Canadians need to hear if we are going to make wise decisions. We do not want the International Monetary Fund making those decisions for us. We do not want it lowering our credit rating, increasing the cost of borrowing all these dollars that we need if governments are going to continue funding megaprojects when we are past the half–trillion dollar bench mark.

I do not want to carry on too much longer in sort of a gloom and doom approach. I do not think it is time to be down on ourselves but I do believe it is time to make wise decisions as Canadians.

As Reformers we talked to Canadians and said that we feel governments have to cut spending and one area is megaprojects. We received broad support for that position right across the country. Even in Atlantic Canada we received quite a bit of support even though we were fairly new and unknown in that part of the country.

We preached the same message of fiscal responsibility, of placing our priorities on the things that are really important such as health and education, care for our seniors and hope for our young people.

We do not want to erode our reputation of being a country with a high standard of living, one that properly cares for its citizens and one that meets the most important needs of Canadians.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I very much appreciate the opportunity to be able to enter the debate here today on this important resolution of the House, an amendment to the Constitution of Canada relating to Prince Edward Island's terms of union.

It will allow for a fixed crossing joining the island to the mainland. For greater certainty, as I quote from the motion before the House, nothing prevents the imposition of tolls for the use of such a fixed crossing between the island and the mainland, or the private operation of such a crossing.

The debate today is of great interest to me for several reasons, one of which is that I have a great affinity for the island, an affinity that goes back to several visits I have made to the island, several by ferry and several by air. The people of Prince Edward Island are very kind and generous who care an awful lot not only about their own island but about Confederation and about this country.

All members of this House recognize that not all islanders are in favour of the fixed link. There are many people who have earned their living off the water as fishers, people in the Northumberland Strait, and also islanders who enjoy their way of life on the farm, a good, quiet rural way of life. They are quite satisfied with the ferry service.

I was very pleased today to be in the Chamber when the member for Davenport spoke eloquently about the alternatives that the government has chosen to ignore. One alternative in particular calls for an updated ferry service that would allow for the prevention of some of the environmental problems that the fixed link proposes.

• (1755)

That is partly the other reason why I am pleased to speak today. The whole issue of environmental assessment is one that I have spent a great deal of time working on in the previous Parliament and something that is of great concern to me.

The member for Davenport spoke about the need to take into account what environmental assessment means when considering the future of major projects that will be discussed and taken care of in our country.

We have many major projects under way in this country that have not been subjected to environmental assessments and others that when they have been assessed under strict environmental guidelines have been found to be substantially inadequate.

The point that I will come to very shortly in my remarks concerns the failure of the previous government and now apparently this government in dealing with this process of instituting an environmental assessment process that will ensure that we have an adequate response to the needs of the environment on projects such as the Northumberland Strait bridge.

I hesitate to mention the name of the previous Prime Minister in this place. Bill C–110, the act respecting the Northumberland crossing, an act debated in this House in June of last year and passed by this Chamber, was really one of the very last acts of the previous government before it adjourned for the summer recess that eventually ended up in a federal election and the election of a new government.

The record of the previous government on the environment left a tremendous amount to be desired. I am quite surprised that the new government would pick up exactly where the old government left off, especially on a project in which the one single federal environmental assessment review of a general nature on this project called for the shutdown of this particular project, the bridge. I will come to more of that in just a second.

I want to acknowledge that I believe something has to be done with regard to the access to Prince Edward Island, to improve the access to and from the island for products, for tourists and for residents.

When Bill C–110 was in the House, an act respecting the Northumberland crossing that gave the go ahead to proceed with the construction prior to this constitutional change, the debate in the House was characterized by Mr. Jim Fulton, then the member from Skeena, who had quite a number of things to say.

I would like to reiterate for the benefit of the House some of the things that Mr. Fulton had to say. Mr. Fulton was a long time environment critic for the New Democratic Party. As such, Mr. Fulton served our party and our nation very well. This speech on Bill C–110 at the time was almost Mr. Fulton's last intervention in this House prior to his retirement. One could tell from the way he approached this issue how important it was to him and how important he thought the environmental assessment process was to this country.

As I had previously stated and argued very strongly at the time, the bridge was never assessed by a public panel. All of the studies that the government has talked about, the 90 or 91 studies, were done in a sense by vested interests in the Northumberland Strait and in the bridge construction. The environmental assessment review process that I have supported very strongly in the development of a new Canadian environmental assessment act would require independently financed environmental assessment for projects such as this.

• (1800)

Mr. Fulton referred to the bridge never having been assessed by a public panel. As I indicated a few minutes ago, when the environmental assessment review office took a look at a general concept of it the generic bridge concept was turned down.

The Federal Court ordered that there be no irrevocable decisions by government until the provisions of the environmental assessment review process had been met. Members will recall that prior thereto EARP had also been avoided in the Kemano project. The Federal Court also found that in the Kemano II project the government had acted both illegally and

unconstitutionally. We had hoped to avoid that situation with the Northumberland link project. Of course that has not happened.

I want to raise as well, thanks to some of the notes Mr. Fulton set out in the Chamber in June, the case of the Oldman River dam. When we look at that project who do we find there but SCI, the very same company involved with the fixed link. When it came to damming the Oldman River, SCI joined with the Government of Alberta and the federal Conservative Party at the time in fighting against the public every step of the way until the highest court in the land eventually had to rule that there must be an environmental assessment of that project.

When the assessment took place it ordered that the dam be taken down, that it was neither economically nor environmentally sound. The same company that did not believe in an environmental assessment process in that case has not been participating in a public environmental assessment process on the Northumberland Strait.

I am quite concerned about this matter. As the member for Davenport talked about earlier, the environment assessment review process is something that must be taken extremely seriously as we look at all projects in the future. It is a process in which we have to develop some confidence, or the projects we have to deal with will constantly come under pressure from the public. Their ability to serve the interests of the public will be held in jeopardy.

Before closing I would like to put on record what I think must be involved in a good environmental assessment process. I simply want to indicate I do not think we are being well served today to accept this constitutional amendment with so many questions having been raised about the project, particularly on the environmental side. Members of all parties today have raised some of those concerns. None of them, other than the member for Davenport, have really expressed them in such a way that we should not proceed with the project but should carry on.

Again I would like to quote former member Mr. Fulton who on June 15 said:

> Until Canadians are assured of what are the impacts of the bridge, if those impacts can be mitigated and if they can be mitigated what the costs are, we cannot start seriously and intelligently addressing it. Instead what we are seeing is the government shoving the project through the House, Prince Edward Island squeezing a constitutional amendment through, and SCI out there with its hand out.

These are very important words to consider during the process of consideration of the constitutional amendment today.

The ideal environmental assessment process in Canada has to take into account many factors. Ideally the environmental assessment process should incorporate some of the following principles. I stressed once already that the assessment should be done by an independent agency free from political pressure or influence peddling. The decision should be final and binding.

It really does not strike me as unusual, but it is indicative of what is happening that a constitutional amendment dealing with a structure affecting the environment and others is introduced in the Chamber by the minister of public works whose department has most influence over the project and specifically wants the project to be completed.

If anything, the project should be viewed as an environmental project as opposed to an economic one. The government should not be treating it as another economic project.

• (1805)

If we wish to create jobs in Prince Edward Island or northern Saskatchewan, we could find all sorts of things to do just by throwing some money out there and ensuring that it is done. The Prince Edward Island link bridge must be tied into the environment, the economy of the area, the needs of the community, and those types of things.

The assessment of the environment is a very key and important part of whether or not this project should proceed. An independent agency, free from political pressure and influence peddling, should be where the decisions are made. It should not be made by consultants who are paid by the proponent of a project to make the project appear to be environmentally friendly.

There should also be a very broad definition of the environment applying universally to quite a variety of initiatives. The government has yet to proclaim the environmental assessment act. I am waiting very patiently for the Minister of the Environment to bring a new environmental assessment act into the Chamber with the amendments suggested in the previous House by the member for Davenport, members of the other parties, and myself dealing with these matters. The definition of environmental effect was expanded in the last bill to include health and socioeconomic conditions. We must ensure that kind of assessment is also done on projects similar to the fixed link.

Environmental effect can also take into account physical and cultural heritage and current uses of lands and resources for traditional reasons by aboriginal people in Canada. The recent Supreme Court decision on the Oldman dam assists in strengthening the definition of the environment to include the community's livelihood.

The environmental assessment process should also extend the policy and programs. When the Department of Public Works wants to proceed with a project and undertakes to proceed with it, the policy which guides it should assess the environmental rules as well. This is something on which the previous government refused to budge. I am hoping that under the new legisla-

tion to be brought in by the new government the new minister will budge on this one and ensure that policies and programs are covered under the process.

The decision maker discretion should be minimized and accountability should be ensured. In the environmental assessment process and in building confidence among the public we cannot be seen as having a strong environmental assessment process on the one hand and then later an unaccountable decision making process which can ignore the whole exercise that has gone on before it.

New Democrat amendments in the previous Parliament to Bill C–13 went quite far to improve this and remove the tremendous amount of discretion in the previous bill where the minister or responsible authorities were only bound to act when they were "of the opinion that damage to the environment might occur". That discretion for the most part has now been removed and assessment or action must be taken if a project or undertaking may cause significant negative environmental effects.

This now has to be tested in court, but it goes a long way to closing a loophole under the guidelines which was used in the bridge project assessment and open to industry to influence politicians.

Proponents should justify the purpose and the need of the project. Alternatives should be considered as part of the assessment process. What was never considered in this process was improvement to the existing ferry system. There is an alternative view to what could be taking place here: an injection of funds and a maintenance of existing jobs. The assessment process that existed on this particular project did not take those into account. A new environmental assessment bill should ensure that we deal with this sort of thing.

I also believe very strongly there should be a significant public role early and often throughout the process, including participant funding and notice. I will admit and agree there has been a lot of debate on Prince Edward Island about the Northumberland Strait and the bridge, and perhaps even the tunnel the member for Malpeque earlier indicated he originally supported. There is no question at all that the whole matter of public debate over projects like this one is very important. The key thing in all this is that the debate has hinged on economic issues, not on environmental issues.

• (1810)

We have been forced to gloss over the environmental issues in the particular debate and not to make our decisions on environmental issues but on economic ones because the government and the proponents have constantly said: "Don't worry about the environmental things. Our studies indicate that environmental matters are not important".

Yet the one federal panel that looked at it in general terms said: "Turn it down. Don't accept it. Do something else". Many of the questions raised in the House today were of an environmental nature. They have still not been answered to the satisfaction of the people most concerned about it. A full and public debate is important but it has to include all issues surrounding the project.

I feel very strongly about the environmental assessment process and what it means for Canada. I also feel very strongly about the lack of an environmental assessment process on the Northumberland link project. I feel very unhappy the government has chosen not to move quickly on a new environmental assessment process. It would have avoided a lot of problems in dealing with the issue before us today.

Madam Speaker, I thank you very much for your time and attention today. I certainly wish all members well in their deliberations on this amendment.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, my colleague has raised a number of very pertinent questions on this issue. He has pointed out that the new Liberal government has chosen simply to follow the policies of the previous Conservative government. I guess many Canadians will be asking: "What's new?"

He raised a very good point with regard to the environment. Much of the debate in Prince Edward Island on the fixed link was linked to environmental issues. I know my colleague has been very involved in studying these issues. Is it not now time, as part of the environmental process he described, to look at a new form of what is often called green accounting? In other words should we not look at projects in a way that takes into account other factors than cost, funding and financing? What about the effects on health, the effects on the environment and other ancillary effects of any project undertaken that can result in additional costs to the public, if not well thought through?

What does my colleague think of the idea of a new form of accounting around major projects like this one? Does he support that idea?

Mr. Taylor: Madam Speaker, I appreciate very much the question from the member for Yukon who has supported me in many of my efforts on environmental issues and for whom I know the environment is very important. Her comments about a green economy are not only important but most timely. I am very glad she raised them and I am very happy to have the opportunity to discuss them for a moment in the Chamber.

For all too long we have talked about sustainable development with the focus on the word development and not enough focus on sustainability of what it is that we are doing. There is nothing more important in any government decision making than the concept of sustainability. If we are spending money on any project whatsoever, the long–term accountability of the project

not only to the people but to the planet must be a very important part of our consideration.

On the new idea of a green economy I attended a conference a few weeks ago in which the original discussion was around green industries and how we in Canada can develop the technology, the skill and the ability to deal with the new green industries in our country. Very soon the participants in that conference shifted from individual specific industries to the entire economy. They began talking about a green economy in which decisions are made on the sustainability of our actions, the sustainability of our decision making.

• (1815)

Development is not an infinite quantity. Development is something that has a finite level to it. We have to be able to recognize that level and work within it. We have discovered that unfortunately on the Atlantic coast with our cod fishery.

We are seeing it in the forests of northern Alberta, Saskatchewan, British Columbia where we are not dealing with the accountability of our decision–making on the sustainability of our efforts. We work ourselves right out of the ability to continue to work in that field. As parliamentarians we have to start considering green economies within our decision–making process.

I had a chat this afternoon with the chair of the environment committee and I suggested that one of the studies the environment committee should be making is on the whole concept of greening our economy, about how to tie economic decision–making to long–term sustainability in the environment. The chair of the environment committee responded very positively to me in the context of the response to the environmental conference in Rio where they did talk about the need for revitalizing the global economy based on environmental decision–making. There may be the opportunity to begin that discussion in Canada and actually carry it on into the economic powers of the country and not just from the environmental part.

I thank the hon. member for her question. It was most important and most timely.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I have a question for the hon. member for The Battlefords—Meadow Lake but first of all I have a comment.

One of the ironies, given the environmental dimensions of this question, is that in the throne speech we heard from the government about its intention to build a green infrastructure. I wonder whether this is what it had in mind when it was talking about green infrastructure. It is certainly not incontestable. In fact it is quite debatable and arguable whether this motion and the megaproject it will bring about is in fact green infrastructure.

I would have thought it would have been much more wise on the part of the government if it is serious about green infrastructure, and this is a point I make over and over again, to invest money in rebuilding our rail system rather than allowing CN and the CP to collaborate in ways to continue the dismantling and downsizing of our rail system. That is the real green infrastructure as far as I am concerned.

It pains me to hear talk about green infrastructure at the same time as we allow projects such as this to go ahead and as we allow our railways to deteriorate.

If we are serious about greenhouse gas emissions, if we are serious about putting less hydrocarbons into the air then we should be serious about reregulating our transportation system so as to give a bias to rail. Right now there is a bias against rail. At the very least we could make it neutral.

I would prefer a bias for rail because to me that would be a bias for the environment. The government has got to stop letting the railways react to the effects of deregulation. It has to start saying that deregulation has not worked, let us reregulate. I do not care what you call it. The former Conservative Minister of Transport did not want to reregulate. He wanted to recalibrate. That is fine. I do not care whether it is called calibration, regulation, ostentation, you name it, as long as we get back to a system where we are creating more rail traffic and we are taking these trucks that look more and more like trains all the time off the road. There are trucks on the road that look more and more like trains all the time. They will probably want to go over this causeway once it is built, just to get back to the motion.

• (1820)

The time has come for us to build real green infrastructure. I would love to hear the member for The Battlefords—Meadow Lake comment on all of this.

Mr. Taylor: Madam Speaker, I only need a minute to tell the hon. member that I agree entirely with everything he had to say. He put it very eloquently.

As a matter of fact I have a great bias toward rail myself. I want to pass on to the House an illustration of what the hon. member is talking about. My mother–in–law has worked for a trucking company for most of her life. She has stuck on her fridge with nice little truck fridge magnets a cartoon of a train stopped at a railway crossing while a truck goes by pulling car after car after car of product. The train had to stop to allow the trucks to go by.

The government's infrastructure program which talks about roads, sewer and water is good in the sense of what it is covering. However there is not a single dollar going to rail out of the government's infrastructure program and I think that is a tremendously sad oversight.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Call in the members.

• (1825)

[*Translation*]

And the division bells having rung:

SITTING SUSPENDED

The Acting Speaker (Mr. Patry): At the request of the chief government whip, the division is deferred until 6.30 p.m. tomorrow.

(The sitting of the House was suspended at 6.26 p.m.)

SITTING RESUMED

The House resumed at 6.30 p.m.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

SMALL BUSINESS

Mr. Nelson Riis (Kamloops): Madam Speaker, I am pleased to participate in this debate on the underground economy and the recognition that Canadians generally have lost faith in our tax system. Somewhere between $60 billion and $100 billion in business transactions now take place beneath the surface in a way.

My question to the minister the other day was whether or not the government was taking any definitive action to encourage those people who now want to move their operations above ground and become legitimate players in the marketplace. Also to what extent would the government introduce programs that would encourage that to occur.

What is it about the tax system that has upset people? What is it about the tax system that has discouraged people who are hard working, who are running their businesses or going off to the mills or the mines, the farmers, the fishermen? It can be summed up in the interpretation bulletin IT–518 from Revenue Canada. This was sent recently to various businesses and individuals. It gives clues on all the things one can use as a tax deduction, legitimately to be fair, within the tax system, particularly when it comes to entertainment.

For example, this is not an exhaustive list but entertainment includes tickets for theatres, concerts, athletic events, or whatever the performance might be. Renting or leasing a private box at the sports facility and buying champagne for friends is all tax deductible. Renting hotel rooms to have a party and entertain people is deductible. Buying liquor for a hospitality suite of course is tax deductible. Taking a cruise in the Caribbean, the South Pacific or to Greece is tax deductible. Taking friends to a fashion show is also tax deductible. I guess people want to learn how to dress more modernly and so on.

If you want to take your guest to a nightclub, Madam Speaker, or out to a hockey game, a football game, a baseball game or whatever; or if you want to take your friends fishing in northern Canada, northern Quebec, British Columbia or wherever; if you want to go hunting in northern Ontario, northern Saskatchewan or northern Quebec, that is all tax deductible. Generally you can say: "Let us go on a three week vacation in Labrador and we will discuss business". Again that is tax deductible.

I am not saying there is necessarily anything dastardly or terribly sinister about this. However certain people can go fishing, hunting, camping, to the football game, or rent a room to entertain friends and it is done with the help of the tax system. The taxpayers generally pick up part of that tab. If one is deducting up to 80 per cent of those costs obviously then those who are at the hockey game watching the people up in the box drinking champagne or whatever, who have free tickets or only pay 20 per cent of the price, are paying their way buying hot dogs and so on.

• (1835)

In closing, after reading things like this bulletin from Revenue Canada is it any wonder that people have become absolutely disenchanted and disappointed with a tax system that can only be described as unjust, unfair and biased.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, there are many things in the hon. member's remarks that I happen to agree with. However I would like to begin by saying we know it was the GST in the last three years that really exacerbated the underground economy not to mention the added paper burden for small business. Most

members would agree with that.

We have taken a stand on this side of the House to eliminate the GST. It was announced in the finance committee the other day that this study would begin right away. By the end of June we will have all the possible alternatives which will be much more fair, simple and efficient.

Recently the government showed it was serious in going on the offensive against the underground economy by taking on the tobacco issues. The changes in taxation were announced eliminating financial incentives that drove the significant subsector of the underground economy. Already there have been some reports of reductions in the volume of tobacco being smuggled into Canada which shows the effectiveness of that particular policy.

The Department of Finance is working closely with Revenue Canada looking for ways to streamline and simplify the system.

I also want to say we have to be careful when we loosely throw around some of these tax deductions as being special privileges for the wealthy. I share the member's view with the Skydome box holders. However, with respect to tourism and fishing trips these measures were put in to aid small business tourism operators. If all of a sudden we were to eliminate all of those things it would cause significant unemployment. We have to be very careful in how we address those particular deductions. I know the member would not want to see an adverse condition because of a reckless tax preference cut in our tax act that would affect an industry which he too is so proud of.

I want to acknowledge that we recognize there are some serious flaws in the tax act of Canada. We take all of the member's specific points today and hope to address them in the near future.

HOUSE OF COMMONS

Mr. Dale Johnston (Wetaskiwin): Madam Speaker, my topic is really quite timely given the fact that we expected a vote a few minutes ago and suddenly it was put off.

The other day I asked the Prime Minister when he would announce to the House that the government would not consider the defeat of a government motion including a spending measure to constitute the expression of non–confidence in the government unless it is immediately followed by a formal motion of non–confidence.

It is time to release the members of Parliament from the iron cage of party discipline in this country. I think that the House of Commons is probably one of the most regimented parliamentary systems in the world. We must not forget that we were sent here by the people of Canada. We were sent here to represent the views of the people of this great nation, not the wills of the political parties.

It is also time to debunk the myth that the government must win every vote or resign. The failure of a government measure, even a spending initiative, does not automatically have to mean the defeat of the government.

• (1840)

The Prime Minister, the cabinet and the bureaucrats set policy and dictate the course of action with the usual assurances of: "Don't worry. We know what we are doing. We know what is best". The time has come to give the electorate greater say in government.

For too long it has been politics first. Now it is time to put people first. How can we do this? We can loosen the chains. We can allow for free votes in the House of Commons. If for example a vote on a budget measure or motion was negative, it could be sent back to committee and improved before coming again to the House. If the government loses the non–confidence motion that follows that motion, then it would have to resign and call a general election. The people of Canada want more direct democracy and I would encourage the Prime Minister to comply with their wishes.

The Constitution provides for this. All the Prime Minister needs to do is rise in his place and declare that the government will not consider the defeat of a government motion including a spending measure to constitute an expression of non–confidence in the government unless it is immediately followed by a formal non–confidence motion.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister): Madam Speaker, on February 2, 1994 the member for Wetaskiwin questioned the Prime Minister on the issue of free votes.

The hon. member should realize that this government has done more to champion the cause of House of Commons reform in the first 100 days of its mandate than the previous government did in nine long years.

On Monday, February 7, the government House leader placed before this House a framework for renewal. This framework addressed a wide range of issues this government believes will reinstate the trust and respect that Canadians want to have in their institutions.

On the subject of free votes it must be noted that this is not a matter dealt with now by the standing orders of the House. Instead it is a matter to be dealt with by each party and each party's members themselves.

This is why the hon. member will note that in part VII of the government House leader's motion there is a reference to the Standing Committee on Procedure and House Affairs to examine free votes in the House of Commons and other important matters.

Therefore I ask the hon. member and his party to fully participate in this process. I am sure he agrees with me when I

say that the task ahead is to reinforce the fundamentals of the system and restore a more active role for all members of Parliament.

CRUISE MISSILE TESTING

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, on January 20, 1994 I raised a question in the House with respect to the government's upcoming decision on the testing of cruise missiles in Canada.

This question dealt both with the substance of the tests as well as the credibility of the government and the promises it made when in opposition. Although the Liberal government of 1983 had signed the first testing agreement, in opposition it took a very different position.

The written commitment that was made during the last federal election stated it would bring this testing program to an end. It went on to speak about the importance of public hearings that would involve northerners, peace groups, aboriginal peoples and others.

What happened? There were no parliamentary hearings. In fact there was only one northern member of Parliament who spoke in the debate, the hon. member for Nunatsiaq. He spoke very eloquently against the testing of cruise missiles. He indicated that he was also speaking on behalf of his colleague, the member for Western Arctic.

I know my colleague from the Yukon has spoken eloquently on many occasions both in this House and outside on behalf of her constituents in the Yukon against the testing of cruise missiles. Of course the Reform Party was ready. It supported the testing of cruise missiles.

[*Translation*]

I must admit that I was really shocked and disappointed by the Bloc's position on this issue. At the same time, I was not overly surprised because Mr. Bouchard had gone to Washington to reassure the Americans that an independent Quebec would remain a faithful and loyal ally, that there would be no change in Canadian policy, that the policy would remain obedient to the United States.

• (1845)

The sad thing is that today, just two hours ago, I have heard a member of the Bloc Quebecois say: "Now, the Bloc is thinking as a block". If that is the case, it is sad indeed.

[*English*]

Quite clearly there is no legal obligation whatsoever to conduct these tests. In fact the minister himself said it was a courtesy that he was extending to the United States. I suggest there was an alternative. The alternative was to say no. There is a foreign policy review. There is a defence review.

Let us look at strengthening multilateral institutions. Let us look at working toward peace. Let us look at ending the tests of low level flights over Innu lands as some Liberals have called for on a number of occasions. Indeed today I met with Daniel Ashini and Elizabeth Penashue from the Innu nation who talked about the devastating impact of these tests over their lands.

Let us support the World Court project. The World Court project is a very important project in which Canada is being called on to join in submitting a legal brief to the International Court of Justice making the use of nuclear weapons illegal under international law.

Those are the kinds of alternatives that the government could have had. Those are the kinds of alternatives that would have meant that we had a truly independent foreign policy. In fact retired U.S. Admiral Eugene Carroll, one of the most respected commentators on this question, said that any decision by the Liberal government to end the testing would be viewed as "an assertion of Canada's independence" and have no negative ramifications.

That is what we thought the Liberals were promising in opposition. That is what they talked about in their red book. Certainly that is not what they deliver.

Let us hope these tests will be the last tests and that Canada will have an independent foreign policy based on peace and preservation of the environment and a respect for aboriginal peoples and northerners.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, when I was in opposition and asked questions of the government I never got any answers. I can tell the hon. member that he is going to get an answer. In fact he has answered his own question so I really could sit down now.

However, I will say that in 1993, two months before the election took place, the hon. member would know that the previous government authorized these tests. They were due to take place on January 25, 1994. After this government came to power and while in opposition we promised a parliamentary debate on this subject.

Mr. Robinson: Public hearings.

Mr. Mifflin: We promised a debate on this subject. When the government was formed we had a debate on it in a reasonable time, on January 26 as a matter of fact. Twenty–nine members participated in the debate and 30 or so participated in question and comment.

I have to tell members that the preponderance of the debate and the comment was in favour of testing. As a result, the government made the decision and on February 3 announced that the test would be authorized to continue. We expect they will be done this month.

At the same time, the government made it clear to the United States government that it should not presuppose any outcome of the parliamentary debate and the public hearings on both the defence policy and the foreign policy which will address, and the hon. member is right, the very strong feelings still in this

country on testing. This is one of the subjects that will be addressed.

I remind the hon. member that as the quarterback parliamentary secretary for this debate I promised to get him on about 7.30 and in fact he got on at 7.43. I am sure he appreciated the co–operation and the credibility of the government.

[*Translation*]

ELECTRONIC HIGHWAY

Mr. Réal Ménard (Hochelaga—Maisonneuve): Madam Speaker, I would have liked the Minister of Industry to be with us. I am sure his parliamentary secretary is very competent, but I would have liked him to be present since I asked him a question on the electronic highway on February 4 and the minister was rather evasive and tight–lipped on this issue. The population is rather concerned about this, as we do not really know where the government is going. We are under the impression that the Minister of Industry is not really in on it and that he has his foot on the brakes.

• (1850)

The information highway is a very important issue, for it is a great adventure that could link all Canadians with national and international networks that could give us access to hospital and school data banks and to all kinds of information.

It is an important issue that needs to be debated. I would have liked to ask the minister because whenever we ask him about it in the House, we get the impression that he leaves everything to the private sector and that he does not intend to spend government funds on this.

When we look at what is happening in the United States, we can see that if Canada, which has a very good track record in the technology, communications and telecommunications sectors, is to enter the information highway, the minister should give clear indications and invest money.

I was concerned to hear that he wanted to set up an advisory committee. My concern is that this issue was examined last year by another committee chaired by Mr. Ostry, the president of TV Ontario, who tabled a report outlining very clearly the legislative and regulatory measures the government must take to build this electronic highway.

I am wondering if the minister, who is acting a little slowly on this issue, is not trying to divert our attention by striking a new advisory committee whose mandate is still unclear. I hope that the parliamentary secretary will be able to tell us exactly what this committee is supposed to do. What are the government's intentions? Will public funds be made available? Will he be able to gather around the same table representatives of the private, institutional and public sectors to finally turn the information highway into a reality?

I would like to give him a warning, Madam Speaker, since this electronic highway could also become a very effective instrument of centralization through its impact on education and training.

I hope that we can rely on the parliamentary secretary to speak on behalf of the minister and promise this House on his honour that, in building the electronic highway, the government will respect areas of provincial jurisdiction and ensure that communications linking us to Internet are also in French. I know that is one of his concerns. Having said that, I will now let him have the floor.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, let me begin by saying to the hon. member that I can assure him that the Minister of Industry does not have his foot on the brakes on this particular issue. In fact, it is quite the reverse. He has the pedal right to the metal, as they say, and we are going full bore on this particular issue of the electronic highway.

I want to remind the House that, first of all, it was announced in the speech from the throne that we were going to develop a strategy for Canada's information highway. On February 2 the secretary of state for science and technology committed the federal government to a number of objectives and principles to guide and develop the approach.

We talked about the advisory council because it is a very important issue. It is a complex issue and we wanted to make sure that the council would have a broad range of groups and organizations that would help formulate Canada's strategy in this particular area. Also, we want to make sure that there is representation from not just industry but from labour, education and consumers.

The council, which is in the process of being put together right now, will be announced very soon. This council will provide advice to the government and it is going to be active on line. I can tell the member that this government is putting incredible resources behind the information highway, the electronic highway.

I can speak about our own case in which we are beginning to put information out. In the Toronto region we are doing some testing which will go into other regions. We are looking at ideas for community access centres. Let me reassure the member that this government is committed in a very serious way and will be moving very fast. We welcome his input.

• (1855)

HEALTH CARE

Hon. Audrey McLaughlin (Yukon): Madam Speaker, I rise on a question that I asked the Minister of Health on February 10,

1994 on health care and on her position on the reduction of taxes on alcohol products which the Distillers Association of Canada the day after the reduction of taxes on cigarettes began to advocate for.

The response to that question was in effect no comment. The response of the Minister of Health to the reduction of taxes on cigarettes was in effect no comment. The reaction of the Minister of Health to the proposed federal idea of taxing the health benefits of employees was in effect no comment.

This is not good enough for the future of health care in this country. Within the next two years we will be undertaking a very comprehensive discussion right across the country on the future of the health care system. It seems to me that the Minister of Health by refusing to take a stand, including a response to my question on her position on the reduction of taxes on alcohol, is not being an advocate for health care in this country.

The lowering of federal tax on cigarette products clearly is going to be a major cost to the economy. The estimates are that over some $300 million a year will be added to the federal deficit as a result of this and this does not account for revenues that will be lost by provinces and territories if they too reduce and follow that lead.

Clearly, when people are concerned about the debt and deficit in this country this rather odd move by the government in an ad hoc policy attempting to resolve what is clearly a very difficult problem, that of smuggling, has created many others. We simply do not have a Minister of Health prepared to stand up and be clear about her philosophy about health care in this country.

We see by the most conservative estimates that the true cost of tobacco related illnesses to the health care system in this country is about $9.6 billion a year with indirect costs being some $15 billion a year. Clearly, the refusal of the minister to take a position on these issues jeopardizes the health care system in this country.

There have been many comments on this issue. There are many points of view on this issue. Surely Canadians can expect a minister of health to stand up for the health of Canadians and to be that strong advocate.

I want to assure all Canadians that the New Democratic Party will continue to be a strong advocate for a strong health care system in this country that meets the needs of all Canadians.

One commentator, Dalton Camp, commented that this policy clearly was joining the Reform Party too soon.

My question to the parliamentary secretary is simply is it the government's intention to reimburse provinces and territories for lost revenues with this policy of reducing taxes on cigarettes and potentially on alcohol products?

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health): Madam Speaker, the question as the hon. member has said is a very complex one and to try to boil it down to a simplistic answer is impossible.

I will take on the issue first and foremost of the problem of tobacco smuggling. When the Prime Minister stood up in this House on February 8 and announced his national action plan on tobacco he said very clearly that smuggling is threatening the safety of our communities and the livelihood of law–abiding merchants. The problem of tobacco smuggling is an increasingly complex one because it touches on the very fabric of our Canadian identity which is dedicated to peace, order and good government. It touches on the safety of our communities. It touches on respect for law and order. It also affected the economy and, as the hon. member mentioned before, the health of Canadians.

Organized crime networks have been responsible for 95 per cent of the tobacco smuggling that was going on in Canada. They were also responsible for smuggling liquor, drugs and firearms at the same time. Tobacco and alcohol were controlled drugs as were firearms. We would have lost control over these controlled substances if we had not done something immediately to deal with that smuggling and to deal with the smuggling of liquor.

In order to deal with the matter the government took unprecedented action. I want to remind the hon. member that the issue is not a new one. It has been going on for years. The past government tended to ignore it and to pretend it did not occur. We took immediate unprecedented action. We increased the number of RCMP and customs officials dedicated to fighting tobacco smuggling. They are using new strategies. They are accompanying these resources with other strategies to crack down and to keep surveillance on smugglers starting immediately.

The hon. member talked about the lack of a response from the Minister of Health on this matter. The Minister of Health is responsible and has worked very hard for the major health strategy found here. We have invested about $185 million in funds from taxing the tobacco industry. They will be dedicated to prevention and promotion. We have already seen the launch of a media campaign aimed at kids, the proclamation of the Tobacco Sales to Young Persons Act, and legislation to eliminate kiddie packs, to increase the age and to crack down on sale to minors. The minister has responded.

The Acting Speaker (Mrs. Maheu): I am sorry but the time for the member's response has expired.

It being 7 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7 p.m.)

HOUSE OF COMMONS

Wednesday, February 16, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

TAXATION

Mr. Paul Zed (Fundy—Royal): Mr. Speaker, I would like to address the issue of suggested changes to the registered retirement savings plan and possible new taxes on employee benefit plans.

I have received numerous letters and inquiries from constituents in New Brunswick who are concerned about any reduction in the amount of allowable contributions to their RRSPs. These concerns are from small business owners and professionals who rely on their RRSPs as they do not enjoy the luxury of large corporate retirement savings plans.

To reduce or alter this plan would be a serious blow to these Canadians who are already enduring difficult economic conditions. The government must send a signal that it is prepared to help small business owners and other self–employed Canadians to prepare for their retirements.

By maintaining the amount Canadians are allowed to contribute to their RRSPs the government will ensure these Canadians have the opportunity to save adequately for their retirements. This is especially important at a time when the Canada pension program is under increasing strain.

* * *

[*Translation*]

WINTER OLYMPICS

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, I would like to congratulate Jean–Luc Brassard from my riding on his brilliant victory this morning in the free–style skiing finals at the Lillehammer Olympic Games. Mr. Brassard won the first Canadian gold medal. That is a glorious event for this young Quebecer who, on many occasions, has been an honour to Quebec and to Canada in several international competitions. The people of Beauharnois—Salaberry are very proud of the outstanding performances of this talented athlete. His spirit and his determination will continue to inspire all young Quebec and Canadian athletes.

On behalf of my constituents and on behalf of Quebec and Canada, I would like to reiterate my most sincere congratulations to Jean–Luc and wish him good luck for the rest of his stay at the Olympic village.

* * *

[*English*]

TAXATION

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, when governments propose to eliminate tax loopholes they talk about soaking the rich. When the so–called loopholes are then closed it is more likely the not so rich get the bite.

The finance minister wants to make the tax system more equitable. Advice from his people says abolish deductions for the business lunch. It might take money from modestly paid travelling salesmen while devastating the often marginalized food service industry.

Lowering the cap on RRSPs might deprive rich people of some tax savings, but it would hit hard the lower and middle class self–employed who have no company pension or union contract plan.

Government bureaucrats can identify some loopholes, but before they get too enthusiastic they should take a good look at who exactly gets bitten.

* * *

GOVERNMENT EXPENDITURES

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, last week I met with a group of individuals in Newmarket in my riding of York—Simcoe. These individuals represent a diverse economic and community interest and various political ideologies in all parts of the riding. They express different concerns and solutions to the financial and economic challenges we face as a nation.

However, in spite of this they successfully reached a consensus. This group of individuals concluded that Canadians are willing to pay taxes for services which are delivered in an effective and efficient way. They want value for their dollar.

I urge the government, in its ambitious agenda for review and renewal, to assess the cost effectiveness of all programs and services the government delivers. It is imperative now more than ever to assure Canadians that their hard earned tax dollars are being spent wisely.

* * *

HUMAN RIGHTS

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, it is essential that the Canadian government continue to call for the Mexican government to guarantee respect for human rights of all its citizens, in particular for the people who were brutally mistreated in the recent uprising in the Chiapas region.

● (1405)

The constituents of London—Middlesex were gravely concerned with reports of torture and summary executions of guerrilla combatants by government troops, and they condemn the indiscriminate bombing by the military.

I join with my constituents in urging the Canadian government to call on the Mexican government to respect the presence of human rights organizations, to allow the bishops of the area to mediate in the conflict and to act on the natives' call for land reform.

Canada has a responsibility to ensure that the human rights of the citizens of our new trading partner are respected. This can only be guaranteed through continued monitoring by the international community.

* * *

CRIMINAL CODE

Ms. Roseanne Skoke (Central Nova): Mr. Speaker, life begins at the moment of conception and continues until natural death.

Respect for life and the dignity of human suffering together with the recognition of the moral, ethical and spiritual values is well founded in both natural law and Canadian law.

The Criminal Code of Canada forbids aiding, counselling or assisting suicide. This law does not merely exist to regulate our behaviour. Rather, it articulates and symbolizes our values and beliefs as a nation.

In recognition of all the heroic individuals who silently suffer the physical pain and endure the emotional torments of this life from day unto day until natural death, I demand that the existing laws of the Criminal Code respecting assisted suicide be strictly enforced to ensure that our nation's values and moral conscience with respect to life not be fettered, for not to do so will create a greater injustice to mankind than any human pain or suffering could possibly inflict.

[*Translation*]

WINTER OLYMPICS

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, it is with pride and great pleasure that I rise today in this House on my own behalf and on behalf on my colleague from Saint–Jean to stress the dazzling performance by skaters Isabelle Brasseur and Lloyd Eisler who won the bronze medal in the pairs figure skating category yesterday at the Lillehammer Olympic Games.

Isabelle Brasseur and Lloyd Eisler were bronze medallists at the Albertville Olympic Games, have been the Canadian champions for several years and hold the world champions title. Their impressive record is due to their exceptionally hard work and determination.

After giving this wonderful performance and winning this beautiful medal, Isabelle Brasseur and Lloyd Eisler are now putting an end to their successful career at the amateur level. These two champions, who train at the Haute Performance Centre in Boucherville, will now enter a professional career that promises to be as successful.

To these two champions who thrilled Quebec and Canada and who so often filled us with pride, and earned our admiration, I say congratulations and good luck on behalf of Quebec and Canada.

* * *

[*English*]

WINTER OLYMPICS

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, on behalf of the people of Cariboo—Chilcotin I would like to congratulate the athletes representing Canada at the winter Olympics at Lillehammer, Norway and wish them great success.

It is unfortunate, however, that a world class athlete from Quesnel, British Columbia, was not given the opportunity to participate in this prestigious sporting event because of a tough new qualification policy.

Tony Fiala has dedicated his whole life to preparing for competition. In the 1991–92 season he scored first overall in Canada and second overall in the North American biathlon. Canada's qualifications standards are not based on an overall record which would place him at the top but by a two occasion showing with a standard much higher than that required by most other countries fielding competitors.

Tony Fiala may not be winning any medals at Lillehammer, Norway, but to the people of Quesnel and throughout British Columbia, Tony Fiala is a winner all the way.

WINTER OLYMPICS

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the Minister of Finance may well have to revise his budget forecast to take account of the bounty of precious metals that Canadians are bringing home from Norway.

Isabelle Brasseur and Lloyd Eisler turned in an astounding performance in pairs figure skating last night to earn a bronze medal for Canada.

[*Translation*]

First to "break the ice", these two young athletes have put on a performance worthy of the greatest skaters of our times. They displayed an exemplary calm and a strong determination. Isabelle and Lloyd deserve our recognition and our admiration.

This morning, Canadians had another reason to be proud. Jean–Luc Brassard, from Grande–Île, Quebec, took the honours, winning for Canada the gold medal in the free–style moguls competition. The Canadian team had much hope for this young 21 year–old athlete. He took up the challenge with unrivalled talent and command.

• (1410)

[*English*]

I join the Minister of Canadian Heritage and all Canadians in congratulating the latest crop of Canadian Olympic medal winners.

* * *

THE ECONOMY

Mr. John Loney (Edmonton North): Mr. Speaker, I am pleased to bring to the attention of the House that the composite leading index rose by .08 in January, matching its revised growth rate for December. It is noteworthy that these gains are the highest since the index began its recovery in 1991.

An upward trend in the index points to better economic times ahead. Most economists expect stronger growth in 1994.

Statistics Canada reported that the leading indicator is heading in the right direction. The acceleration in recent months has been the result principally of a continental upturn and the buoyancy in the stock markets.

Manufacturing demands have been steady. New orders recorded a third straight increase despite the effect of temporary plant closings in the auto industry. At the same time, shipments to stocks ratio continue to improve, rising to the highest level since the data series began in early 1952.

The stockmarket soared to new all time records in January, accelerating from 1.6 per cent growth to 2.1 per cent growth at a time of falling interest rates.

[*Translation*]

CANADA POST CORPORATION

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, over the last years, Canadians living in rural areas have been badly hurt by the closure or the reduction in services of thousands of rural post offices.

When he took office, the minister declared a moratorium which has been extended and is still in force.

[*English*]

The closures of rural post offices were a blatant attack on rural Canada. I would like to congratulate the minister for the leadership he has shown on the issue. This moratorium is an important first step.

[*Translation*]

I urge the minister to direct Canada Post Corporation to immediately drop its policy with respect to the closure of rural post offices. It is time to rectify that flagrant mistake for the sake of the rural areas of our country.

* * *

REGIONAL DEVELOPMENT

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, regional economic recovery is an absolute priority for all Quebecers and Canadians.

I would like to mention two cases in my region of Abitibi, where companies are acting responsibly in this regard. They are Forpan and Agnico Eagle, in Val–d'Or. Forpan will invest $8.3 million to increase the capacity of its particle board plant by 25 per cent. Through this investment, the company will increase its competitiveness on the international market and preserve jobs in the region.

Agnico Eagle will invest $13 million and provide jobs for some 40 workers during the next two years in mining exploration.

These are two concrete examples of economic recovery activities undertaken by energetic entrepreneurs capitalizing on the region's potential.

* * *

[*English*]

REGISTERED RETIREMENT SAVINGS PLANS

Mr. Grant Hill (Macleod): Mr. Speaker, our nation was founded and has prospered on such principles as hard work and self–reliance. Traditionally we have rewarded men and women who start and maintain small businesses by their sweat and sacrifice.

Now our finance minister awash in debt from years of government overspending is talking of removing another small business privilege, the ability to put aside one's own resources to finance one's retirement.

Through such policies this government is not only encouraging but forcing citizens in Canada to be dependent on government handouts. RRSPs allow private citizens to plan for their own retirements without government aid. That is how Canada can continue to prosper.

* * *

[*Translation*]

BILINGUALISM

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, the members of the Reform Party seem to take great pleasure in tabling petitions asking for a national referendum on bilingualism.

When he tabled his petition the other day, an hon. member of that party declared that the official language policy is creating dissension. Another member of the same party maintained that there was too much French in the national capital. He added that everything would go faster in Parliament if less French were spoken.

We now have two separatist political parties in the House: one that wants territorial separation; the other that wants language separation. Both go against the Constitution and against Canadian unity.

* * *

• (1415)

[*English*]

LITERACY

Mrs. Brenda Chamberlain (Guelph—Wellington): Mr. Speaker, illiteracy is an everyday reality for many Canadians. It is estimated that one in four Canadians has little or no literacy skills.

I am pleased that Guelph—Wellington has several groups committed to ending illiteracy.

Illiteracy crosses all income brackets and costs an estimated $14 billion annually, both directly and indirectly. We know that job creation is the key to our economic renewal. However, with little or no literacy skills the task of retraining for some will be impossible.

More important, the social and economic ramifications of this silent disability are tremendous and the amount of lost potential is staggering.

I urge this government to continue to make literacy a priority. We must help illiterate Canadians acquire the skills to ensure that they will become the best that they can be. We need to make literacy a fundamental right for all Canadians.

The Speaker: My colleagues, I would draw your attention to the clock. It is now 2.14 p.m. and we have all of the statements in. I think that is a good practice and I want to thank all hon. members who were kind enough to give their statements to the interpreters. It does help a great deal and I want to thank them for that.

ORAL QUESTION PERIOD

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, the Solicitor General had to admit there were links between organized crime and cigarette smuggling networks, in connection with weapons and drug trafficking operations on Mohawk reserves.

He also contradicted himself by first admitting that certain people had cancelled RCMP anti-drug operations and then claiming there were no no go zones for the police in Canadian territory.

How can the Prime Minister insist that the law is enforced evenhandedly across Canada when yesterday Mr. Claude Lessard, the RCMP spokesman in Quebec, stated that the RCMP was not on the reserves, despite the fact that the reserves are said to play a major role in illegal trafficking in alcohol, drugs and cigarettes?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, about the police presence on the reserves: there are three police forces. There is the Mohawk police force which is locally recognized and controlled by the aboriginal authorities. There is the provincial police, which has jurisdiction because it was given the former powers of the RCMP and which must do its job there as it does elsewhere. The third one is the federal police which is concerned with smuggling. The federal police is doing its job at this very moment.

According to our information, cigarette smuggling in Quebec has decreased considerably. If we can break up the cigarette smuggling networks, we can break up the others as well. I am convinced the police are doing a good job. We have always told the police they can go anywhere across Canada to do their job.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the government keeps changing its story. For a long time the government said, as it just said today through the Prime Minister, that the law is enforced everywhere, that the RCMP goes everywhere in Canada and that those are the government's instructions.

Yesterday, however, the Prime Minister used the word "hesitations", when he said he had never heard there were no go zones until it was said the police had some hesitations.

I want to ask the Prime Minister to explain what kind of hesitations he was referring to. Are these hesitations caused by the government's lack of political will?

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, this nation has been facing this problem of contraband for the past four years. The member for Glengarry—Prescott—Russell was asking questions here in the House when the Leader of the Opposition was with the government and nothing was being done. When I asked for a report on that, it said that there was some hesitation. I said there should be no hesitation. I said to the RCMP: "You do your job everywhere in Canada", and that is exactly what they are doing today.

• (1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker I would like to ask the Prime Minister to tell us whether or not he confirms the allegation expressed yesterday by Chief Jerry Peltier according to which the government is on the brink of launching a massive major operation in Kanesatake.

Right Hon. Jean Chrétien (Prime Minister): The answer, Mr. Speaker, is no.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, with his retirement only a few days away, the commanding officer of the RCMP in Quebec had the following comments to make and I quote: "We did not want to create social chaos over a few cartons of cigarettes, but the negotiations never amounted to anything and smuggling increased without anyone taking action."

My question to the Prime Minister is as follows: How can he reconcile the comments of the commanding officer of the RCMP in Quebec with his own statements, when he asked us to name names, ostensibly because the RCMP did not have enough evidence to intervene?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have nothing further to add. We delivered a very clear statement in the House last Tuesday. The police are doing their job and cigarette smuggling networks in Canada are in the process of disappearing.

Mr. Michel Gauthier (Roberval): Mr. Speaker, for over a month now, the Prime Minister has been telling this House that the RCMP can enforce the law anywhere in Canada, that there are no "no go" zones and that the law applies equally to everyone.

What is the Prime Minister's reaction to comments by the commanding officer of the RCMP in Quebec to the effect that politicians, out of fear, never succeeded in negotiating with the natives on this issue and as a result, cigarette smuggling spread throughout the reserves?

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the hon. member should realize that for the last three months the country has had a new government. He is talking about when his colleague was a member of the previous administration.

* * *

THE BUDGET

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

The government said previously said that its target for deficit reduction is to get the deficit to 3 per cent of GDP or down to about $23 billion for 1996–97.

Is this still the government's deficit target, the target that Canadians should have in mind when they read the deficit figures in the budget next week?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, that is what was written in the red book, so that will be the target.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a supplementary question for the Prime Minister.

The government has implied that it wants to broaden the tax base to achieve greater equity but not to increase the total tax burden on Canadians. Is this still the primary objective of the government's tax policy, the objective that Canadians should have in mind when they analyse the tax changes in the budget next week?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I am wondering what kind of question the hon. member will have next week.

We will have the budget next Tuesday and he will have all these answers.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question was whether or not that was still the objective. My second supplementary question is for the Prime Minister.

The government has stated time and time again that job creation is its highest priority and that its economic policies should be judged first and foremost on their impact on jobs.

Is this still the government's highest priority, the one that Canadians should have in mind when they analyse the job impact of the budget next week?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we started before the budget when we put in place the infrastructure program that was to create jobs. There are other programs of the same nature in the red book.

If the hon. member wants to know what our objectives are, he should read the red book again.

• (1425)

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, the people of the entire Mohawk territory are being terrorized by a few armed offenders. The *Globe and Mail* reported today that Chief Debbie Thomas from the Akwesasne Reserve had repeatedly asked the federal government to hold an inquiry into the violent or unexplained death of 75 people since 1979, and all these facts were corroborated by the Mohawk Police Chief, Mr. Brian David.

Does the Solicitor General not agree that it is high time that the RCMP answer the call of citizens terrorized by a handful of dangerous criminals?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the crimes that the hon. member is talking about are matters coming under the Criminal Code which is enforced by the police of local jurisdiction.

In this case, as the article points out, it is the Mohawk police supported by the Ontario Provincial Police. The mounted police will be happy to give them assistance but it is the primary responsibility of the local Mohawk police and the Ontario Provincial Police.

[*Translation*]

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, in view of how widespread the problem is on Mohawk territory, can the Solicitor General tell us if he has specifically instructed the RCMP to work closely with the Mohawk police to put an end to violence on these territories?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I have already explained that the crimes of violence the hon. member is talking about are matters coming under the jurisdiction of the Mohawk police and the Ontario Provincial Police.

If the member had looked into the matter further he would have realized there has been a joint strike force involving the mounted police, the Ontario Provincial Police and other local police forces working in the area for several months. I wish he would recognize that before jumping to wrong conclusions from reading that newspaper article.

THE BUDGET

Mr. John Williams (St. Albert): Mr. Speaker, my question is for the Prime Minister.

Yesterday the Liberal premier of New Brunswick committed his government to a balanced budget, an achievement unheard of in federal Liberal circles.

Will the Prime Minister take a lesson from his Liberal colleague in New Brunswick and finally commit this government to achieving a balanced budget by the end of this Parliament?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have to understand that New Brunswick has had the privilege of having six years of good Liberal government.

Some hon. members: Hear, hear.

Mr. John Williams (St. Albert): I think, Mr. Speaker, that was an item for debate, not an answer to the question.

The Speaker: Order. It is not that I disagree at all, but I wonder if the member would put his question.

Mr. Williams: Mr. Speaker, my supplementary question is for the Prime Minister.

If the Prime Minister is going to achieve a balanced budget eventually, and the red book states that the government will do it in three years which will require an $8 billion a year reduction, will we see that in the budget coming down next week?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the hon. member should read the red book again. His leader referred accurately to the fact that we said we had a goal to reduce the deficit to 3 per cent of GNP at the end of the third year of our mandate. We never said a balanced budget.

If the member wanted a balanced budget, it would have been better for him to have voted for the provincial Liberal Party in Alberta in the last election.

* * *

[*Translation*]

WAR IN BOSNIA

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, we heard this morning that the ceasefire declared in Sarajevo is in big trouble. According to some sources, the Bosnian Serbs have refused to withdraw their heavy artillery aimed at the Bosnian capital.

My question is for the Minister of Foreign Affairs: Can the minister tell us whether it is true that the Bosnian Serbs are refusing to withdraw their heavy artillery from around Sarajevo just a few days before the deadline set by NATO?

• (1430)

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I want to assure the hon. member that NATO's proposals will be carried out. There is, of course, some resistance from soldiers unwilling to follow the directives of political representatives, but the Serb, Muslim and Croatian authorities have assured us of the desire to reach a negotiated peace. We hope that political will prevail over the stubbornness of a few soldiers in the field.

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, contrary to what the minister of defence promised on January 13, Canadian peacekeepers in Srebrenica have not been relieved within the 30–day deadline. Are we to understand that they will not be relieved by Dutch troops before the deadline set by NATO?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I want to assure this House that the procedures put in place to allow Dutch troops to relieve Canadian peacekeepers are moving slowly but surely. Over 15 Dutch soldiers and representatives are already in Srebrenica. The military equipment needed by the troops is already in Split and we think that, in the next few days or weeks, the troops will be relieved as agreed between the parties.

* * *

[*English*]

PHYSICIAN ASSISTED SUICIDE

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, my question is for the Prime Minister.

Yesterday the Prime Minister confirmed he would allow a free vote in this House on the issue of physician assisted suicide.

Does the Prime Minister mean by a free vote that a member of this House has the freedom to vote according to the member's wishes or beliefs, or that the member will vote according to the wishes of the member's constituents?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, in the House of Commons there is only one vote, that of the member. The member will vote according to his or her conscience. That is all.

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I would like to thank the Prime Minister for his answer. However, it does not satisfy me.

Euthanasia was not an issue in the election last fall. Yesterday the hon. member for Glengarry—Prescott—Russell told Radio Canada that he will vote his own belief on this issue rather than those of his constituents.

Will the Prime Minister allow all Canadians to freely vote their own beliefs on this deeply personal issue at the next election in a national referendum?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we were elected to use our best judgment. On a couple of occasions, when I voted on abortion and on capital punishment, I knew I was voting according to my own judgment and it was not very popular in my riding.

We are elected and as members of Parliament we have the privilege to attend committees to discuss matters freely. We then make up our own minds and the people can replace us at election time.

This notion that we should be replaced by polling is revolting to me. We are elected to use our best judgment. If the member thinks she cannot do that, be recalled.

* * *

[*Translation*]

SOCIAL AND CO–OPERATIVE HOUSING

Mrs. Monique Guay (Laurentides): Mr. Speaker, on May 5, 1993, the present Minister of Foreign Affairs, who was then in the opposition, stated that the government was violating the basic right of the people to adequate and decent housing and demanded that it "act as soon as possible to save the social housing and co–operative housing program in Canada".

• (1435)

Can the member, now Minister of Foreign Affairs, tell us whether he has acted as strongly as he was advocating less than a year ago and approached his colleague, the Minister of Finance, to that effect?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I do not know whether the question is appropriate because the subject matter will be dealt with later in the day as an opposition motion.

I wish to inform the hon. member that all my colleagues on this side of the House have immense interest in the subject matter of social housing. We have been working diligently with the Minister of Finance, as we have been working with other levels of governments, both provincial and municipal, to determine new ways of finding additional moneys in order to address the serious problem of social housing.

[*Translation*]

The Speaker: I must tell the hon. member, before she asks her next question, that I allowed the minister to answer the question, even though we are going to have a debate on this this afternoon. Your supplementary, please.

Mrs. Monique Guay (Laurentides): Mr. Speaker, before the budget preparation is over, can the Minister of Public Works

assure us that he will address the concerns of 1.2 million low income Canadian tenants who are in urgent need of affordable and adequate housing?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the only assurance I can give the hon. member is one of honesty.

The honest assessment of the housing situation is such that we will have to work within the fiscal means of the Government of Canada, just like in the province of Quebec, just like in the province of Ontario, and just like in the province of British Columbia. All governments are wrestling with the issues of social housing.

We are working co–operatively in the federation to try to find additional moneys in co–operation with the Minister of Finance in order to address some of those serious issues which not only affect residents in the province of Quebec, but right across this country.

* * *

TOBACCO

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of Health.

The key to a successful anti–smoking education campaign will be a blueprint developed by the government in partnership with the health community.

What steps will the minister take to ensure that a nation–wide network of health volunteers, professionals and organizations are actively utilized in the design, implementation and monitoring of such a campaign? What new regulatory framework does the minister envision to give the Government of Canada greater control over cigarette manufacturers and thereby safeguard the health of Canadians at all times?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we tabled a four point plan to combat smuggling. Part of that was a very extensive program to counter smoking especially among young people or populations at risk.

One of the things that happened immediately on the day we announced this four point plan was the proclamation of the act which prohibits the sale of tobacco to young people. This week we have been circulating regulations in order that all vendors and all places where vending machines are in place are advised of the requirements of the act.

We will continue to work diligently at preparing the kind of legislation and regulations that will go a long way in preventing young people from taking up this habit which is terribly bad for their health.

TAXATION

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, my question is for the Minister of National Revenue.

As the minister knows, international companies with subsidiaries in Canada establish prices for transferring goods and services between them. This is known as transfer pricing. Although the finance department is attempting to clarify the rules for establishing these prices there is still the question of tax fairness as profits can be internally adjusted.

This government says it is concerned about increasing its revenues. In order to create more equity in the tax system would the minister commit to investigating tax losses from transfer pricing and report to the House his plan to access that lost revenue?

• (1440)

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I thank the hon. member for her question. Aspects of tax revenue and what we receive are under constant and careful monitoring by my department and of course by officials of the Department of Finance.

I would like to inform the hon. member that we are pleased she has come forward in this House to point out there may be tax inequities which my colleague the Minister of Finance will address next week in the budget.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I have a supplementary question. By issuing a press release on January 7 urging Canadian taxpayers and companies to encourage compatible transfer pricing methods, the government recognizes there is a problem.

Will the minister commit to developing legislation for transfer pricing to ensure these corporations pay their fair share of taxes?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, the hon. member, her party and all other parties in the House can be assured that is an objective, to ensure there is fairness not only in this particular area of taxation but in others.

I will give a little more information on this. There are differing theories of how to tax international corporations and at what point. We do have some differences with the Americans in this regard. It is a matter not only for my department and the Department of Finance to work on, but also for other colleagues to deal with the Americans and other countries to make sure we establish a system which is not only fair from a national point of view but is also workable in international economic affairs.

[*Translation*]

BREAST IMPLANTS

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health. We have learned that the American companies responsible for the problems caused by breast implants are about to pay an amount of $4.75 billion 97 per cent of which will go to American women who represent only 50 per cent of the victims. All other victims, Canadians included, will have to make do with whatever is left.

Could the Minister of Health tell us if she took all necessary measures so that Canadian women have their say in this decision which will concern them most directly?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we are following this very closely. We would like to stress the fact that Canadian women interested in this issue can receive all the information they need simply by contacting the Department of Health.

Mrs. Pauline Picard (Drummond): Mr. Speaker, since the minister seems so sure of herself, can she explain why Mark Steven, a lawyer representing an important women's group, declared that women in Canada were being swindled?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we all have a right to our own opinions and I do not want to comment on what others might think. I can only assure you that this question is of utmost importance for us. Personally, the health of Canadian women is one of my priorities, it is an issue close to my heart. I will make sure my department does everything in its power so that Canadian women are treated fairly.

* * *

[*English*]

ABORIGINAL AFFAIRS

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

The Canadian Federation of Municipalities represents an important level of government and is especially sensitive to local concerns. The federation recently recommended to the Royal Commission on Aboriginal Peoples that municipalities must be a party to the negotiations of land claims and aboriginal self–government.

Will the minister assure the House that local governments will be invited to participate in future negotiations?

• (1445)

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): As a point of law, Mr. Speaker, local municipalities are creatures of the province. However, in the spirit of these negotiations, because municipalities are concerned about zoning where they abut aboriginal lands and economic development where it affects both the municipalities and the First Nations, I put forward, as a statement not as a policy, that where possible municipalities should be invited in an open and transparent mode so they will know exactly what is happening, and they will know exactly where they fit into the mosaic. Generally this has been accepted by many of the mayors I have talked to across the country.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, I would like to thank the minister for his answer. I would ask him to insist that Stewart, B.C. be brought into the negotiations in northwestern British Columbia.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Again, Mr. Speaker, although I do not like the term because I was once a mayor, municipalities are creatures of the provinces, the direct jurisdiction between the province and the municipality.

Any municipality that is interested is invited to listen and to participate from Yukon down through B.C. As a matter of fact I was talking to a B.C. mayor last night as a result of a suggestion from one of the Reform members. I think the system will work. It has to work because we have no other options.

* * *

CFB MOOSE JAW

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Mr. Speaker, my question is for the Minister of National Defence.

Canadians will remember that in the red book the Liberal Party, now the government, made a commitment to reduce defence spending. This will have an impact on Canadian forces bases and the surrounding communities across the country.

As an MP from Saskatchewan, I am deeply concerned about the future of our bases, particularly our primary base, CFB Moose Jaw, wing 15.

Could the minister inform the House what progress has been made toward achieving fiscal responsibility and efficiency in the area of defence?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I thank the hon. member for her question. I know she is greatly concerned about the future of CFB Moose Jaw.

I have answered the general question many times and I think she has a good understanding of the problems the government is confronted with in dealing with its deficit and in trying to get military spending rationalized.

I cannot give her any assurances today except to say that I am very much aware of the regional problems that may be caused as a result of the closure of any one facility. I am mindful of the difficult situation Saskatchewan has found itself in.

Beyond that the member and the other members of the House will just have to wait a little bit longer until we make our statement.

* * *

[*Translation*]

OFFICIAL RESIDENCES

Mr. Ghislain Lebel (Chambly): Mr. Speaker, recently the National Capital Commission invited all architects in Canada to submit bids for the restoration or renovation of the official residences of the Prime Minister and the Leader of the Opposition, as well as the summer cottage at Harrington Lake and the residence of the Speaker of the House.

Can the Prime Minister tell the House what amounts will be spent for the renovation of each of these residences?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, in the absence of the minister I would like to take the hon. member's comments as representations and report back to the House at a later stage.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Mr. Speaker, regarding the residence of the Leader of the Opposition, how can the Minister of Public Works explain that money will be spent to renovate this residence when the Leader of the Opposition has deliberately chosen not to live in it in order to save taxpayers money?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I do not have any idea why. I do not think the Leader of the Opposition made his decision out of generosity. Actually, the platform of the Bloc Quebecois stated that its leader could not live on the Ottawa side.

Some hon. members: Oh, oh.

• (1450)

[*English*]

GUN CONTROL

Mr. Grant Hill (Macleod): Mr. Speaker, my question is for the Minister of Justice.

Do lawbreakers shop for their weapons after participating in a gun safety program and receiving firearm acquisition certificates?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): I am afraid, Mr. Speaker, I have some difficulty with the question. I take it my friend's question refers to the value of firearm acquisition certificates and training courses.

Let me use this as an opportunity to say in response, if that is what my friend intended to ask, that both the training courses and the application requirements for the certificates are, as the hon. member knows, intended to demonstrate the kind of controls we need for dangerous weapons, the determination of the Canadian people to ensure we have proper gun control and the responsibility of government to ensure the safety of our citizens.

Mr. Grant Hill (Macleod): Mr. Speaker, I have a supplementary question. The minister did not catch the gist of my question at all.

Will the minister explain to the House why gun control measures are largely directed toward honest citizens instead of the criminal elements in our society?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the government is concerned that we avoid having firearms in the hands of those with criminal intent and to ensure the safe use of firearms which are owned lawfully.

Let me point out that the vast majority of deaths that occur by firearms in Canada each year occur through suicide. It is terribly important that those who lawfully own guns store, maintain and deal with them safely and prudently so they are not taken by someone who has the intent to do harm to themselves. The courses which were designed and are now in place are intended to achieve that.

We are after two things: making sure criminals do not have firearms and making sure those who have them lawfully deal with them safely.

* * *

[*Translation*]

MIL DAVIE

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, my question is for the Minister of Transport.

On Saturday, February 12, the Quebec City daily *Le Soleil* reported that the mayors of the Magdalen Islands were putting on pressure for a new ferry. The same newspaper reported the next day that the Premier of Quebec was urging the federal government to give the work of building the new Magdalen Islands ferry to MIL Davie. This would kill two birds with one stone by reviving the MIL Davie shipyard and providing the Magdalen Islanders with the ferry they need.

Can the minister tell us today whether he is still considering buying a used European ferry as a serious alternative, even though it would create no employment here and its performance in the ice–bound St. Lawrence is questionable?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, the government has a responsibility to provide service between Prince Edward Island and the Magdalen Islands and we will meet this commitment to the people who have long been asking for a ship to replace the *Lucy Maud Montgomery.*

As for building or buying a ship, this is a decision for the government, and we have not yet made a final decision. We are looking at all the possibilities. But the main objective is to provide a safe and efficient service to people travelling between Prince Edward Island and the Magdalen Islands.

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, can the minister tell us today, now, although he answered the same question I put to him on January 26, when he intends to make a decision on this?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, as far as the decision affecting mainly the Magdalen Islanders is concerned, we know that they need a ship to replace the *Lucy Maud Montgomery.* We will try to come up with a solution.

Of course, the question raised by the hon. member as to whether the ship will be built or bought is one of the criteria to be considered in reaching a decision.

• (1455)

It is a very complicated process. I met with the Quebec Minister of Industry, Mr. Tremblay, and we are discussing the whole issue in order to come up with the best possible solution, taking into account the needs of the Magdalen Islanders and of travellers and also our responsibilities to Canadian taxpayers.

* * *

[*English*]

AGRICULTURE

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, my question is for the Prime Minister.

In a letter sent to the office of the Prime Minister on Monday of this week the chair of Market Choices Alliance, made up of several farm groups from western Canada, reminded you of your June 9, 1993 promise to call—

The Speaker: Perhaps the member would rephrase the question.

Mr. Benoit: —reminded the Prime Minister of a promise to call a producer plebiscite on the continental barley market issue and to honour the result. The continental barley market would allow farmers and grain marketing companies to compete with the Canadian Wheat Board in North American markets.

Will the Prime Minister honour his commitment to hold this plebiscite and if so when?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food): Mr. Speaker, I thank the hon. member for his question.

The quotations referred to which were attributed to the Prime Minister could have been attributed to me and to other members on this side. They were made in the context of an action taken by the previous government to remove barley, at least in part, from the jurisdiction of the Canadian Wheat Board. Subsequently the action was proved to be without legal authority and the subject of a court challenge. The court eventually held that the conduct of the previous government was outside the jurisdiction of the Canadian Wheat Board Act.

It was in the context of the legal dispute that we made our remarks about a year ago now, or last summer, in respect of the desirability of a plebiscite.

Having said that, we are not philosophically opposed to a plebiscite or to the proposition that was put forward by the farm groups referred to in the hon. member's question.

I would caution the hon. member and those farm organizations that we all need to think through very carefully both the procedures and the implications of a plebiscite with respect to this particular farm marketing issue because it is not quite as simple as those who might raise this proposition would lead some to believe.

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CANADA POST

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, the other day an article in the Ottawa *Citizen* stated that Canada Post recently awarded an Australian firm a contract to produce Canadian stamps.

My question is for the Minister of Public Works and Government Services. Could the minister explain to the House the reasons behind this contract being awarded to a foreign country?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, first of all let me thank the hon. member for his excellent and, I might add, unexpected question.

I wish to inform him and all other hon. members that the company supplying Canada Post with the quality material went bankrupt and as a result Canada Post had to go offshore.

The hon. member should be apprised that 57 per cent of Canada Post's printing requirements are done by Canadian suppliers. I can assure the hon. member we are continuing to work with Canada Post as well as Industry Canada to ensure that the remaining 43 per cent which comes from offshore will come from Canadian suppliers in the not too distant future.

* * *

GRAIN TRANSPORTATION

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is for the minister of agriculture or Minister of Transport.

Last August the previous government began dismantling the Crow benefit portion of the Western Grain Transportation Act by cutting it by 10 per cent. It proposed further cuts over four years which would see the Crow disappear completely.

Since rents and farmland values are being forced down by this policy, making the refinancing of a diversified western economy more difficult, if not impossible, will the government fully reinstate the Crow benefit in perpetuity?

● (1500)

Hon. Douglas Young (Minister of Transport): Mr. Speaker, unaccustomed as I am to taking the same line as the Minister of Finance, I think my hon. friend will have to wait for the budget to get the answers to questions regarding the Crow and a number of other questions we are all waiting with bated breath to have answered.

* * *

[*Translation*]

PATRICK TREMBLAY FOUNDATION

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, my question is for the Minister of National Revenue. On February 11 last, I called the attention of this House to the case of the young Patrick Tremblay who is fighting a severe form of cancer. This young man has to undergo expensive treatment available only in Texas.

To raise money to pay for his treatment, a foundation has been set up. This foundation, we are told, will go on helping other people in a similar situation after Patrick is cured. Unfortunately, the Department of National Revenue is delaying granting the accreditation application that would enable this foundation to issue income tax receipts.

My question is the following: Is the minister aware that any further delay in accrediting such a foundation is endangering not only Mr. Tremblay's life but also the lives of all Quebecers and Canadians who suffer from the same disease and who could benefit from the assistance provided by this foundation?

[*English*]

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, the issue is a very important and serious one particularly for the family involved.

The department is faced with the problem of the very tight legal requirements put on it by this House and of course by legislation. I will however attempt to see what I can do. In due course I hope to be able to report to the hon. member a decision one way or the other.

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JUSTICE

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I have an unexpected question for the Minister of Justice. It concerns the mercy applications under section 690 of the Criminal Code which pertains to applications for new trials by convicted Canadians.

As the minister knows, it has taken as long as four years for his department to process and decide on such applications. In view of this would the minister consider a review of the process within his department in order to expedite these applications? Would the minister give consideration to adopting the recommendations made by the royal commission of inquiry into the Donald Marshall case?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, a review of the process surrounding the section 690 applications is presently under way in the Ministry of Justice. We are taking a close look at the recommendations of the Marshall inquiry.

We will be announcing in the next few months changes in the system to ensure that all such applications are dealt with fairly and as quickly as possible.

I should point out one thing. While it is true some of the applications in recent years have taken an extended period, I have examined the records and they show that in those cases counsel for the applicant was making additional submissions sometimes with new evidence. Therefore those working on the application had to take that new material into account which delayed the process.

I do agree we should process them as quickly as possible in the interests of fairness and justice. We do have it under review. I will be happy to report to the House when we have come to our conclusions.

PRIVILEGE

MEMBER FOR MARKHAM—WHITCHURCH—STOUFFVILLE

Mr. John Nunziata (York South—Weston): Mr. Speaker, yesterday the member for Markham—Whitchurch—Stouffville rose on a question of privilege and made submissions with regard to certain allegations that have been made.

He indicated when he rose on his question of privilege that he wished to clarify an issue, and I am quoting from *Hansard* at page 1387: "that has become a subject of debate not only in this Chamber but also across the nation".

The member stated: "This has impeded my ability to function effectively and efficiently as the member of Parliament for the riding of Markham—Whitchurch—Stouffville". Later on in his submission he stated: "I invite my colleagues in the House to examine my academic credentials and weigh the accusations in a rational and judicious manner".

Mr. Speaker, I confirm that you and I had a discussion earlier this day with regard to this particular matter. I understand you are presently considering the question of privilege raised by the hon. member.

I indicated to you that I wished to make submissions on this question of privilege. Therefore I wish to ask you to defer your decision on this matter pending an opportunity for me and other members, if they so wish and desire, to make submissions as to why this particular unfortunate matter has affected the privileges of each of us individually and the House as a whole.

• (1505)

As you know, Mr. Speaker, you will be called upon when a matter of privilege is raised to simply determine whether it is a matter of privilege and whether to allow a motion to go forward recommending a particular course of action.

I wish to give notice of my intention to move a motion. If you so decide there is a breach of privilege, I wish to move a motion that the matters affecting the hon. member for Markham—Whitchurch—Stouffville be referred to the elections and privileges standing committee. The committee would then have the authority to investigate the allegations against the hon. member. The committee would have the authority to hear and I would submit—

The Speaker: Order. Colleagues, I have not yet made a decision as to whether our hon. colleague does indeed have a prima facie case of privilege.

I will probably rule tomorrow but if I deem it necessary it may take some extra time. I want to make sure I consider all aspects of this submission which have been put forward. When I have decided, I will come back to the House and give my ruling at that time.

Following the ruling we will then proceed in an orderly fashion as to whether or not the House indeed wants to consider anything further in the matter of privilege.

Mr. Nunziata: Mr. Speaker, I would like the opportunity as a member of the House to make submissions in advance of your ruling.

I believe that members of Parliament have been affected by this matter. We have certainly received telephone calls and letters. I simply wish and I would like you to confirm that I will have the opportunity to make submissions to you in advance of your decision.

The Speaker: I take the request under advisement. I will make a decision on this request as well as on the question of privilege and will come back to the House at the earliest possible time.

Mr. Hermanson: Mr. Speaker, I rise on a point of order. I am a new member. Would the Speaker please clarify for the House whether this would be a question of privilege? I thought a question of privilege was regarding a personal matter. This does not seem to follow that qualification according to my understanding of the standing orders.

The Speaker: The Chair will indeed make a ruling on the question of privilege which is before the House at this time. The Chair will also consider the request put forward by the member for York South—Weston.

When I have made that decision on behalf of the House I will come back and report to the House at the earliest possible time.

ROUTINE PROCEEDINGS

[*English*]

THE ENVIRONMENT

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the government believes that a healthy economy can and must flow from a healthy environment.

We owe it to our children to preserve and enhance the extraordinary environment with which we have been blessed. In doing so we can and must set the foundation for a whole new era of economic growth. We owe it to our children to explore the competitive advantage which a commitment to the environment will bring.

All of us have to change our behaviour in big and small ways beginning here in government. Individual Canadians have already been doing that in their own lives.

The challenge for us in Parliament is to find means of accelerating the move toward sustainable development. That is why the government stated in the throne speech that the concept of sustainable development will become an integral part of government policies.

[*Translation*]

Our Parliament must be a leader when it comes to protecting our environment, preventing pollution and promoting environmental industries. We must take the lead by making the government more ecologically sensitive.

We must understand that government policies have an important bearing on people's attitude. Depending on the approach adopted by Parliament, Canada will or will not become a world leader in sustainable development.

• (1510)

[*English*]

The blunt fact is that we can only succeed if we forge a partnership with all Canadians. Our government must set an example and must show leadership. We cannot do it alone. We need to work in partnership and in harmony with the provinces and territories, with labour and environmental groups and business. Most of all, we have to tap the talent and goodwill of individual Canadians.

We will only reach our goal of combining a strong economy with a strong environment when we include every Canadian in that effort.

Today, in that spirit of reaching out, in that spirit of inclusion, I am pleased to announce that the government will fulfil another red book commitment, our decision to proclaim the act to establish the national round table on the environment and the economy.

Parliament voted to establish the round table as a 25–person body composed of a broadly representative membership from across the country. It must reflect the need for concerted action in all areas of Canada if we are to achieve sustainable development.

The round table's purpose is to act as a catalyst in identifying, explaining and promoting the principles and practices we must adopt if we are to meet the needs of our generation without compromising the ability of future generations to live in a clean environment.

[*Translation*]

This round table can do research on critical aspects of sustainable development. It will provide useful advice to every sector in our country regarding ways to integrate environmental and economic considerations into decisions and actions. In my opinion, the round table can especially facilitate the creation of a partnership to make sustainable development a concrete reality in Canada.

In order to have this partnership, we must ensure that people have confidence in our innovative process, and we must give them the opportunity to fully participate. As well, we must take into account the opinions and interests of everyone, and a real commitment to reach a consensus is also necessary.

The round–table process has proven successful in Canada, and other countries are also using it. Indeed, a good number of provincial and local round tables have managed to solve sensitive and contentious issues by way of a consensus.

The national round table must have a strong legislative mandate to fully play its role of catalyst and promoter regarding environmental and economic issues. I am very pleased that the Prime Minister himself has agreed to chair this round table.

[*English*]

Membership on the round table on the environment and the economy must provide the links we need with communities, regions and provinces that are already taking creative ideas and translating them into practical solutions. The round table can and should involve Canadians at all levels of society, Canadians who can contribute to our collective goal of sustainable development by reaching out and motivating others to take action.

Openings on the round table will soon be published in the *Canada Gazette*, but here and now I want to ask interested members of Parliament to include applications from interested Canadians. In addition, I would be pleased to receive direct suggestions from members of Parliament on the balanced membership of the round table.

Through its unique character and make–up the round table is well positioned to seek new and pragmatic solutions to the problems facing our country and the world. The national round table can play a lead role in the current efforts to develop a sustainable framework for Canada.

Through this act we are effectively charging the round table with becoming a real agent for change in Canada.

[*Translation*]

We must find innovative and sensible ways of making Canada a leader in sustainable development. Together, we must find ways of changing how we think and particularly how we act. Sustainable development must become an every day reality. Mr. Speaker, I am disturbed when I see that even the Government of Canada ignores our own environmental capabilities in its policy. What we are doing here in this House should be a signal to all Canadian governments to follow suit.

• (1515)

Each and every one of us is responsible for the prosperity of our economy and the cleanness of our environment. All of us, federalists as well as separatists, are responsible for our future. This is why we must give all Canadians an opportunity to express themselves and to get involved. In this sense, the government's decision to table an act creating the national round

table on the environment and the economy is an important step, and I urge hon. members to sit at that table and to get involved.

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, I want to thank the Minister of the Environment for giving us the text of her minister's statement at around 10 o'clock this morning.

The National Round Table on the Environment and the Economy Act was finally proclaimed today, after being tabled in the House in April 1992 and receiving royal assent in June 1993.

This round table, the purpose of which is to merge the environment and the economy, was inspired by the concept of sustainable development. It is clear that whatever our political affiliations, as the minister said earlier, whether we are sovereigntists or federalists, we all breathe the same air and drink the same water. We are all concerned about the impact poor environmental management may have on our quality of life. And we are even more aware of the impact our present actions and decisions may have on the lives of future generations.

Not to support this legislation would be a sign of bad faith. And I am therefore very pleased, as is the Bloc Quebecois, and as were all opposition parties at the time, to see the government go ahead with this concept for obtaining intelligent advice from various sources.

However, as the Liberals and the NDP pointed out at the time, some aspects of this legislation are not clear or are at least open to question. The corporation's operational structure allows it to work with a measure of independence. However, there is always the possibility that the table will have ties with the government, since its chairperson and members are appointed by the Governor in Council.

Earlier, the Minister of the Environment announced that the Prime Minister had agreed to chair the round table. If the minister is considering applications, I would be glad to oblige, if you agree, that is—

Ms. Copps: Pierre–Marc Johnson is vice–chairperson.

Mr. Chrétien (Frontenac): Yes, he is a good choice. He would have made a good chairperson.

Mr. Ménard: We know him.

Ms. Copps: Yes, I know.

Mr. Chrétien (Frontenac): So the corporation's operational structure allows it to work with a measure of independence, but there is always the possibility that the table may have ties with the government, since its members are appointed by the Governor in Council.

• (1520)

However, I think the government is very much aware of this aspect, since it was involved in the debate on this legislation, and I am sure it will find a way to deal with this.

The government is comfortable with this legislation since under the Conservatives, the hon. member for Davenport proposed certain amendments that were, in fact, adopted.

The Liberal government is well aware that our air, water and soil—our physical environment—are very much at risk, to put it mildly. In some cases, they have reached the point of no return.

We should not focus on one particular form of consultation at the expense of the other components of our environment.

Often, to show it is environment–conscious, the government adopts this kind of legislation while at the same time cutting back on related commitments. Take, for instance, the defunct Conservative government's green plan. In 1990, the plan's initial budget of $3 billion over five years was reduced a few months later to $3 billion over six years. This is a reduction of 20 per cent in the same year, and there were subsequent cuts later on.

The National Round Table on the Environment and the Economy can be an effective tool, provided partisan considerations are excluded. No group has the right to use the environment to promote partisan interests.

Next Tuesday, February 22, the Minister of Finance will bring down his first budget. In the section on environment and sustainable development, we will see whether the government puts its money where its mouth is.

Since we know this is one of the first priorities of the Liberal government, we can assume that budget allocations for the Department of the Environment will help us make up for lost time.

In concluding, I want to say that we should support this initiative for consultation and co–operation. We must take advantage of this opportunity to communicate with various players in sectors that are in a position to help the environment. The Liberal government has chosen this vehicle to get out of its ivory tower. The results will be gratifying, provided it does its homework.

[*English*]

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, I would like to commend the hon. minister for this initiative. I believe it is the direction we want to go and that most Canadians want to go. Most of us feel inside that we are environmentalists and this comes from the way we recycle our paper or compost or garbage. It is the mood of Canadians to move in this direction.

I would like to go back to a little history of where we have come from, because I believe the pendulum has swung through from the economy versus the environment. It was an either/or situation and I believe it was to the detriment of many Canadians.

That basically was the old way. I believe the new way, the integration of the economy and the environment, is the way to go because that is sustainable development. I believe that is the direction that this legislation is taking.

The goal is to combine a strong economy with a strong environment. This is basically as the minister has said and I believe it is excellent.

• (1525)

Now to the round table itself. I would hope that their perspective is balanced. I believe that balance will come from the people who are on this board. I would hope that the make–up of the board is not all one side of the equation or all of the other. I hope there is a very broad base so that we have the voice of all Canadians.

I would also hope that there is a national perspective, a perspective that comes from coast to coast and including the territories. I would be most disappointed to see the make–up of this round table from largely central Canada or one point in Canada.

I would like to move on to the mandate because I am a bit unsure, and that is maybe because I am new in the House. Is this an advisory body or a legislative body? To whom does it report? The minister said that the Prime Minister will be chairing it. Does it report to the House, to caucus or to the Prime Minister? I see it is to you.

Basically those are the points I wanted to address. I would hope that the meetings are open and that the public is involved. What will be the cost? We need to know where Canada is today, which is in a debt hole, and how much this is going to cost.

Finally I would hope that this is a meaningful process, that three or four years down the road that we have not rehashed what we know about sustainable development only to find that we have not really moved ahead.

* * *

CRIMINAL CODE

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C–215, an act to amend the Criminal Code (aiding suicide).

He said: Mr. Speaker, I have the honour to introduce a bill that would amend the Criminal Code to allow terminally ill people the right to die with dignity with the assistance of their doctor.

People with terminal illnesses, some suffering terrible pain or indignity, are now being assisted to die but too often it is being done by secret physicians who perform secret acts or, worse yet, by family or friends with no safeguards whatsoever in place.

[*Translation*]

The current legislation which dates back to 1892 can be extremely cruel to those who are dying and to their families.

[*English*]

Sue Rodriguez, a woman who lived her life and approached her death with incredible courage and dignity, urged the Minister of Justice in her final declaration to introduce legislation into Parliament soon on this subject.

I hope this bill will be one step along this road, a road that leads to a more decent and civilized society for all Canadians.

(Motions deemed adopted, bill read the first time and printed.)

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

Mr. Guy H. Arseneault (Restigouche—Chaleur) moved for leave to introduce Bill C–216, an Act to amend the Unemployment Insurance Act (jury service).

He said: Mr. Speaker, the purpose of this bill is to amend the Unemployment Insurance Act so that persons serving on juries will not be deemed ineligible for benefits simply because they are involved in this activity.

• (1530)

[*English*]

The object of this bill is to prevent people who are eligible for UI and who are selected for jury duty from being ruled ineligible for their unemployment insurance.

In a number of cases in the last couple of years nationally, the judges have dismissed jurors who were receiving UI on the grounds that they may be disqualified for UI. This is to point out that problem and rectify it.

I had a fair amount of support last time in the House, and I am again looking forward to that support.

(Motions deemed adopted, bill read the first time and printed.)

Mr. Arseneault: I rise on a point of order, Mr. Speaker. This bill with similar intent was presented in the 34th Parliament. At that time I had received unanimous support of the members in the House. There were well over 100 members in the House at that time who had agreed to move this bill to committee for consideration.

It had gone to committee for consideration but unfortunately the House prorogued before it was returned and reported.

I would ask the House for consent to have the bill proceed to second reading and committee today.

The Deputy Speaker: It would appear that the member, as he has just indicated, must ask for unanimous consent of the House. If he receives that then he can ask for unanimous consent to send it directly to committee.

Do members agree to ask for unanimous consent?

Mr. Hermanson: Mr. Speaker, there is a great number of new members in the House. I think it might be proper to follow normal procedures and let new members become familiar with this legislation before we give unanimous consent.

The Deputy Speaker: The Chair is in the hands of the members. I take it the member for Kindersley—Lloydminster is denying unanimous consent. Very well. The Chair will not have to put the second question.

* * *

PETITIONS

SERIAL KILLER BOARD GAME

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, pursuant to Standing Order 36 it is my duty and honour to rise in the House to present this petition duly certified by the clerk of petitions on behalf of the undersigned residents of Wellington—Grey Dufferin—Simcoe and the surrounding area.

The petitioners humbly pray and call upon Parliament to ban the sale of serial killer board games and prevent any other such game or material to be made available in Canada in order to protect the innocent children of this country.

[*Translation*]

PORT FACILITIES

Mr. René Laurin (Joliette): Mr. Speaker, I have the pleasure of submitting to the House a petition from several hundred residents of Saint–Sulpice who are calling on Parliament to intervene in an effort to get fisheries and oceans Canada to reconsider its decision to demolish the wharf on the waterfront, on Bord–de–l'eau Road, in Saint–Sulpice, and to take the necessary steps to ensure its preservation.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

The Deputy Speaker: I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 18 minutes, pursuant to Standing Order 33(2)(b).

GOVERNMENT ORDERS

• (1535)

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY—SOCIAL HOUSING CONSTRUCTION

Mrs. Monique Guay (Laurentides) moved:

That this House condemn the government's inability to re–establish and increase budgets for social housing construction programs.

She said: Mr. Speaker, it is with a great deal of pleasure and satisfaction that I rise today to take part in this debate on social housing.

Since I first rose in this House on January 21 to make a member's statement, I have taken every opportunity to remind the other members that 1.2 million Canadians have urgent housing needs. These people scattered in every one of our ridings are facing an intolerable situation. They are living in appalling housing conditions and their rents are eating up an excessive part of their income.

For several years, elected members of the government have been claiming left and right that Canada is a highly–rated country where living conditions are the best. I sincerely believe that we must come down to earth and look at reality. Comparisons between countries are no longer valid. They are often dangerous because they breed indifference and hamper the recognition of real problems. They create false impressions on real life.

In June 1993, the UN committee on economic, social and cultural rights published a report on poverty in Canada. It painted an devastating picture of the housing situation and expressed surprise that despite the obvious existence of homeless people and the inadequate housing conditions, social housing expenditures only amounted to 1.3 per cent of public spending.

So this international, high–profile organization has cut government big guns down to size by saying that Canada is not meeting one of its first obligations, namely to provide adequate and affordable housing for everyone.

What is true for Canada is even truer for Quebec as 44.3 per cent of Quebec households live in rental housing, compared with a Canadian average of 37.1 per cent. So the problem is more acute there. The poorest provinces are also confronted with this difficult situation.

In the face of this strongly denied reality, the government must act quickly and responsibly in this regard. It is now putting its head in the sand by constantly repeating that it does not have the money.

It recently informed us that it will spend money on residential rehabilitation. But this money does not do anything to help the homeless because they have no residence to rehabilitate in the first place.

While this kind of program creates jobs, these jobs too often lead to a rise in the cost of private rental housing. By improving housing, owners raise rents. This, in turn, makes it worse for low–income households who must shell out more money.

The Liberal government's declarations clearly show that it is moving toward maintaining the policy put in place by the Conservatives in this area. The Liberals' first 100 days are nothing to reassure poorly housed Canadians. They are following in the footsteps of the Conservatives whose policies and decisions could be called the "social housing massacre".

Available figures confirm beyond question that a massacre occurred between 1984 and 1994. Until 1984, some 25,000 new social housing units were being built in Canada every year. It took the Conservatives 10 years to kill that formula so that, since January 1, 1994, the federal government no longer contributes to the construction of a single social housing unit. It is quite a record to go from 25,000 to zero. We can see that their decisions helped them to break another record, from 152 to only two members in this House.

These alarming figures show the abdication of the federal government in this area.

• (1540)

The government also asked the Canada Mortgage and Housing Corporation to become more efficient, in other words to cut costs. There are worrying indications that CMHC is looking for ways to save and is contemplating rent increases in social housing to increase its revenues. Basically, they would be taking money out of the pockets of the less fortunate, attacking their slender income to help other people with housing problems. What a shameful thing to do.

That is what we are headed for with the government's silence. The members opposite are not reacting. It is as if there were no housing problems in their ridings, and all their constituents had decent housing. I think that is hardly the case. I would ask them to go out in their riding and see how things really are. Then come back and get in touch with your Minister of Finance to apprise him of the situation and urge him to make funds available in his next budget, on February 22, to re–establish and increase budgets for social housing programs.

Of course, the Minister of Finance has been going on and on with the same story for weeks. He is putting us to sleep. He is trying to make us bite the bullet of austerity. This budget will be a tough one, we are told over and over. But the money is there. It is only a matter of making the right choices. The government must take its responsibilities and act with courage and fairness.

We, in the Bloc Quebecois, have suggested that the government go over each program, each item of government expenditure to cut the fat, the squandering, the costly duplication within the federal administration. This process could have allowed us to find funds to help provide housing for the less fortunate segment of our society. Unfortunately, the minister opted for travelling across the country to hold meaningless pre–budget consultations instead. During that time, public funds are spent lavishly and inefficiently. Year after year, the Auditor General has a lot to say on this subject.

Here in this House and the Hill, we can see examples of squandering of public funds every day. Apparently, the sky is the limit. Simplicity and efficiency are not commonplace. Specific examples: Public Works are repairing roofs in winter and rebuilding stone walls in minus 30 degree Celsius temperatures. To carry out summer jobs during the winter comes at a premium and certainly does not do much for the productivity of the workers. It is shear squandering!

Other departments are literally devouring public funds. The Department of National Defence for instance, with a $12 billion plus annual budget. Piggish! Incredible amounts are swallowed up by that department's equipment programs. The Canadian patrol frigates will end up costing us $9 billion, while the ADATS air defence system initially designed for our military bases in Germany, but which will not be used and has been classified as non operational, has cost us all of $1 billion.

Governments will soon embark upon infrastructure programs that will require substantial funding.

How can we tell the less fortunate that the government does not have any money for social housing when it is spending all this public money, often astronomical sums of money?

How are we to explain to Mrs. Johanne Lepage from Châteauguay who is spending 46 per cent of her monthly income of $1,524, or $700 a month, on rent, heat and hydro for herself and her four children, how are we to explain to her and her four young children that the government spent $1 billion on useless radars but does not have money to build decent social housing that she could rent for just 25 per cent of her income? This lady is not the only one in such dire straits. In Quebec, 404,000 households spend over 30 per cent of their income on rent and there are 273,000 more Canadian households in the same situation. And there is worse: 194,000 Quebec households are spending over 50 per cent of their income on rent. In Canada, there are 584,000 in that situation.

• (1545)

Mr. Speaker, this situation is scandalous and unacceptable. Canada, a supposedly wealthy and developed country, has a poor record in this area. The Liberals have no choice but to re–establish the budget for social housing.

The Minister of Foreign Affairs is very familiar with and has always been a staunch advocate of social housing. On May 5, 1993, the hon. minister rose in the House to call upon the former government, and I quote, "to act as soon as possible to save the social housing and co–operative housing program in Canada". Not even a year ago, the minister was claiming that the government was trampling the fundamental right of every individual to decent housing.

I would hope that the Minister of Foreign Affairs will continue to champion this cause. I challenge him to press his colleague, the Minister of Finance, to untie the purse strings and make funds available for social housing. I challenge him to make his colleague aware of the plight of the poor in Canada. At the time, other ministers, including the Minister of Human Resources Development and the Minister of the Environment and Deputy Prime Minister, also defended social housing programs. I hope that they have not had a change of heart, simply because they are in power. I challenge them to prove that they are concerned about social housing and to take some concrete action!

Other options must be explored in order to find the funds to help the most disadvantaged in society. The government will make major savings by eliminating certain tax shelters. It is important, if not essential, that large corporations and the wealthy contribute to our society. How can we say to the poorest people that the government's coffers are empty when the wealthy do not contribute anything?

Every month, hundreds of thousands of tenants ask themselves the same question. How am I going to pay the rent? They wonder how they will manage when their income consists of social assistance, unemployment insurance or old age benefits, or derives from a precarious, low–paying or part–time job. These households are forced to make desperate choices, which can mean cutting either their food, clothing, transportation or basic care budget.

How can we stand by while young people go hungry every month? The members opposite and the Minister of Finance should give some serious thought to this question. We must never lose sight of the fact that these children are the generation of the future. We have a responsibility to provide for them. Moreover, the government must not shirk its responsibility. It must work to eliminate social and economic disparities between members of our society.

Social housing is the only way to provide affordable housing for all Canadians in need. It offers much better housing than the private market, housing which can be adapted to specific needs and requirements. Co–operative housing, especially, helps people pull themselves up and take greater control over their living conditions. It helps physically improve old neighbourhoods, keep the resident population and generally enhance the quality of life.

Social housing also creates jobs. According to Clayton Research Associates Limited, building 1,000 co–operative or social housing units creates 2,000 jobs; renovating them creates 800. Furthermore, very significant savings on health and social services can be made. Families will be better housed, better fed and better clothed.

Economy and employment—that is what the Liberal platform is all about. What are you waiting for to act? We, in the Bloc Quebecois, feel that the Government of Quebec should have full responsibility for housing. The Société d'habitation du Québec should be the only one in charge.

• (1550)

As along as Quebec is part of the federal system, we will demand a major and equitable financial contribution from it.

The Liberals, and especially their leader, kept hammering away on the theme of dignity and pride before October 25. Dignity and pride everywhere and always. Now we need action. It is time to prove that you yourselves have pride and dignity.

I conclude by telling you about Jacqueline Cayen, a 32–year old mother of three children, who lives on $1,442 a month. She went back to school recently and intends to obtain a high school diploma in January 1995. She says, "My rent costs me $350 a month, and electricity is $150 a month. In winter, it is cold near the windows and I heat the shed. To pay $500 on rent, I have to cut on food and clothing and especially hope that nothing unforeseen will happen".

So it is up to the government to act.

[*English*]

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

The Deputy Speaker: I trust members of the Official Opposition will not expect a simultaneous translation of those comments. I think the people upstairs are probably wondering what to do about it now as well.

Mr. Anawak: If I was not wearing my earpiece earlier I probably would not have understood a word the hon. member was saying.

I just want to comment on a couple of things that the hon. member mentioned or omitted. One point was the fact that aboriginal people have the poorest housing. I did not hear the word aboriginal once in the whole presentation.

The other point was that I did not hear anything, other than Canadian or global, about how many houses are needed in Northwest Territories or in British Columbia. I just heard the statistics in Quebec.

I know that the member is a member of Her Majesty's Loyal Opposition and I think the member should represent all Canadians. I did not hear that.

I would like to comment also on her comment about the hon. minister for external affairs. She seemed to contradict, telling us that we were not aware of all the housing needs and then quoting the hon. minister. The minister must have been representing his constituents and Canada when he made his concerns known about housing and therefore did not need lessons from the hon. member about not knowing what was going on in our ridings over here. Does the hon. member have any understanding of the housing needs of aboriginal people across Canada as well as in Quebec? Does she have any statistics about the state of poor housing in areas other than Quebec?

• (1555)

Mrs. Guay: Mr. Speaker, it is a pleasure to answer the member in English. Maybe he will understand me better and he will not need the translation.

The hon. member should know it is not the first time I have spoken about social housing. I have talked about aboriginal people also and their problems. He probably was not here to hear it. I always talk about social housing across Canada not only in Quebec. I gave statistics about Quebec because we are from Quebec. However I always speak for every Canadian in every riding everywhere.

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, first I want to thank the hon. member for putting forward a motion which discusses some very substantive issues relating to social housing.

I do not wish to be too congratulatory to my colleague opposite, however the subject matter before us this afternoon can be debated in a very civilized way and perhaps suggestions from all quarters can be put on the record. We can then present them to the Minister of Finance, who as we all know, is in the process of preparing his budget.

Although I thank the hon. member for putting the subject matter before the House I cannot concur with the way in which the motion has been written and placed before the House.

I want to assure all hon. members that as the minister responsible for Canada Mortgage and Housing, I take my mandate very seriously, as does the government. We fully understand the challenges ahead and we are committed to carrying out the government's agenda in the area of housing.

Make no mistake about it, the government is committed to maintaining a strong role in social housing across the country. Our commitment reflects our desire to help the least advantaged in our society and we will continue to do just that.

In the speech from the throne the government clearly signalled its resolve to address the fiscal situation while at the same time acknowledging the continuing importance of social priorities. The government is respecting its promises within its current financial capabilities. I want to underline that because I have been asked questions numerous times on the floor of the House. I have gone out of my way to make it abundantly clear that the fiscal capacity of the Government of Canada is somewhat limited as the previous administration basically left the cupboard bare. The deficit of the Government of Canada is $12 billion over and above what we had anticipated and what we had been told during the election campaign. I am sure hon. members opposite have concluded that it does limit the fiscal capacity of the government to move in all the social areas in which we might wish to move.

Having said that to the substance of the motion before us, I cannot concur with the way in which it has been written, although I am happy about the subject being debated just days before the budget.

• (1600)

It should be clearly stated that the government is providing close to $2 billion for the direct financing of some 652,000 households across the country. That is a very substantial amount of money which is lent under the auspices of the direct lending program, administered by Canada Mortgage and Housing Corporation.

To suggest otherwise is being totally irresponsible in my view. I direct those comments not necessarily to members opposite but to those who are outside the Chamber and those who may come into the Chamber and speak to the issues, that the government is making an important contribution to social housing. The hon. member made reference to the fact that this administration is the same as the old administration. That is not true.

The throne speech which was tabled in the other House and which has been referred to by the Prime Minister and by myself on several occasions, talked about social housing. We have put down $100 million over a two–year period for the residential rehabilitation assistance program.

With a limited fiscal capacity, we are providing $100 million to individuals in order to improve the quality of the stock of homes. This is a significant contribution in terms of the health

and safety which will be across the country, not in one particular area but all Canadians in all provinces will have an opportunity to benefit.

We have embarked on a very ambitious program. I will get to it in a little more detail when I talk about the meeting I had with provincial ministers of housing. We intend to save through cost cutting measures over the next four years a total of $120 million. All will be directed for social housing. Those initiatives will be in concert with shared objectives and providing those who are in need with capacity to move on and to improve their quality of life. This is another significant aspect of the social housing budget.

It should be noted that Canada Mortgage and Housing Corporation has forecast for 1994 a modest recovery in new housing starts, which is approximately 162,000. If I can use this term—hon. members opposite may find it rather amusing—it is a conservative figure of 162,000 units.

Other forecasting organizations, such as banks and trust companies, indicate that those figures are very low and housing starts in Canada will be much more significant than that. However being the modest type of government that we are, we intend to go with the low figure and that is the figure we are sharing with our colleagues across the way.

Social housing also has implications for other areas and other aspects of the housing industry. For instance in the city of Toronto the issue is contaminated lands. In my discussions with ministers of housing across the country we have put this issue on the table for action by ministers and deputy ministers. In fact we discussed this when federal, provincial and territorial leaders met in Toronto. We agreed that our deputy ministers would pursue this vigorously, that we would have several meetings and hopefully make decisions on those kinds of issues, which have an impact on what the private sector does vis–à–vis social housing as well as other types of housing.

It should be noted that the theme we use for this issue is one of common sense.

• (1605)

I want to underline that there are numerous individuals who think that one cannot build a home anywhere in the country in 1994 because of environmental concerns. There are others in this country who say to hell with environmental concerns, they will build the homes regardless.

There are two competing views of a problem. I suggest, and ministers of the crown both federally and provincially have said, that we must have some semblance of common sense to the approach that the housing industry must take in the weeks, months and years ahead. That is an important aspect to which we must give due consideration.

Canada Mortgage and Housing Corporation is embarking upon a comprehensive—I want to underline the words—examination of the rental market research. My colleague who spoke earlier in the House with regard to the motion made reference to the province of Quebec and it having more units for the purpose of rental housing. That is very true.

However, there are other areas in the country whether in Calgary, Edmonton, British Columbia, parts of Atlantic Canada, where the rental component is an essential element. We hope that in the next couple of months to put together the terms of reference for a comprehensive review of rental markets.

I would be interested in hearing the views of hon. members on that subject as I will be hearing the views of the private sector and other stakeholders across the country.

Encouraging innovation is another aspect of our policy as it relates to housing. It relates directly to social housing in terms of the things we might be able to do. I make reference to the good work that my colleague, the Minister of Natural Resources, has been able to do. I am sure you, Mr. Speaker, have followed that quite closely over the years.

I refer of course to R–2000 which in my view has provided an upgrading of the quality of housing in the country which many private stakeholders as well as non–profit stakeholders have taken advantage of over the years. Therefore, encouraging innovation will be another aspect of our housing policies as we approach this fiscal year, 1994–95.

I want to talk for a few minutes if I may in the time that I have remaining, which I believe is about 15 or 20 minutes—

Some hon. members: Oh, oh.

Mr. Dingwall: Three. I do want to say that our commitment to housing for Canadians recognizes that there are groups with special needs which must be met.

Victims of family violence is one such group. It is astounding to me that the incidence of family violence continues to increase. I look forward to the day when we no longer need to build and maintain shelters for women and their children fleeing domestic violence.

For now we need to address this critical issue in the best way we can. We will continue to provide funding for shelters and other housing commitments under the family violence initiative.

Canada Mortgage and Housing provides financial assistance for project haven and project next step, two programs that provide emergency shelter and long–term housing for victims of family violence and their children.

There are 458 emergency shelter units that have been committed under the project haven initiative. Under the second phase of the family violence initiative, again a part of the social housing objectives of the Government of Canada, and the next step program, 150 self–contained units and 100 emergency shelter units are planned with a budget of $20.6 million.

During the upcoming months Canada Mortgage and Housing will be discussing with its counterparts in the family violence initiative new opportunities for Canada Mortgage and Housing participation in a possible third phase to the family violence initiative.

This assistance goes a long way to providing much needed shelter for women and children. The federal government is also committed to improving housing for seniors and persons with disabilities. As part of the national strategy for the integration of persons with disabilities, Canada Mortgage and Housing has been administering a $10 million two–year demonstration program called home adaptations for seniors' independence, or HASI, to help older seniors make their homes more liveable.

In the few moments that I have left—I am sure there will be a number of questions that hon. members will want to raise—I want to say two final things. One is with regard to housing for aboriginals on reserves and housing for aboriginals off reserves across the country. My colleague, the Minister of Indian Affairs and Northern Development, and I have been working jointly on these issues and we hope to be able to put a paper before our cabinet colleagues to address some of these serious situations.

• (1610)

I want to assure the House and hon. members that it is certainly a priority for me and it is certainly a priority for the Minister of Indian Affairs and Northern Development that we will want to pursue this with vigour and creativity. I have spoken to a number of aboriginal groups which have come to me, and I want to underline this, with some very creative and innovative ways in which they as individuals can take control of their own destiny and provide the kinds of quality housing that they need.

Finally, with regard to the province of Quebec, la belle province, I have had several discussions with the minister responsible for housing in the province of Quebec whom I am sure all members, particularly members opposite, would want to congratulate in terms of the new responsibilities he has achieved in the recent cabinet shuffle, including those of housing.

I am now embarking upon a program with my provincial colleague in the province of Quebec, and possibly elsewhere in the country as well, in terms of how we as governments can get better value for our dollar. The province of Quebec has earmarked moneys for housing under the renovation sector. It is a very exciting, good and solid program.

Through our moneys under the RRAP, the $100 million, and the amount of money we would provide for Quebec, we are trying to make an arrangement whereby we would lessen the administrative nightmares which are associated with the delivery of the housing in order to have the one level of government deliver that, of course maintaining a federal presence and maintaining some degree of credibility for the Government of Canada as we make expenditures in that great province, but lessening the administration and getting more money to the people who are really in need.

I want to assure hon. members in my final sentence that we as a national government are seized with the issue of social housing. We are attempting through a number of vehicles with our provincial counterparts to provide the best value at the best price for Canadians across the country.

The Deputy Speaker: Before going to questions and comments the hon. minister being a seasoned member will know the question of parliamentary language, a four–letter word starting with *h* and rhyming with "bell". The eyebrow of one of his own members went up when the minister used the word. I see in Beauchesne's sixth edition, page 147, that that phrase in context has been found to be unparliamentary in the past. I wonder if the minister would perhaps reflect on it.

Mr. Dingwall: Mr. Speaker, I will accept your intervention, but I hope the Speaker will do the honourable thing post 6.30 this evening and read the "blues" and ascertain that the word which he anticipated and thought that I had said was not what he has referred to but was a word which is called h–e–c–k, which is different from what he had said.

However, if the hon. Speaker is not mistaken, I wish to withdraw any reference to that particular word. I would hope that if the Speaker has made a mistake he will come back to the House in due course.

The Deputy Speaker: Getting back to the substance of the debate, questions or comments.

[*Translation*]

Mrs. Christiane Gagnon (Québec): Mr. Speaker, since the member is showing an interest for our belle province, I would like to give him a few statistics regarding social housing funding in Quebec. I wonder if he is aware of the fact that, from 1986 all the way up to 1993, there have been some significant discrepancies in the level of federal funding to various provinces in Canada, including Ontario.

Quebec received between 10 and 13 per cent less from the federal government. That is why it is now calling for an improvement in the level of government expenditures. We say expenditures, but what we are really talking about are job

creating investments. I am giving this piece of information to the minister because I would like him to tell me what his government intends to do to improve the social housing program in Quebec, in view of the fact that, for the last ten years, Quebec has been short changed compared to other provinces.

• (1615)

Let me explain the criteria used by the federal government to allocate funding for housing. Quebec is at a real disadvantage because, to determine each province's share of the budget, Ottawa grants each province a certain number of units based on the real building cost per unit. Yet, we know that the average building cost per unit is higher in Ontario. This analysis shows how Quebec has always been short–changed by the federal government.

I would like to add another point. The member mentioned new social housing starts by CMHC. There might be new housing starts in Ontario and other provinces, but certainly not in Quebec. I received a letter from a director in the CMHC economic department saying that there was no sign of recovery in housing starts in Quebec. I would like the minister to comment on that.

[*English*]

Mr. Dingwall: Mr. Speaker, I want to thank and congratulate the hon. member because I think those are very appropriate and very sound questions that should be raised on the floor of the House of Commons.

First of all, I agree with my colleague that this should not be interpreted as subsidies. We should look at it as investment. I could not agree with her more.

I cannot and will not try to rewrite history in terms of the amount of moneys which has gone to the province of Quebec. There are some rationales which have been given to me as to why Ontario, for instance, which has a bigger population and higher costs in terms of social housing, has received more and Quebec has received less.

I can assure the hon. member, who has raised a fundamental question of equity, that under this administration Quebec will get its fair share. I can assure the hon. member of that.

The hon. member made reference to a number of other issues. However, it should be noted that the Government of Canada will also be providing $5 million over the next four years in financial assistance for unique, non–profit housing co–operatives in the southwest of Montreal. The hon. member probably knows that. This was done as a pilot project and we are continuing with that particular funding.

I want the hon. member to know as well that in terms of the units in the province of Quebec, she knows and I know that the predominance of rental units as opposed to new free standing units is greater in the province of Quebec than anywhere else in the country. Hence, we will work closely with the Quebec government, as I indicated in my earlier remarks, in terms of providing moneys for renovations to that social housing stock.

We will also work closely with the Government of Quebec and stakeholders in that province as well as in other provinces to see whether there are creative ways we can put money into projects to provide the kinds of new housing or renovated housing to house Canadians.

I do not want to mislead the hon. member in thinking that there is a Santa Claus who sits two seats down from me, the Minister of Finance, who will walk in on February 22 and say to the people of Canada that he has a bag of goodies and this is what he is going to do.

It is important to be fiscally responsible federally, provincially, municipally, in non–profit organizations and the private sector so that we can arrive at expenditures which meet our objective which is to provide affordable, reasonable and healthy housing for Canadians.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, many of my constituents who live in low–cost housing in my riding have made representations; they are quite numerous. Their income is not high and they are very concerned by a possible 25 to 30 per cent rent increase .

Could the minister tell us today if I can go back to my riding and reassure my constituents by telling them their rent will not increase following the next budget?

• (1620)

[*English*]

Mr. Dingwall: Mr. Speaker, the hon. member has again asked a very excellent question.

The hon. member cannot have it both ways. One cannot put a hand on one's heart and plead for new social housing for Canadians across this country and only look at one side of the ledger, which is to cut expenditures and duplication, without looking at the other aspect in terms of revenue increases.

I believe a total of eight provinces across the country have moved from the 25 per cent to 30 per cent or are in the process of moving in that direction. It is called rent geared to income. That is what the hon. member is referring to. It is a good question.

I cannot give any assurances until such time as the Minister of Finance makes that kind of decision in the budgetary papers which are to be available on February 2.

Let us not put our heads in the sand and say that we can only look on one side of the ledger, but we cannot look on the other side of the ledger when we are both saying that we need additional moneys for the purposes of creating new social housing for Canadians who are in desperate need.

Mr. David Chatters (Athabasca): Mr. Speaker, I would like to ask a question concerning the minister's comments on aboriginal housing on and off reserve.

The statistical material that I have been able to make available indicates to me that housing on and off reserve for aboriginals has a habitable life span of some 16 to 25 years as compared with 35 to 50 years for other housing, for non–aboriginal housing. This would indicate to me either there is substandard housing being provided in those cases or that housing is not being properly maintained and cared for.

Has the minister taken into serious consideration those statistics in providing the renewal of housing?

Mr. Dingwall: Mr. Speaker, I am not going to comment on the efficacy of the statistics that my colleague has used, although being in the House for some time I will have to accept them at his word.

The only thing that I can reply to the question is that in my deliberations over the last three months, the last 103 days as a minister of the crown, with aboriginal groups across this country I have found an attitude among aboriginal leaders that they do not want handouts. What they want is an opportunity like we have had over the years to be able to have affordable housing. They are coming forward with creative, innovative, dynamic ideas which will involve the private sector, which will involve governments at all levels, and which will involve other stakeholders to provide that kind of quality housing.

In terms of the substance of the question that the hon. member has asked, there is substandard housing on reserves across this country. Governments should work with aboriginal people, not against them, to provide meaningful solutions to real problems.

To quote a friend of mine who shall remain nameless, shelter in this country, next to water and land and the air we breath, is probably the most important aspect of Canadian life.

I hope I can call upon the hon. member for creative ideas, creative suggestions and support when we put our money where our mouth is.

[*Translation*]

The Deputy Speaker: I believe that the period reserved for questions and comments is over.

[*English*]

We will continue debate with the hon. member for Macleod on behalf of the Reform Party.

• (1625)

Do I understand that members of the Reform Party wish to divide their time?

Mr. Hill (Macleod): Mr. Speaker, I inform the House that we would like to divide our time. Could the member for Calgary Southeast speak prior to me?

The Deputy Speaker: Yes.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, it is with keen interest and deep concern that I rise today in the House to address the motion put forward by the Bloc Quebecois.

Acknowledging the seriousness of our discussions here today is more than just debating how to provide more effective and efficient support to those in need. It is a challenge most fundamental coming to the realization that responsible financial management requires thoughtful planning. Nowhere in this motion do I sense a strategy or any idea for that matter of where that money is going to come from.

Spending in the country continues at an alarming rate. Even as I speak every minute represents $88,410 in additional debt. The jobless, the discouraged, the fearful and the poor are still out there. That is very overwhelming. What are we going to do?

I believe we have to ask ourselves three things when we consider expenditures of any kind, especially in the area of social spending. It takes courage to be objective when reviewing social reforms because our emotions are involved and that is when it is most difficult to make a decision.

My questions are what do we want, how do we get there, and what will it take?

Let us look first at what Canadians want. People are outraged that our government has been in an out of control spending mode for two decades. Our nation is like a Hollywood front, all glitter and glass purchased on borrowed money with nothing of substance holding it up.

It is a stunning picture on the reality of this House that not since the minority Parliament of 1972–74 has Parliament directly acted to cut expenditures. Even in that situation in which the government lacked a controlling majority, the House of Commons achieved two small cuts amounting in total to $20,000.

To give a sense of proportion, since the current procedure for committee review of estimates was initiated in 1969, Parliament has authorized about $2 trillion worth of expenditures. This means that Parliament has made cuts that represent only one millionth of one per cent of total expenditures that it approves.

Here we find the Bloc Quebecois having spoken eloquently on numerous occasions about deficit control and debt reduction, bringing forward a motion to spend money but not explaining within that context how that money will be found.

If we want to reduce the deficit and begin a meaningful effort at getting our economy on track and our social reforms in place, the second question I ask is how will we get there? We begin with the right people. We need people who will stand up and say this is not good enough, we are not willing to solve tough issues

by following the easier path. Throwing money at programs is easy.

I believe the social role of government is determined by clarifying priorities, responding to the give and take as governments attempt to pay for increasingly costly social programs while coping with the ever diminishing economic base.

However, in the motion before us today there is no appearance of a give and take, merely an arbitrary dole, a short sighted, stop gap solution.

Canadian welfare and social programs were designed on a premise of high employment. Therefore, social programs and economic policy are mismatched. Given that the overwhelming need for social support is the direct result of the poor economic health of the country, tinkering with pieces of social policy will not help. However, changing our economic policy will help.

• (1630)

If a room is freezing because of frigid air coming in through a broken window, we do not turn up the heat; we fix the window. So it is with this motion. We are turning up the heat when we need to fix what is broken.

It is the unhealthy fiscal policy of this government and that of previous governments which are causing such a strain on our social programs. As the debt has grown interest payments have consumed an increasing proportion of the government's spending. They now constitute an enormous strain on the treasury. In 1974 they consumed only 11 per cent of the government's spending but today they consume 25 per cent. That is $40 billion from the treasury which go to interest payments on the debt. That, not coincidentally, is about equal to the federal deficit.

The point I am making is one given to us by the Auditor General: "In 1992 in an age of scarce public resources and growing debt, seeking ways to see that things get done by or through others rather than spending money to do them becomes increasingly important". Are we not ever going to hear the wisdom of those words as we apply mental energy ever seeking answers to the pressing social concerns of the day?

I ask the question: What will it take? I know courageous leadership is part of the answer. A government that listens to its people is made stronger and can deal more effectively with tough issues.

However, the Bloc motion puts more emphasis on spending to relieve an overburdened social system. I cannot support that. However I support greater financial sustainability over the long term. This requires a new commitment to sound, long-term financial management.

Another important question now needs to be asked: is it better to help households obtain adequate housing by directly providing the housing or by assisting them to increase their incomes? This means fostering an environment in which people are able to work. It is critical that we maintain federal spending at current levels for high priority functions, including labour force and training and adjustment programs.

It is also necessary that provinces have the freedom to distribute federal funding and manage their own programs. This comes back to my earlier comments about priorities. Maintaining federal transfers to provinces remains key in terms of preserving those programs targeted to those in need. I believe that public money should be regarded by governments as funds held in trust and that governments should practise responsibility, particularly the responsibility to balance expenditures and revenues.

We need to see significant spending cuts that are judiciously planned for the long term. I applaud those moves by the government to withhold funding support for programs for which there is no long range plan or strategy for the expenditure.

In conclusion the choices and decisions we must make have to be so clearly laid out before every Canadian so that all of us understand where we are going and what it is going to take to get there. This is my challenge to this House and to the Bloc Quebecois on its motion.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I thank the hon. member for her speech, but I must admit to having some difficulty understanding the underlying logic. I say this in a very cordial way, because I do appreciate her input in this debate and I would like to ask her a question.

First, I noticed that she makes no difference between social programs and housing when, in my opinion, a distinction should be made. I will come back to this later in the 20 minutes allotted to me. My question is: Does she not feel that when the government intervenes in the housing sector, it becomes a job–creating sector? It is a sector where, if we invest public money, we get an interesting return on our investment.

• (1635)

I do not know if the hon. member contacted the Co–operative Housing Federation of Canada. This organization conducted a very extensive and competent review of this issue and came to the conclusion—corroborated by American studies—that every time the government invests to build a co–op unit, 2.2 jobs are created.

This example illustrates how social programs reform and social housing cannot be put on an equal footing. With all due respect, I must tell the hon. member that her speech did not reveal a great deal of social understanding, because when we discuss public finances, we cannot simply reason like an accountant trying to balance revenues and expenditures.

I come from a riding where there are many social housing developments and I can tell the hon. member that families living in co–op units do not have to spend as much on housing; consequently, they can invest more on food and health care, and are therefore more likely to exert less pressure on those social programs which she seems to be so concerned about.

[*English*]

Mrs. Brown (Calgary Southeast): Mr. Speaker, if I may be so bold I just have to say that you do have an interesting way with your hands. You kept gesturing making me think I was running over my time or that I had to wrap up my comments. You might want to put your hands in your pockets, Mr. Speaker.

I thank the hon. member for his question. He has to know how difficult this question is for me to address because it is based very much on emotion. I would be the last person to look at something from an accountant's perspective. When it comes to compassion requiring difficult decision making, that is difficult because this matter is very much couched in difficulty.

I am sorry I did not make the relationship of social reform, social programs and expenditure more clear to the member. I am committed to an economic agenda. As members of the House of Commons during this particular Parliament it is extremely important that we get our spending under control. There will be a very inefficient and ineffective system for care for everyone if we do not get our financial house in order.

While I was campaigning I did meet people who had lost their homes or who were going to be losing their homes because of the very sad condition of our economy. That is the perspective I brought to this debate and which I presented to the member.

Mr. Dan McTeague (Ontario): Mr. Speaker, I wish to commend my hon. colleague on her insight in terms of not only this debate but some of the comments she has made on a wider economic plane as it relates to housing.

I have worked in the housing industry. I take exception to one of the questions concerning the need for federal government funding in the area of social housing as a means of stimulating jobs. I can assure the hon. member that in the private sector we often found ourselves with private money competing with public money. The result was not only waste and duplication, but at the end of the day there was lack of housing.

I have a very simple question for the hon. member. Would she consider looking at housing as a means for the private sector, with all that is attached to it, to make a more affordable and accessible product in this country through financial institutions? That seems to be the real reason many developers and builders are not able to bring on a good product at an affordable price for the economy and for people to get access to quality housing.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I thank the hon. member for his question. Within the context of my presentation I did quote the 1992 Auditor General's report.

• (1640)

That is exactly the point I was trying to make. We seek other ways to get things done in this particular area by approaching problems using private sector funding.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I want to make one brief comment.

The hon. member raised a good point when she talked about the changes made to the way the estimates were dealt with in 1969. It seems to me it is at that point that Parliament and the House of Commons began to lose control if not necessarily over spending, it lost its ability to affect spending, to have a committee actually have an effect on estimates. Therefore we got into the situation in which estimates are deemed to be passed by a certain period of time whether a committee has looked at them or not.

When I first came here there was at least an effort to question the minister and to spend some time on that. However even that atrophied after a while because members came to notice that it did not really matter what they said and these things got to be passed anyway. The minister simply took up the necessary time. When it was over it was over and the estimates were passed. The point is well taken. No amount of parliamentary reform in the last little while has been able to overcome that dilemma.

Just for the record much parliamentary reform happened here in the 1980s by unanimous consent or with the agreement of all parties, although not the reforms in April 1991. However, those particular reforms in 1969 were not the result of all–party agreement; they were brought in by the use of closure at that time by the then Liberal government.

Mr. Grant Hill (Macleod): Mr. Speaker, I would like to refer to the motion the Bloc posed to us:

> That this House condemn the government's inability to re–establish and increase budgets for social housing construction programs.

As I looked at this issue I looked at social housing construction in an overall sense in an attempt to put it in the frame of reference of Canada's needs.

I found that this whole program is under the auspices of Canada Mortgage and Housing Corporation and that CMHC has a social housing stock of 650,000 units in our country. There are four separate programs: the native housing program; the seniors housing program; the next step housing program for women who are victims of violence; and the housing program for low income

Canadians. The total cost of this social housing program in Canada is $2 billion per year. This is a net amount incorporating received rents as well as the cost.

I looked at the statistics to find out the number of current housing starts. Because this question came from the Bloc I tried to zero in on why the Bloc would be particularly interested in this question.

I found that in Ontario this year there are some 7,200 starts on the go and in Quebec there are some 900 starts on the go. I imagined, if I were in Quebec I would look at those figures and ask whether somehow that was fair. This probably was the reason the Bloc brought this issue to the House. I will not comment on whether or not those figures are fair. As a member from Alberta I looked down the ledger to see how many housing starts there are in Alberta this year. I came to the conclusion that there are zero housing starts in Alberta this year under this program.

I will not go into great detail on whether the statistics tell me anything, but I asked myself whether this amount was sufficient for social housing in Canada. I am not sure I have the answer to that but I pose that as a question for us all.

I reflect on a comment made to me not many days ago. I met a New Zealand diplomat and said to him: "I am pretty close to Canada's debt situation. I am pretty close to the circumstances in our country. Could you make a comment for me, as someone from outside who should be unbiased about our situation in this country? Could you compare Canada to New Zealand for me?" He did that. As he compared Canada's situation today with that of New Zealand not so very many years ago, he said he did not think he saw the political will in our country to deal with the debt situation we have. I do not think he said that there is the political will among the population of Canada to stop overspending.

• (1645)

I looked him in the eye and asked—he had gone through this in his country—whether he could tell me what is necessary in Canada for us to realize the seriousness of our situation. He replied that he thought the International Monetary Fund would have to come in and shut us down.

I thought about his comments very carefully as I sat on this side of the House, trying to say to the Canadian public that our debt situation is serious. I am trying to say not directly to the Bloc but to every member in this House that our debt situation is extremely serious.

I wish somehow this message could get out before the IMF does have to shut us down because if it has to shut us down we will lose not just social housing, but we will lose every single social program that we value. If that happens this debate to me becomes somewhat inadequate.

I tried to priorize what I think are the social programs that should be highest on the ladder and priorize them so the House could hear what I think is important. Number one is health care. Number two is welfare for those in need. Number three is the old age supplement for the needy. Number four is unemployment insurance for short term unexpected job loss. I would put as number five such things as social housing.

If I put a different priority on those social programs than members opposite I am very willing to listen to their reasons where they would change the priorities. I would ask them to convince the members of the House that we could in fact change those priorities.

If the programs are not distributed fairly I would say that the Bloc has every reason to complain on the basis of fair distribution of the funds. I would support them in doing that very thing.

I would like to draw an analogy which members may think curious, but I have a hobby of racing cars. I have always wanted to go to the most famous endurance race in France, Les 24 heures du Mans. This is 24 hours of racing on a circuit in France. I do not think I will ever have the opportunity to go there to participate in that race but I did have an opportunity three years ago to race in the 24 heures du Daytona. This is the North American equivalent. It is a second equivalent but it is the equivalent of that race.

I found myself at Daytona in international circumstances in a race car that would go about 175 miles an hour. The banking at Daytona is so steep that if you get out of the car you can hardly walk. It is very steep. The car I was in was fast enough to go in the middle lane at Daytona and the really fast cars were on the top lane at Daytona. They would travel over 200 miles an hour.

It was interesting as I sat in the car at the fastest I had ever gone with the landscape blurring around me. The cars going by in the top lane would go by so fast that they would move my car down a couple of feet on the banking. On one lap as I went around the corner I looked ahead and I could see a rain cloud. The track is big enough so that we were a long way from the rain cloud but I was sure that the rain was falling on the track.

As I approached the rain I slowed down. A car went by me so much faster than I who had not seen the rain and he spun out on the track in front of me, smashed into the wall, tore off the front of the car and the motor came down. I slid through and luckily avoided him.

The analogy I am trying to draw is that our country is at 300 miles an hour on the banking heading for disaster in terms of our debt and our deficit.

• (1650)

I heard the minister say that he is seized with the issue of social housing. I say to the minister and to the other members of this House. Do not be seized with a narrow issue that is only your own issue. The other issue for the country that is seizing us

around the throat is the deficit and the debt. I beg members to pay attention to that issue and not be narrow in their processes.

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, I come from Vancouver East which has some very poor areas. These people cannot afford a racing car. Neither can they afford a house or a place to live.

I understand there are about 8,000 people that do not have proper shelter. Some of these people live in shelters that in fact are like pig sties. I would like to add that we have probably the largest aboriginal population in my area.

We talked about dignity in our red book. There is no dignity without an address. It is true that we are in tough economic times. I understand that very well, but I feel that it is very important that we help those who need help.

We have talked about creativity and some very good programs that have been put in. I am glad about that. I think that creativity is what we have to concentrate on. What is being done by CMHC for instance with the aboriginal groups is in fact trying to get private capital and working together with governments.

We also talked about reallocation of resources. I think we have to concentrate on that. What the Liberal Party is trying to do now is go through a series of consultations, reviewing all of the social programs and I would invite everybody to participate. We are asking the people at large to participate, so parliamentarians in this House should be the first to participate. On that point, we can also establish where the priorities are.

It is very important that we look at the whole scene. I have different statistics than what the hon. member has just given. I have them here with me. If he wants to see them I am prepared to share them with him.

Mr. Hill (Macleod): Mr. Speaker, there was not really a question in the comment, but I would like to say that the racing car that I mentioned was not my own. It was a rented car. Four of us shared it. I hope the member does not think I am talking from a different strata.

I noticed that last year there were 427 housing starts in British Columbia. That compares very favourably with what that I see from Quebec. We might well compare statistics.

I am not suggesting for one second that social housing is not important. I am suggesting that it be placed on a priority list and that is what I ask each member to do.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I am not sure if, according to parliamentary procedure, I can say that the hon. member is dead wrong. You see, the people who have poor lodgings cost a lot of money to our society. Their health is bound to deteriorate, their children do not do as well in school as they should be and, eventually, do not find the jobs they would otherwise have been able to get.

A society that does not care for the people living in poor conditions and those in need gets into debt, because it does not tap the human capital and the talent of those people. In fact, if we were to follow the suggestion made by the hon. member, not only would we be putting the rope around our neck, but we would also be pulling on it.

The Deputy Speaker: If my memory serves me right, there should not be any problem with the expression "dead wrong". The hon. member for Macleod has the floor.

• (1655)

[*English*]

Mr. Hill (Macleod): Mr. Speaker, I understand the hon. member's passion about this particular issue but I would simply ask him and everyone else in the House what they would give up so that they could have more social housing. In the light of our financial circumstances in our country what would they give up? If they would push this priority higher, what would they take away?

I simply say come and explain to me what they would give up.

The Deputy Speaker: The time has expired for questions and comments.

Mr. McTeague: I have only a question for the hon. member, because like his colleague—

The Deputy Speaker: Order, please. The time has expired for questions and comments.

[*Translation*]

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, the United Nations have declared 1994 the International Year of the Family. We must however admit that the families of Quebec and Canada are having a very hard time making ends meet.

In such a meaningful year, should a responsible government not be preparing a policy on social housing to assist the most needy among us in their quest for a reasonable and affordable home?

The needs in social housing are most strongly felt in urban areas. For example, in Limoilou and in the lower town, in my riding, there are at least 1,200 households on waiting lists for a place in low–cost housing projects and more than 600 households are waiting for co–operative housing.

Nearly half the persons living in downtown neighbourhoods, who represent 85 per cent of the total population, live below the poverty line. Given such a situation, we believe it is important that, through an urban planning policy, we preserve and revitalize the life of those neighbourhoods.

But there is more. Studies show that in the riding of Québec alone, 38 per cent of all families in the lower town and Limoilou must devote more than 30 per cent of their gross income to housing. In the riding, 9,430 households out of a total of 20,165—that is almost 47 per cent of all families—have a gross income of less than $29,999. Forty-seven per cent! Are there any members in this House who would not react to such statistics?

The average income of men in the central neighbourhoods of the riding of Quebec was $14,078 in 1986 as compared to an average income of $19,440 for the province as a whole. Women are always poorer than men, but the gap was not so wide in their case. It is easy to understand why: their average income was $10,260 compared to $11,884 for the province. According to Statistics Canada, out of 21,450 economic families, 29.1 per cent were considered to be low-income.

Still in my riding of Québec, there are 4,960 single-parent families, 86 per cent of which have a woman as head of the household, that is 4,260. For the province of Quebec, that figure is 81.86 per cent. The equation womanhood=poverty is still quite real.

Considering that 52.7 per cent of dwellings in downtown Quebec were built before 1946 and that another 22.8 per cent were built between 1946 and 1960, it is easy understand the importance of a renovation assistance program.

Furthermore, the 1986 data show a rental occupancy rate of 79.5 per cent in the old neighbourhoods of the riding while the average for the province is 45.1 per cent. The situation of most of my constituents is very clear. They are too poor to buy a house, therefore they rent in buildings built before 1946 and they devote more than 30 per cent of their income to that item alone. In fact, in Quebec today, 404,045 households are obliged to spend more than 30 per cent of their income on housing. In November 1993, the Popular Action Front for Urban Redevelopment estimated that 195,000 Quebec households spent more than 50 per cent of their income on housing.

• (1700)

That is what being poor means. In view of these alarming figures, the government should make a formal commitment to support social housing. Quebec City understands. As I mentioned before in the House, on January 10, 1994, the city adopted a resolution asking the federal government to review the budget for the Canada Mortgage and Housing Corporation. The city demanded adequate funding for social housing, reinstatement of the co-operative housing program and a new program to provide assistance for renovation of rental housing.

In this way, the municipal authorities want to ensure that families do not pay more than 25 per cent of their income for housing. How can we expect families that who have to spend more than 30 per cent of their meagre income on housing to make ends meet? How can they afford decent food, adequate clothing, medicine and a few much-needed leisure activities? It would take more than a degree in economics or home economics to accomplish that.

Although it may be a cliché, we will keep saying it until we get our message across: Let the government put its money where its mouth is. The Bloc Quebecois has a mandate to promote sovereignty. It also has a mandate to support government action that is necessary and socially responsible, while defending the interests of Quebec.

It is a fact the federal government has imposed standards on Quebec that have prevented the latter from adopting a social policy that meets its real needs and aspirations. More and more, Quebec is losing its ability to control its social development. Quebecers are suffering as a result of poor federal management of the economy, and they are stuck between reductions in transfer payments and the obligation to abide by federal standards.

There is, however, a commonality of purpose between the government and the Bloc Quebecois with respect to the challenges facing the government. In fact, we support stimulating employment through programs that create real, well-paying and long term jobs. We support tax reform to relieve the tax burden on families and others in our society.

Finally, we support reducing the deficit by putting public financing on a sounder footing. However, public spending should not be cut at the expense of the neediest in our society. There are Quebecers and Canadians who have been left to fend for themselves and in recent years have seen these cuts affect the bare necessities of their lives.

We believe that investing in social housing will be an investment in job creation. Every social housing unit built means 2.2 jobs. I say this because job creation seems to be this government's prime objective, and it was part of its platform in the last election campaign.

Perhaps we could backtrack very briefly. In its well known red book, the Liberal Party of Canada said, and I quote: "In many areas and neighbourhoods in Canada, the quality of housing needs to be improved in order to achieve adequate standards of safety, health and energy efficiency. The recently cancelled Residential Rehabilitation Assistance Program, which provided a loan or grant for home renovation to people of modest incomes, should be revived as a method for investing in the physical and social fabric of our communities. A Liberal government will make $50 million a year available through the RRAP loan program for two years".

Further on, we read: "We must choose to make our social investments where we believe they will do the most good and have the greatest effect for the resources spent and for the long term future. We will focus our efforts on health care, children's

needs, safety in our communities and the quality and cultural identity of Canadians".

• (1705)

On January 18, 1994, the elected government announced with great pomp in the throne speech the reintroduction of the Residential Rehabilitation Assistance Program. It outlined its intention to take measures to combat violence against women and children. It also announced the establishment of a centre of excellence "to ensure that women's health issues receive the attention they deserve".

On February 13, the Liberals celebrated their first 100 days in office. They even published a nice brochure outlining their accomplishments. By the way, it would be interesting to know if we could have built or rehabilitated one or more housing units with the money used to produce this brochure. This pamphlet called "Creating Opportunity: The First 100 Days" does not say anything about social housing.

In its February 8, 1994 letter to the Prime Minister, the Canadian Advisory Council on the Status of Women pointed out that, in its February 1993 report, the Standing Committee on Justice and the Solicitor General said that crime was the outcome of the interaction of a constellation of factors. It is a social problem with many elements such as poverty, physical and sexual abuse, low self–esteem, inadequate housing, school failure and unemployment.

The council recommended that the Prime Minister take into account the committee's conclusions in a multi–faceted approach aimed at guaranteeing safe homes and communities.

Women's health and safety is largely dependent on access to adequate and affordable housing where they can care for their children and protect themselves, if necessary, from a violent spouse or ex–spouse. It is the same for older women, for handicapped women and for so many women who are still waiting.

Ottawa's gradual pull–out has demonstrated the limits of the administrative agreements between Quebec and the federal government in cases of unilateral withdrawal. Quebec has been caught short by the extent of Ottawa's financial pull–out from housing, after following the strong and highly centralized leadership of its main financial backer under this agreement.

The federal budget allocation criteria for programs that have since disappeared have always put Quebec at a disadvantage, particularly because of the rigidity of the so–called national standards. This situation must cease, and the concept of equity must be reintroduced in the management and allocation of funds earmarked for these programs.

Contrary to the terms of the framework agreement with Quebec and as a result of its unilateral pull–out from social and co–op housing programs, the federal government is destabilizing Quebec's housing programs and affecting the planning of such housing by municipal authorities. It is one of the major shortcomings of the administrative agreements.

Let us take Quebec's current situation as an example. Just two weeks ago, Canada Mortgage and Housing Corporation announced that it was granting seven subsidies of $20,000 or less for projects aimed at improving the affordability and selection of housing. Of the seven groups who received subsidies, five Ontario municipalities shared a total of $51,000; one Alberta municipality received $18,750; and one Saskatchewan municipality got $10,000. There was nothing for Quebec. Such figures make comments unnecessary.

Of course, when we talk about subsidies, the economic situation comes up again.

Let me remind the government that Canada's military spending is six times what we used to spend on social housing.

In conclusion, I hope that, in this International Year of the Family, the living and housing conditions of Canadian and Quebec families will improve thanks to concerted, adequate and equitable government action.

The Bloc Quebecois is calling for the immediate reintroduction of the co–op housing program, for the creation of a rental housing rehabilitation assistance program, for assurances that the poor will not have to spend more than 25 per cent of their income on housing, and for wider access to home ownership through the co–op movement.

• (1710)

We are asking the Canadian government to embrace the social philosophy of other countries such as Great Britain and the Netherlands, where social housing accounts for 70 per cent of all rental housing, and Sweden, where this proportion is 55 per cent. In Canada, in 1991, social housing amounted to 10 per cent of all rental housing.

It is a question of social justice and not a question of passion as Reform members seem to think.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I congratulate the hon. member for her in depth remarks on social housing in the province of Quebec and in particular on her in depth knowledge of the red book and the investigations and recommendations the Liberal Party went to in bringing forward its recommendations for social housing across Canada.

We have that mandate. If the hon. member would look at the record it was the Liberal Party that brought in RRAP back in the 1970s. It will be the Liberal Party that will institute RRAP again.

The hon. member refers to the special CMHC housing projects. The money granted a few weeks ago was for special projects that were based on submissions. Perhaps the hon. member could inquire if the province of Quebec made any submissions for modern day housing, for further insulation, for new arrangements and architectural designs that were conducive to more efficient housing as we move into the 21st century.

[*Translation*]

Mrs. Gagnon (Québec): Mr. Speaker, I thank the hon. member for her comments. I will try to find out whether there were any submissions from Quebec. What I know is that I received at my office a letter from the CMHC saying there were no housing starts in Quebec under the program mentioned. I will find out more about that.

[*English*]

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, I am not sure what history the hon. member opposite studied when she makes her remarks, but I know I am not unfamiliar with the history of the province of Quebec.

Like all provinces Quebec has benefited enormously from being a partner in Confederation. Quebec has certainly benefited financially.

Is the hon. member not aware that when one considers equalization payments, the province of Quebec has seen more tax dollars flow to it than have flown out of that province? Is she completely unaware of the enormous financial benefit that has accrued to the province of Quebec from the other provinces of Confederation?

[*Translation*]

Mrs. Gagnon (Québec): Mr. Speaker, let us say that we do not have the same figures. The figures I have on social housing show that, since 1986, the difference in grants for social housing, between Quebec and other provinces, varies between 10 and 13 per cent.

This is not the only area in which Quebec does not get its fair share. There are others. I do not think we have the same book.

[*English*]

Mr. O'Brien: Mr. Speaker, if I might pursue this, I think perhaps we are starting to get somewhere. We are hearing a Bloc member who is willing to admit, if I heard the hon. member correctly, that perhaps she was not looking at the whole picture. I would submit it is time that the hon. member did that. It is time all members of the Bloc did that. It is time they understood what other Canadians understand.

Most of us are very pleased to have the province of Quebec as part of Canada. Quite frankly we feel that Quebecers will always choose to remain a part of Confederation. The statistics are unchallengeable. Quebec has benefited far more from taxes going to it as a province in this Confederation than it has paid out when one considers all fiscal arrangements in its totality. If the hon. member is unaware of that I would be happy to share those statistics with her.

• (1715)

[*Translation*]

Mrs. Gagnon (Québec): Mr. Speaker, I believe the debate today is on social housing. It would take more than two minutes to list for the hon. member all the areas were Quebec was short–changed. I do not say he is right. I urge all my colleagues from the Bloc to give the hon. member the right answers. Whether it be research and development or agriculture, we know very well that Quebec is not always well served by the federal system.

Take my riding for instance. I had two giant candidates running against me on October 25, but despite all the good things they promised would come from the federal system, the people of the Quebec riding said: "No, we do not want to relive what we went through all those years". This is a debate we may have some day in the House, but not now.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, we are talking about social housing, we are talking about people in need, and it should be clearly understood, contrary to what was just said, that Quebec receives as much money as it is putting in, around $28 billion. Quebec taxpayers pay $28 billion to Ottawa and receive in return $28 billion from Ottawa. It is their money. But the way it comes back to them has a direct impact on social housing. This money comes back mainly as unemployment insurance and transfer payments for public assistance, instead of coming back as research and development contracts or other types of government contracts which would create jobs, as is the case in Ontario and other provinces.

We can see, first of all, that there is absolutely no preferential treatment for Quebec. It only receives what it puts in. But Quebec is treated less fairly because the quality of the money it gets back is inferior compared to other provinces, and that has a direct impact on social housing.

Would my colleague, the member for Québec, care to comment?

Mrs. Gagnon (Québec): Mr. Speaker, I agree with these comments. Indeed, the facts we are presenting are very important. The money the federal government returns to Quebec takes the form of unemployment insurance and social housing funding, and we do not get our fair share. Therefore, I believe that we should ask for a debate, in this House, to see item by item, issue by issue, how Quebec feels in this so–called fair system.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, the hon. member had the courage, and we must be grateful to him for it, of turning the debate to broader considerations. I think that we could agree with him, if he wants to engage in that exercise—I am inclined to think that he is an avid reader—I

might suggest that he refer to two documents which mobilized all of Quebec. These documents were tabled at the Bélanger–Campeau commission, of which he is aware. These documents give a very accurate picture of the investments made not since Confederation, because the comparison would not be exact, but in the last 20 years.

We referred to experts, not nationalist experts, we studied, we surveyed the kinds of investment made by the federal government, and I believe that our colleague would find out that in many fields, Quebec received less. Where it received more, and there are all sorts of variables; we talked about demographics, we talked about its strength as a region within Canada, and I am sure that if our colleague went through these documents, he would recognize their intellectual merit.

The conclusion of Bélanger–Campeau may surprise him, but it disappointed us. Where Quebec received the most is in unemployment insurance. That certainly explains why the Conseil du patronat du Québec does not want Quebec to take over unemployment insurance. Our colleague will agree that unemployment insurance is not what one can call an economically productive investment.

So if he wants to get into this, I am prepared to cooperate so that together we can look at these figures following the work of Bélanger–Campeau.

The Deputy Speaker: I do believe that the member for Québec has no comment to add to what was just said.

Mrs. Gagnon (Québec): Indeed, I have no comment. I just would like to say that I agree with my colleague from the Bloc Quebecois.

• (1720)

We should go back and reread certain works which have already been published and analysed to see how Quebec often finds itself the poor relation in several federal policy areas.

Mr. Bernard Patry (Pierrefonds—Dollard): Mr. Speaker, given that we are just now coming out of the recession, social housing has become an important consideration and an ongoing concern for the Liberal Party. While housing provides jobs, our aims are not economic ones. Rather, they have more to do with social awareness.

As a physician, I see social housing as much more than construction materials and labour. To a large extent, it helps to improve the quality of life of the least fortunate members of our society, and this is what is important.

The federal government's long–standing commitment with its provincial and territorial partners to help Canadians in need to find decent housing has helped Canada earn a reputation for itself as a nation with one of the highest standards of housing in the world.

The federal government ensures that all Canadians, regardless of who they are or where they live, have equal access to federal housing resources.

Social housing in Canada addresses the needs of specific groups, namely senior citizens, single–parent households, disabled persons, native communities and low–income earners. In short, social housing is inextricably linked to the physical structure and social fabric of our communities.

The federal government has made a long–standing commitment to social housing in this country. It currently subsidizes approximately 652,000 units on an ongoing basis. More than half of these units also benefit from provincial or territorial subsidies.

I want to stress again today that the federal government is not shirking its responsibility in the field of social housing, as some circles would have us believe. We will continue to respect our present commitments to social housing.

Annual expenditures of roughly $2 billion reflect the federal government's fierce determination to help Canadians in need.

Moreover, regardless of how much money is allocated to social housing in various regions of the country, the quality of existing housing must also be improved. No one should have to live in substandard housing. No one should have to live in housing that fails to provide the basic necessities.

Providing decent housing for all Canadians is important to the government. That is why the government recently announced in the throne speech it was reintroducing the Residential Rehabilitation Assistance Program for both owner–occupants and disabled persons as well as the Emergency Repair Program in rural and isolated areas.

This means that the federal government will be spending $50 million a year for the next two years, that is to say a total amount of $100 million, to help low–income households bring their dwellings up to safety and sanitation standards.

The RRAP is expected to create thousands of direct and indirect jobs. Of course, the re–establishment of this program will have significant economic spin–offs on the Canadian economy, the construction industry, real estate, the manufacturing industry and related services.

The provinces and territories have been asked to share the costs of this established program. The province of Quebec for instance recently announced the REPARACTION program, a home renovation program for low–income owner–occupants. In the light of the reintroduction of the federal RRAP and the new provincial home renovation program, the federal government will be working in a partnership with the Province of Quebec to

make arrangements regarding how costs should be shared and particularly to try and eliminate to some extent duplication of services.

• (1725)

The federal government is doing its best to provide acceptable levels of service to Canadians and to do so in the most responsible manner, given the present budget restraints.

In the same spirit, the Canada Mortgage and Housing Corporation is offering a direct loan program for all public housing to maximize the use of existing resources and cut spending.

With this program, the Canada Mortgage and Housing Corporation expects to save approximately $120 million over the next four years. Through these measures of effectiveness combined with new initiatives like direct funding, the federal government will be able to maintain the current housing stock and, more importantly, have a certain leeway to implement new initiatives in the area of social housing.

All levels of government have now recognized the need for innovative solutions to promote the production of affordable social housing. It will be imperative that the federal government work in conjunction with the provinces if we want a global and concerted approach to be adopted.

Also, the federal government has reiterated that program changes and the gains made in terms of efficiency within the social housing envelope will serve to create new housing initiatives.

At a recent meeting of housing ministers, it was agreed to pursue joint rather than unilateral efforts in that area.

Finally, Mr. Speaker, the ultimate goal of this government is, as stated in our red book, to put human dignity back into public housing policy.

Before closing, I would like to take this opportunity to thank publicly the Canadian Mortgage and Housing Corporation for its involvement in the funding of homes for battered women. Without its support, there could be no such home in Pierrefonds—Dollard.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I want to make sure I understand the hon. member. I sensed some enthusiasm, which I do not quite share but which I can understand, considering that he is a government member. Are we talking about the same thing since, so far as we know on this side of the House, the Residential Rehabilitation Assistance Program or RRAP, is exclusively for the benefit of owner–occupants?

Something is provided for aboriginal people but, for the years to come, the program's funding is exclusively for owner–occupants. In that sense, to refer to it as an income maintenance program for the have–nots of our society implies a form of generosity which was not intended by the cabinet.

If I misunderstood the scope of the program, I will be very happy to find out that it will indeed be made available to a larger number of people. However, the press release clearly stated that the program was exclusively designed for owner–occupants.

Mr. Patry: I thank the hon. member for his comment. As I understand it, the RRAP is designed for owner–occupants. But, as we just saw, that government program could be expanded to other groups.

This program is targeted to owner–occupants, but will it become a form of family support? It could be the case, because if we help those who have difficulty making ends meet buy materials to make their house more comfortable and safer, it becomes a form of direct support. However, the goal is really to make social housing more accessible to a large number of people.

Mr. Ménard: A social housing unit?

Mr. Patry: It is still a social housing unit occupied by an owner–occupant.

• (1730)

I come from a much more prosperous area than you. Your riding of Hochelaga—Maisonneuve is a riding—

The Deputy Speaker: Please address your comments to the Chair, so as to avoid debates and arguments.

Mr. Patry: Thank you, Mr. Speaker. I am talking to you, but I am looking at the hon. member.

In conclusion, this is a program designed for owner–occupants, but poor owner–occupants in particular. I think this is how we should put it.

Mrs. Monique Guay (Laurentides): Mr. Speaker, I really appreciated the speech by the hon. member for Pierrefonds—Dollard. I agree with my colleague from the Bloc Quebecois, the member for Hochelaga—Maisonneuve, that the RRAP program is for homeowners. If you want to buy a home, you cannot be poor, you have to have some money. The problem today in our major urban centers is that some people cannot get clean, decent accommodation. The problem is very serious. These people will take whatever they can find. Often, they are on welfare and will have to pay steep rent for unhealthy, dirty lodgings. We must realize that the RRAP program is not for those people.

I have been fighting for social housing from the very beginning, because these people need help, not the homeowners. We can give part of the money to homeowners, but there are still a lot of people that we are not helping at all. Often, these people are not able to defend themselves, because they are uneducated, illiterate and unable to face reality and speak for themselves.

These are the people I fight for, these are the people we have to help. We cannot do it with such programs as RRAP.

Mr. Patry: Your comment is 99 per cent accurate since the RRAP program is of course for homeowners, but that does not mean we cannot care about them. There are a lot of homeowners, and I know they are some in the Montreal area and in the province of Quebec, who are overtaxed like the rest of us and have trouble making ends meet. I understand very well the concerns the hon. member has about new programs, because we must think about new programs.

I decided to go into politics mostly because of social considerations and I can assure the hon. member that I will support any new social program. All I can say for now is that the government has estimated, through the Canada Mortgage and Housing Corporation, that it will be able to save about $120 million which should go, I am told, to new programs. To some extent, new programs similar to those we have for homeowners will have to be set up for new housing.

[*English*]

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to congratulate the member on his comments. I would also like to point out a couple of things before coming to a question.

I would like to apprise members of a report that was done by the committee on aboriginal affairs on aboriginal and northern housing. Members might want to read and reflect upon the poor state of housing for aboriginal people across the country.

As much as my colleagues from the Reform would probably like us to go back into tepees and igloos because of the poor state of housing, I want to comment that home repairs for rural and low income areas are welcome. However this does not adequately address the northern and aboriginal communities.

• (1735)

Some of those houses that are built in the aboriginal and northern communities almost do not meet the basic standards. It is not necessarily the best idea to repair the homes. It is better to replace them.

When the government fell on October 25 and social housing was cut, Northwest Territories was getting something in the neighbourhood of $47 million for social housing. That cut had a devastating effect on aboriginal and northern housing because although $47 million may not seem all that much, when the total population is 55,000 in Northwest Territories and we are already short by 3,800 units, $47 million means an awful lot.

I know the hon. member supports the resumption of the funding for social housing but more from my point of view we need the $47 million for the Northwest Territories social housing program. As I said, if we do not get the housing our alternative is to build igloos in the winter and tents in the summer. I do not think that is acceptable today.

[*Translation*]

Mr. Patry: Mr. Speaker, I want to thank the hon. member for his question. I will simply tell him that I agree with him and that this government is very much aware of the huge housing needs of native people, on and off the reserves.

In 1993–94, the federal government will spend some $5.4 billion on native–oriented programs and we will try to do as much as possible because this is very important.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I thank you for leading us during this debate. You have been patient. I am sorry I broke the rules so often, and I promise I will be more disciplined next time I take part in a debate.

I feel the need to recall, for the benefit of listeners who are joining us just now, that on this allotted day the official Opposition insisted on moving:

> That this House condemn the government's inability to re–establish and increase budgets for social housing construction programs.

I thank our critic, the hon. member for Laurentides. You will understand that each and every word in this motion is meaningful. We decided to address the issue of social housing because we feel there is a subtle but nevertheless unquestionable correlation between social housing and poverty.

The definition of poverty rests in part on statistics. In our society people are poor if they have to devote more than 56.2 per cent of their income to their essential needs such as clothing, housing and food.

We are having this debate at a time when large parts of Canadian as well as Quebec society have never been so poor.

For our part, we are firmly convinced, and this will be a focus of commitment for the Official Opposition, that there are ways to put an end to that poverty. I must add that the speakers on the government side have addressed social housing somewhat in isolation, as if this were not related to the issue of poverty. Poverty puts on a new face. Being poor in 1994 is not the same as being poor in the 1980s. Deep changes have occurred since then. In 1994, we do not speak of poverty like the Senate did in the 1970s when it was mandated to study poverty in Canada. Poverty strikes the young and people of my age, in their early thirties.

• (1740)

Some hon. members: Oh, oh.

Mr. Ménard: And not only people of my age, but also women and heads of single–parent families. Fortunately, there are less and less senior citizens living in poverty.

Concerning social housing, it seems appropriate to remind the House of three facts that were a real trauma for parliamentarians. They were largely brought to light by a group to which I would like to pay tribute. It is a pressure group called FRAPRU that is very well known in Montreal and the metropolitan area. It put in a lot of work over the last few years to try and convince us that we should make a firm commitment to social housing.

FRAPRU, which has its head office in the riding of Laurier—Sainte–Marie, committed itself in a document in which it gives a very detailed profile of social housing in Quebec and Canada. FRAPRU, which deserves the admiration and support of parliamentarians, reminds us that there are three types of data in this document. One of them points very strongly to the fact that, in Quebec, never before have so many families had to spend so much on social housing—an alarming situation. About 40 per cent of families in Quebec are in this situation. Never have so many people in Canada, not only in Quebec, had to spend so much of their income in order to have a decent home. We are talking of about 1.2 million people.

It is with these data in mind that we thought it necessary, as the Official Opposition, to urge the government to make substantial efforts to invest in social housing. Indeed, we are worried. I admit that worry is part and parcel of politics, but we are nevertheless seriously concerned about the intentions of this government. And we are not the only ones, for that matter. May I remind you that FRAPRU and other organizations interested in housing met the minister last December and that on the basis of that meeting, they concluded that the minister had not committed himself seriously and strongly enough, to say the least, to championing this cause in Cabinet. What we have in terms of social housing is far from satisfactory and encouraging.

We have little available in terms of social housing. Since in politics the ability to remember is a very precious asset, we should recall that the member from Papineau—Saint–Michel, the present Deputy Prime Minister and other big names of the former Official Opposition had passionately called for the re–establishment, among other things—and I am giving here a very concrete example—of the national co–operative housing program that cost only $6 million to the government. It is very little compared to overall government spending.

Some members in the Official Opposition thundered and talked with deep conviction about social housing, but indeed, they have quieted down since. I suppose that the fact that they have changed sides in the House explains their silence. The only thing that we are left with in terms of social housing is a program which is, to use parliamentary language, modest but you will understand that this is not really the word I would rather use. This program which addresses a very small proportion of the housing problem deals with renovation but not any kind of renovation since it is open only to homeowners. As if the poor, as if people in our community who really need the government's assistance were homeowners!

• (1745)

I believe that the government must maintain the program referred to since the beginning of this debate, but that this is largely insufficient. We are entitled, a few days away from the tabling of the budget—I hope we will not be disappointed—to expect that the government is going to re–establish the budgets approved in the past in the three sectors where one could, as a less fortunate member of society, expect to get some help in the social housing area.

What are the three programs which the federal and provincial governments jointly administered in the past? First, the National Co–operative Housing Program, which was very inexpensive for the government and had tremendous advantages. I will have an opportunity to come back to that. Second, the Income Supplement Program, which was a way to intervene on the rental market and to help people. The resources there were meagre, but they proved effective. Third, a more complex and more expensive low–cost housing program. Housing authorities in each municipality operate according to very specific rules. When one talks about low–cost housing, we all know here—because our television viewers know it—that this formula allows them to spend 25 p. 100 of their income in order to get a decent housing unit in which to live and to belong to a community from whom they are entitled to expect some help. And, as a general rule, support is available.

At the same time as the low–cost housing program, the federal government, with the provinces, had been assisting non–profit organizations that were dealing with a very specific clientele, mostly handicapped people, people losing their autonomy, ex–prisoners or people with AIDS. In the past, there was a program that allowed to help a very specific clientele.

So, at this time, even if we are being enthusiastic—I am not a pessimist by nature—we do not have much indication about the will of the government to act and to play a major role in these areas, still in co–operation with the provinces. You know that, on this side of the House, we will not forget that.

Why did we feel, as the Official Opposition, that we needed to be insistent? This has to do not only with the poverty issue. Indeed, we are concerned with it because we know that more and more people are getting poorer, but also because we believe—and that is the fundamental difference between us and our friends from the Reform Party. There are other differences, and I will not mention them, but this is certainly one of them. We are convinced that when you act in the social housing area, when there are public funds, when you make a budget, when you provide money to act in that area, you are being useful and you

contribute to the revitalization of the economy, because there is a return on your investment.

I could give you some compelling examples that would convince you. They do not come from me or from some partisan groups around the Bloc Quebecois, but from people with expertise who know about the reality in the social housing area.

I will mention, first, the Co–operative Housing Federation of Canada which conducted studies the findings of which I could hand out to the parliamentarians who are not yet convinced of the merits of government investments in social housing. I know I am not allowed to read in this House and I acknowledge having circumvented the rules on a number of occasions today, but I just want to bring to your attention four lines which clearly reflect the spin–offs of government investments in social housing.

Building 1,000 co–operative housing units, in terms of construction or renovation, would create lots of jobs, especially in the construction and manufacturing sectors. In the construction sector, over 2,000 jobs would be generated this way. Renovation projects generate less jobs, in fact about 800 jobs for every 1,000 housing units.

Therefore, I think it is fair to say that there are very few sectors in our society where you can claim that a government action would create and generate such great economic spin–offs as those identified by the Federation.

• (1750)

In spite of it all, in spite of the fact that we are aware of those figures, in spite of the fact that, since last December, the FRAPRU and other pressure groups have continuously been making representations to the government, in spite of the fact that less than three months after this government came into office, stakeholders in social housing were already active, in spite of the fact that we made representations, we can see that the government, on the social housing issue, is timid, spineless and certainly not too daring.

It is sad. It is sad, because such an attitude fosters prejudices. And as you know, there is a lot of prejudice in our society. Such an attitude fosters preconceived ideas to the effect that the best government is one which governs little, while we know perfectly well that if the government was able to take its responsibilities and to allocate money, not necessarily a lot of it—some years, 35,000 co–op housing units were built in Canada—if only we could have maintained that rate, I think we could have built up a strong housing inventory. We could have succeeded in revitalizing perhaps not all but some urban areas which are deteriorating.

It is for that reason that we, in the Bloc Quebecois, are making an urgent appeal to the minister. We do not have many government members with us today; nonetheless, we are making an urgent appeal, and we will not back down; we will keep at it and work on all fronts so that this government understands how necessary it is to invest in social housing, not in the timid renovation program it is offering. It is an interesting beginning, a trial run, but we would be extremely disappointed, together with Quebecers and Canadians, if the government was to limit its action in the field of social housing to such a timid program.

There was talk about the economic spin–offs of social housing investments, but I would like to explain, from a social and human perspective, why we have to invest in social housing. I will start with a reality known to every member, I think, and that is the low–cost housing situation. If there is no change in the status quo in 1994–95–96, not one low–cost housing unit will be built.

This afternoon, we witnessed conflicting styles and genres. I heard the minister say, and he was quoted several times later, that the Canada Mortgage and Housing Corporation was going to invest $35 million; every time a government member uttered that number, there was a sense of ecstasy. We must tell people who are listening that this $35 million will not be used to build new units, if I am wrong I will take it back, but we checked and it appears that it will be used to pay the interests on the money borrowed to build the existing housing inventory. The basic truth that should not be forgotten is that not a single low–cost housing unit will be built if the Minister of Finance does not change the status quo.

Why is it that the low–cost housing units are so important? We could very well, you and I, end up in low–cost housing when we get to be 60 or 65. Why are they important? Because it is a form community life. The people who live in such dwellings are not necessarily incapacitated. In any event there is no cafeteria in low–cost housing buildings. They are really only apartment buildings, but there are community rooms where residents get together to play cards or whatever. Any member of Parliament who is close to his constituents knows that there is a real community life in this type of housing. The lack of low–cost housing is sorely felt and we hope the government will be able to put the situation to right.

• (1755)

As far as co–operatives are concerned we know their economic significance but we also know that those who are part of a co–operative are people who invest in society. Each of them has tasks to perform: paint the fence, take the garbage out, take charge of public relations with the neighbouring community. Those people give and receive and this is why that formula has become so popular.

In conclusion, we sincerely believe that if the present government, which in the past has associated liberalism with generosity, is serious and has a social conscience, I believe that the Minister of Public Works—we do not even call him Minister of Housing since housing is so low on the list of priorities—should march to the beat of a different drummer. He should be the social conscience of that government. He should not be afraid to stand

apart from his cabinet colleagues because that is what is expected of him.

Too often we are told that the Minister of Finance will decide. I say no. We must be able to count on the Minister of Public Works to act as an aggressive and uncompromising champion of social housing. Only when the minister, acting as the voice of the less privileged in terms of social housing, puts his foot down will the Minister of Finance act accordingly in his budget.

Mr. Bernard Patry (Pierrefonds—Dollard): Mr. Speaker, I wish to commend the member for Hochelaga—Maisonneuve for his excellent and brilliant presentation.

Given the federal deficit which has now accumulated and exceeds $500 billion, do you agree that this House should substantially increase the funding of the Canada Mortgage and Housing Corporation or other related agencies in order to provide more low-income housing?

Mr. Ménard: Mr. Speaker, as René Lévesque said, facts are always more stubborn than the interpretation one gives them. I believe so, since the question was put that way; I think it would be good for the government to put more money into low-income housing. Other possibilities exist, which I did not have time to mention because I ran out of time.

In Montreal, there are four purchasing corporations. What are purchasing corporations? Perhaps the minister should come to Montreal and see. These purchasing corporations bring people together in a non-profit organization. They have some money—of course, they have help. They have been helped by the McGill Fund or by the people who probably haunted your childhood, the good Sisters of the Holy Cross. With this initial funding, they can take housing out of the speculative market, renovate it and then make it available to the community.

I believe that this is a promising approach for the future. I understand that the hon. member also wants to be this government's social conscience. Since he is a Montrealer, which pleases me, I think that we should convince the minister to come to Montreal and try out this approach and use it as a way for society to act in the market.

[*English*]

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I want to make a brief comment and perhaps ask the member a question.

First I want to make it absolutely clear that the New Democratic Party supports the notion that more rather than less needs to be spent on social housing, not just in Quebec but across the country. It is something we have always supported. In the past we have pressed previous governments to make a greater commitment to social housing and were disturbed by the cuts in social housing made by the previous Conservative government.

I listened earlier to a Reform member of Parliament who asked a question of the Bloc Quebecois member about what they would be prepared to give up and what would they be prepared to not spend money on in return for spending more money on social housing.

I do not want to presume to answer the question for the hon. member, however it seems to me that if we were looking for more money for social housing and for other social priorities one thing we could look at is the tax system.

I am reading an extensive article by Neil Brooks called "The Changing Structure of the Canadian Tax System, Accommodating the Rich". It is a very lengthy article in the Osgoode Hall Law Journal in the spring of 1992 and outlines the way in which the tax system has been changed over the last 10 years to accommodate the rich.

• (1800)

One of the ways we could find that kind of money for social housing and for other things is to look at changing the tax system. One of the things that has been floated around in the last little while is trying to bring down the amount of money that people are able to put away to avoid taxation on through the use of RRSPs. I wonder what the position of the Bloc is on that.

It would seem to me that people who have $13,000 left over to put into RRSPs and therefore avoid paying taxes on it are not the people who need social housing. Obviously a big gap exists between the people who benefit from this particular tax policy and the people who are in need of social housing.

It certainly would seem to me that some amelioration or a reduction of the amount that people are able to hide in this way might help to provide money on the other side for social purposes.

[*Translation*]

The Deputy Speaker: If the hon. member wishes to answer, he still has about four or five minutes left.

Mr. Ménard: Mr. Speaker, you are very generous.

In his question, the hon. member suggested an answer with which I wholeheartedly agree. I think our leader and my colleagues from the Bloc Quebecois made it very clear, from the very beginning, that social justice, which is a main goal of ours, flows from tax reform, but not just any tax reform, and not necessarily one which will affect ordinary Canadians and low-income taxpayers. On a corporate level, we know about the tax avoidance devices available in Canada and also all the measures used by richer taxpayers.

I agree with the hon. member, but I cannot tell him that this is the position of my party, since it is the responsibility of our finance critic, the hon. member for Saint–Hyacinthe—Bagot, to do so. However, from what I understand, the hon. member is absolutely right in saying that RRSPs should be taxed according on a progressive scale. We are not talking here about a freelancer who puts $1,000 in a RRSP, but rather about rich people who use this tax instrument. I would have absolutely no hesitation in saying that progressive taxation should apply to these rich people.

Thus, I do agree with most of what my colleague had to say, Mr. Speaker.

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister): Mr. Speaker, I have a working as well as a personal interest in the area of housing.

For several years I was chairperson of the Metro Toronto Housing Authority, MTHA as it is commonly known, the largest public housing agency in Canada. We house approximately 125,000 individuals in rent geared to income facilities. The majority of the MTHA stock was built in the 1950s and 1960s and was characterized by large scale projects targeted to low income households.

Through my work in housing and my contact with my constituents, I am aware there is a pressing need for affordable housing especially in the metropolitan Toronto area and in other urban areas. I am also aware of the aboriginal people and the pressing and critical need there is for housing in their areas.

In the early 1970s the Liberal government introduced community based non–profit and co–operative housing programs to better integrate socially assisted housing in all communities. To this end we took a different route from that taken by the United States. These new social housing programs were developed in partnership, with municipal, private, co–operative and non–profit housing corporations and were based on the tenets of self–help and volunteerism.

• (1805)

I believe this progressive housing initiative by the Liberal government of the time greatly contributed to Canada's reputation as a country of relatively safe communities. Unlike the United States, Canada does not have abandoned inner city areas or communities teaming with homeless people. I fear, however, that this may change if the short sighted policies of the previous government are not reviewed.

Poverty in Canada's inner cities is on the rise and hundreds of thousands of people are living below the poverty line. The greatest proportion of their income goes toward rent, making them dependent on food banks and other forms of assistance. Since social housing makes up less than 6 per cent of Canada's total housing stock, these low income households have no other choice but to rent private market housing.

The Conservative government had no interest in investing in social housing. During its time in office it chipped away at all social housing programs. Housing budgets and programs underwent drastic cuts and culminated in the cancellation of a good many programs.

The Conservative government did this despite the knowledge that one in eight households, ranging from the working poor to those with special needs, cannot afford its housing or is in an inadequate or substandard dwelling. The cancellation of social housing programs made the chances for these households getting housing assistance equivalent to winning a lottery.

We have a different scene now. In our red book we said that the Liberal government wanted to support local communities as the source of social stability and economic strength. Canada's social housing programs go a long way in meeting these goals. We realize on this side of the House, as does everyone in the House, that adequate shelter is a fundamental need of society and a prerequisite for community prosperity.

Our government is committed to rebuilding community well–being and restoring individual dignity. We will do this by helping to house Canadians in affordable, suitable and adequate shelter. Our commitment in maintaining a strong role in housing is clear and we have made this clear. We have expressed this in several avenues. We will continue to fund and support the 652,000 households at approximately $2 billion per year.

The need for adequate housing for all Canadians is a very serious issue. The federal government recently in the throne speech reaffirmed the Residential Rehabilitation Assistance Program. A total of $100 million over the next two years will be available to help low income households bring their homes up to health and safety standards.

I know of this concern and this need for government to achieve efficiency and savings in delivering an acceptable level of service to Canadians. We want to do this in the most cost effect manner.

I was made to understand that CMHC has already begun to discuss direct lending to finance and refinance social housing projects as one way of making better use of resources and reducing expenditures. We expect to save some $120 million in subsidy costs over the next four years, providing scope for new housing initiatives.

We need to develop additional ideas, invigorating, inspiring and creative ideas. Those ideas can come from all sides of the House.

• (1810)

The need to combine cost effectiveness as has been mentioned over and over goes along with creativity in our funding approaches. We must combine creativity and funding approaches

to meet the theme which is needed and echoed on this side of the House.

The provinces and the federal government had a meeting. They came away with a sense of co–operation and a resolution that together they must provide the hard working taxpayer a return for the dollar. This is why we must work together to achieve efficiencies and savings and to address overlap and duplication.

The federal and provincial ministers of housing will be meeting at a summer conference. It is hoped the co–operation we have started in working with our provincial counterparts will be exemplified there. They will be working not only on strategies as to the cost effectiveness and efficiency of administering the existing social housing portfolio but also will be discussing the partnership required to meet the needs.

Efficiencies can be realized in the operating costs. A few examples are: improved energy efficiencies; streamlining the professional fees such as audit and legal fees, et cetera, that are done in the social housing field; reducing property and liability insurance costs; and bulk purchasing of goods and services. All those avenues offer excellent opportunities and potential for savings.

We need to build in a spirit of co–operation and partnership. We need to renew our thinking for the nineties, to find new and creative ways to meet the need before us as a country, a need facing all Canadians but especially those for whom social housing is the only answer. We need to consider innovative ways. We need to look outside our existing structures.

As Canadians we offer much to the world. I have participated in international conferences where as Canadians we stood up and participated on a level way above what a number of other countries presently involved were doing.

Partnerships among levels of government in Canada have historically worked well. They will continue to work well as long as there is co–operation within the federation. With our current fiscal reality we need to continue to do this and do it even better. Existing partnerships must be reviewed to determine how we can put them together to benefit not only the housing market but also for the jobs that could be provided in that area.

Creative new funding opportunities must include the third sector contribution, charitable organizations and all those involved in the area of meeting the housing needs of Canadians.

Housing policy can no longer be considered as something by itself isolated in a vacuum, the responsibility of a government agency, body or ministry. It cannot simply be measured in terms of public expenditures. It must be linked to other public policies and co–ordinated with them to get the most from available resources.

It is very important on this side of the House that as we speak about the ideals of what the 21st century offers to us, as we begin to review the needs of Canadians, as we begin to look at our entire social security system, that we see social housing as a very important part of that discussion.

• (1815)

Today's topic is timely. The input from members today will go into the discussion that will and must occur as we move forward. This type of thinking reflects what is already occurring in a number of provinces.

Demonstration projects are now under way in New Brunswick, British Columbia and other provinces. They are looking at income supplements to enable welfare recipients to enter the workforce and become self–sufficient. The emphasis is on training and education and finding jobs for those able to work.

These programs stress enabling individuals to overcome barriers to personal development and employment. It enhances their dignity and self–reliance to compete in the job market. We need to involve others to focus their energies, resources and creativity in developing solutions to housing problems.

I worked quite closely with individuals in my last occupation as chair of metro housing in the empowerment of individuals. Residents had a say on the issues that dealt with their quality of life in the places in which they lived.

I look forward to building on this spirit of co–operation as we extend the provision of housing to all Canadians in need, as we look at the innovative and cost effective ways in which we can provide housing for all Canadians.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, I realize my colleague shares many of our concerns about social housing. I praise her for that. It reminds me of a debate during the election campaign with, among others, the Minister of Foreign Affairs and member for Papineau—Saint–Michel, a Montreal riding, when we both held the same views and criticized the Conservative government policies cutting all subsidies for co–operative housing.

We had met the same groups between 1990 and 1993 and signed the same petitions to support all those who are involved in, promote and manage co–operative housing. My question to the hon. member is this: Did the government confirm in the throne speech, without my knowledge, its promise to reinstate the co–operative housing program? I may be wrong, but it was in the red book. The throne speech is silent on this matter, although both Liberals and Bloc members criticized Conservative poli-

cies. Liberals promised time and again that when they came into office they would reinstate the co–operative housing program.

Maybe I missed something, but I am sure they will be true to their promise and a decision has already been made. I did not see it, but I would like my hon. colleague to tell me when that decision was made and where it is to be found in the throne speech. Maybe it will be announced in the Minister of Finance's budget speech next Tuesday. I would really like to be better informed.

[*English*]

Ms. Augustine: Mr. Speaker, I wish I knew what was in next Tuesday's budget, but in fairness and in response to the member's question I just want to confirm what was said earlier.

We are committed to job creation. We recognize that housing and everything relating to housing is a stimulus to job creation. We are committed to ensuring that Canadian society functions. We are committed to helping people in needy situations. We are committed to responding to the needs of people who find themselves in difficult situations especially in our urban areas where there are waiting lists of thousands of people who require housing. There is a commitment to respond to those needs.

• (1820)

We have committed timelines and deadlines to some of the programs. We have committed to CMHC. We mentioned what we will do in the area of the aboriginal and the dollars we will spend in that area. We talked about our commitment and support to the national strategy for the integration of persons with disabilities. It is there. It is within our commitment to ensure our support. We will ensure that Canadian society and those who require assistance will be so afforded.

We have talked about how many dollars, where we are going with all of this. We spoke about partnerships. We talked about working together. The whole business of the co–operative movement is a partnership. There is support for this and I know that the minister is committed to ensuring that together with the finance minister he can come up with some alternatives.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, it is a fact that when the state gets heavily involved in housing there is less incentive for private landlords to build housing units. This means less housing overall and higher rents, which only hurts low income Canadians.

Does the government consider these secondary but very real effects in considering how to approach this problem?

Ms. Augustine: Mr. Speaker, there is full knowledge on the part of everyone involved in the housing industry as well as everyone on this side of the House. We recognize that we have a responsibility and it is a partnership.

We are also fully aware of what happens in the market. We have seen over the last while with the increase in prices what has happened to those that are neediest and those for whom the state has to provide some assistance. We have seen the homeless in our midst growing. That reality is there in terms of the push and the pull in the market and the support that is given.

We have again campaigned on job creation. We recognize that housing starts and the housing market have to go hand in hand with the promise of job creation.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, in my riding, Bourassa, in Montreal North, the housing situation is tragic: 42 per cent of tenants spend more than 30 per cent of their income on housing; 73 per cent of the 90,000 residents of Montreal North are tenants. Of these 90,000 residents, 22 per cent are women who spend more than half of their income on housing. This is the highest percentage in all of Quebec. The situation is alarming.

Yesterday, the Organisation populaire des droits sociaux de Montréal–Nord and the Front d'action populaire en réaménagement urbain gave a press conference. During the election campaign, I visited many co–operatives. The people were very worried following the subsidy cuts in funding made when the Conservative government was in power. There are also many minorities in my riding.

I would like to ask my hon. friend if special measures are planned to protect the right to housing of minorities, particularly of visible minorities.

[*English*]

Ms. Augustine: Mr. Speaker, the question of protection for minority individuals is important. I will say that there is, and I am speaking on a personal note, as far as I can see. The co–ops and co–op programs through which individuals can put together through their community a request and build and house themselves as a result of their own activity are parts of the continuing program. There are special avenues. I can talk about several communities in which efforts are made to empower individuals to participate in the communities in which they live and to be very much an integrated part of their communities.

• (1825)

In this country we do not have areas in which minorities or various groups take residential patterns because this is the only place in which they can live. Therefore all programs are open equally to everyone regardless of race, colour, nationality, creed, length of stay of Canada, et cetera. The programs for those individuals are really empowering programs to help them to be partners in programs of co–operation where individuals have a sense of belonging, a quality of life, and are able to participate freely in society.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I really appreciated the comments of the hon. member for Etobicoke—Lakeshore. I understood, from her remarks, that she really cares about social housing, all the more so since she was director of the largest social housing complex in Toronto for a while. She even said, and I quote: "Adequate shelter is a fundamental right". It is a concern that we share, of course.

However, there is a lot of confusion on the government's part because, even with all the nice principles being laid out, the good intentions and the rhetoric, it seems that we cannot find out what the government really thinks about this issue. A while ago, someone asked if the government was willing to implement a social housing construction program, and we got no answer. Also, when I put a question to the Minister of Public Works, he could not tell me if he is opposed to rent increases for social housing units.

I would ask the hon. member for Etobicoke—Lakeshore if she would agree to rent increases for social housing units in order to pay for the construction of more units.

[*English*]

Ms. Augustine: Mr. Speaker, it is a very legitimate question and one that is usually asked. There are several ways, especially in the area of public housing, where 20 per cent or 30 per cent is used as a ratio and is referred to as meeting the needs of individuals who are caught in that socioeconomic situation.

The increase in rent in the province of Ontario is an example. We know there is some control in that specific area. Are we talking about people who are in deep core need? Are we talking about people who are paying market rent? Are we talking about the present situation of the market as it is today? Are we talking about the needs of individuals to get into housing as a result of the size of their families?

When we ask a question about rent and speak about people in social housing there are a number of things it is important to take into consideration.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I will try to make my comments in two minutes and leave one minute for a response.

I have listened to much of this debate today. I want to make it absolutely clear that there are many people in the Reform Party who believe strongly in the need for social housing. We understand that decent housing is the cornerstone of many families. It is the first real step many families take to work themselves out of poverty. We have to be thinking in terms of the children, not of the adults, in terms of the potential of the children to have firm, consistent roots from which they can grow into adults.

We still have to pay the bills. We as a Parliament have to set priorities. We have to decide where we can spend money, where we can get money and where we can allocate it. In my view there are probably very few areas of spending that we could define that should have a higher priority than housing, particularly for the poor and also for single parents who are primarily female.

The problem is that somehow we have to make these projects self–liquidating. We have to ensure that the social housing projects do not all gravitate to one geographical area. They need to be spread out through the community so that we do not get blocks of high income and low income. We should be able to spread them out through the community.

The co–op programs we have work very well—

The Deputy Speaker: It being 6.30 p.m., it is my duty to inform the House that pursuant to Standing Order 81(19) proceedings on the motion have expired.

[*Translation*]

* * *

PRINCE EDWARD ISLAND FIXED LINK

The House resumed from February 15 consideration of the motion.

The Deputy Speaker: It being 6.30 p.m., pursuant to Standing Order 45(5)(a), it is my duty to put forthwith all questions necessary to dispose of government order No. 7.

Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 5*)

YEAS

Members

Alcock	Anderson
Arseneault	Assad
Assadourian	Asselin
Augustine	Axworthy (Winnipeg South Centre)
Bachand	Baker
Barnes	Beaumier
Bellehumeur	Bellemare
Berger	Bergeron
Bernier (Beauce)	Bertrand
Bethel	Bevilacqua
Bhaduria	Blondin–Andrew
Bodnar	Bonin
Bouchard	Boudria
Brien	Brown (Oakville—Milton)
Brushett	Bryden
Bélair	Bélisle
Calder	Campbell
Cannis	Caron
Catterall	Cauchon
Chamberlain	Chan
Chrétien (Frontenac)	Chrétien (Saint–Maurice)
Clancy	Cohen
Collenette	Collins
Cowling	Crawford
Crête	Culbert
Dalphond–Guiral	Daviault
de Savoye	Deshaies
DeVillers	Dhaliwal
Dingwall	Discepola
Dromisky	Dubé
Duceppe	Dumas

Dupuy
Eggleton
Fewchuk
Finestone
Flis
Gaffney
Gagnon (Québec)
Gauthier (Ottawa—Vanier)
Gerrard
Gray (Windsor West)
Guarnieri
Guimond
Harvard
Hopkins
Ianno
Jackson
Keyes
Kirkby
Lalonde
Langlois
Laurin
Lavigne (Verdun—Saint-Paul)
Leblanc (Longueuil)
Lefebvre
Leroux (Shefford)
Loubier
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McKinnon
McTeague
Milliken
Minna
Murphy
Ménard
Nunez
O'Brien
Parrish
Payne
Peters
Phinney
Pillitteri
Pomerleau
Reed
Richardson
Robichaud
Rock
Scott (Fredericton—York Sudbury)
Shepherd
Simmons
St. Denis
Stewart (Brant)
Szabo
Terrana
Easter
English
Fillion
Finlay
Fry
Gagliano
Gallaway
Gauthier (Roberval)
Godfrey
Grose
Guay
Harb
Hickey
Hubbard
Iftody
Jacob
Kilger (Stormont—Dundas)
Knutson
Landry
Lastewka
Lavigne (Beauharnois—Salaberry)
Lebel
Lee
Leroux (Richmond—Wolfe)
Loney
MacAulay
MacLaren (Etobicoke North/Nord)
Maheu
Maloney
Marchand
Marleau
Massé
McGuire
McLellan (Edmonton Northwest)
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
Nault
Nunziata
Ouellet
Patry
Peric
Peterson
Picard (Drummond)
Plamondon
Proud
Regan
Ringuette-Maltais
Rocheleau
Rompkey
Serré
Sheridan
Skoke
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Tremblay (Rimouski—Témiscouata)
Valeri
Venne
Volpe
Wells
Young
Ur
Vanclief
Verran
Wappel
Wood
Zed—190

NAYS

Members

Ablonczy
Axworthy (Saskatoon—Clark's Crossing)
Blaikie
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Cummins
Epp
Frazer
Grey (Beaver River)
Hanger
Harper (Calgary West)
Hayes
Hill (Macleod)
Hoeppner
Johnston
Mayfield
Meredith
Morrison
Ramsay
Ringma
Schmidt
Solberg
Speaker
Strahl
Thompson
Williams—51
Althouse
Benoit
Breitkreuz (Yellowhead)
Bridgman
Chatters
Duncan
Forseth
Gilmour
Grubel
Hanrahan
Hart
Hermanson
Hill (Prince George—Peace River)
Jennings
Manning
McClelland (Edmonton Southwest)
Mills (Red Deer)
Penson
Riis
Robinson
Silye
Solomon
Stinson
Taylor
White (Fraser Valley West)

PAIRED MEMBERS

Members

Bakopanos
Canuel
Debien
LeBlanc (Cape Breton Highlands—Canso)
Bernier (Mégantic—Compton—Stanstead)
Copps
Goodale
Tremblay (Rosemont)

[*Translation*]

The Speaker: I declare the motion carried.

It being seven o'clock, the House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7 p.m.)

HOUSE OF COMMONS

Thursday, February 17, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

FINANCE

Mr. Nick Discepola (Vaudreuil): Mr. Speaker, the Standing Committee on Finance has the honour, this morning, to present its first report.

[*English*]

In accordance with its order of reference of Friday, February 4, 1994 your committee has considered Bill C–2, an act to amend the Department of National Revenue Act and to amend certain other acts in consequence thereof, and has agreed to report it without amendment.

* * *

YOUNG OFFENDERS ACT

Mr. John Nunziata (York South—Weston) moved for leave to introduce Bill C–217, an act to amend the Young Offenders Act, the Contraventions Act and the Criminal Code in consequence thereof.

He said: Mr. Speaker, first I would like to thank the hon. member for Leeds—Grenville for seconding the motion to introduce this bill.

During the election campaign Canadians made it clear that they would like to see some fundamental changes to our criminal justice system. It would appear that the Young Offenders Act has acted as a lightning rod for a lot of the concerns in the community. This bill in my view would address some of the very serious flaws in the Young Offenders Act.

The bill has three purposes. First, it would lower the age limits that define a young offender. A young offender would be defined as a young person between the ages of 10 and 15. As a result, 16–year–olds and 17–year–olds would be held responsible for their criminal acts and prosecuted in adult court.

Presently, 16–year–olds and 17–year–olds are subject to the Young Offenders Act and not the Criminal Code of Canada in adult court. In my view, 16–year–olds and 17–year–olds are old enough to understand the nature and consequences of their acts and should be held responsible as adults.

The second purpose of the bill would be to increase the maximum, I stress maximum, penalty for first and second degree murder from five years to ten years. I believe Canadians want to see some changes to the maximum penalty provisions for murder under the Young Offenders Act. Any persons between the ages of 10 and 15 who commit first or second degree murder would face a maximum penalty of 10 years.

Finally, the bill would allow for the publication of the name of the young offender after the young offender's second conviction for an indictable offence.

In conclusion, I believe if this bill is carried by this House it will go a long way to satisfying some of the very serious and reasonable concerns of Canadians with regard to problems in our criminal justice system.

(Motions deemed adopted, bill read the first time and printed.)

* * *

• (1010)

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

Mrs. Pierrette Venne (Saint–Hubert) moved for leave to introduce Bill C–218, an act to amend the Unemployment Insurance Act (excepted employment).

She said: Mr. Speaker, first of all, I would like to thank the hon. member for Laurentides for supporting this bill and would also like to give a short explanation about this legislation.

The purpose of this bill is to exclude from the excepted employment category those jobs that are characterized by a dependant relationship between the employer and the employee.

At this time, the employment of women collaborators is not insurable unless, as it says in clause 3(2)(c) of the Unemployment Insurance Act, these women can prove they would have gotten into a similar work contract had they not been their employers' spouses.

This clause of the Unemployment Insurance Act is discriminatory, because it creates a different burden of the proof, especially for women collaborators.

That is why I hope that my bill will be debated as soon as possible.

(Motions deemed adopted, bill read the first time and printed.)

* * *

[*English*]

PETITIONS

OFFICIAL LANGUAGES

Mrs. Marlene Cowling (Dauphin—Swan River): Mr. Speaker, pursuant to Standing Order 36(1), I would like to table this petition which has been duly certified by the clerk of petitions.

The citizens of Dauphin—Swan River are asking the federal government to seek approval from the Canadian people for Canada's policy with reference to official languages.

SUPERMAILBOXES

Mr. Randy White (Fraser Valley West): Mr. Speaker, pursuant to Standing Order 36(1), I rise to present a petition from concerned citizens of the township of Langley in the riding of Fraser Valley West, British Columbia.

This petition of well over 1,000 names expresses the concern of installing supermailboxes in our heritage community of Port Langley, the birthplace of British Columbia. Supermailboxes would not be in keeping with the historical traditions of this heritage community.

Therefore, the petitioners request that Parliament designate Canadian heritage communities to be exempt from Canada Post's supermailbox program.

This petition is submitted with my full support.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I would ask that all questions be allowed to stand.

The Speaker: Shall all questions stand?

Some hon. members: Agreed.

WAYS AND MEANS

EXCISE TAX ACT

Hon. Fernand Robichaud (for the Minister of Finance) moved that a ways and means motion to amend the Excise Tax Act, laid upon the table Monday, February 14, 1994 be concurred in.

(Motion agreed to.)

GOVERNMENT ORDERS

[*English*]

DEFENCE POLICY

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs) moved:

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider Canada's Defence Policy;

That the document entitled "Review of Canadian Defence Policy, Minister of National Defence Guidance Document", be referred to the Committee;

That the Committee be directed to consult broadly and to analyze the issues discussed in the above-mentioned document, and to make recommendations in their report concerning the objectives and conduct of Canada's Defence Policy;

That eleven Members of the House of Commons and five Members of the Senate be Members of the Committee;

That the Members of the House of Commons Standing Committee on National Defence and Veterans Affairs be appointed to act on behalf of the House as Members of the said Committee;

That the Committee have the power to sit during sittings and adjournments of the House;

That the Committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence from time to time as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff;

That the Committee have the power to adjourn from place to place inside Canada and abroad and that, when deemed necessary, the required staff accompany the Committee;

That a quorum of the Committee be nine Members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the Joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six Members are present, so long as both Houses are represented;

That the Committee or its representatives meet on occasions it deems fitting with the parliamentary committee or its representatives charged with reviewing Canada's foreign policy;

That notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the Committee is completed, the Committee shall report with the Clerk of the House and that it shall thereupon be deemed to have been laid upon the Table;

That the Committee present its final report no later than September 30, 1994; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, Members to act on the proposed Special Joint Committee.

• (1015)

He said: Mr. Speaker, I am very pleased to have this opportunity to address the House formally and launch the defence policy review.

For the next few minutes I will outline the terms of the process that will be involved in the final product which will be the new defence policy for Canada.

[*Translation*]

The need for a thorough review of Canada's defence policy is generally recognized. In fact, during the election campaign, all parties called for a review of the present policy to ensure that it really meets the needs of today. The attention given to defence issues should surprise no one. Defence is a fundamental duty of the government and has major impacts in Canada and abroad.

Furthermore, the maintenance and operation of our armed forces account for a considerable share of public spending. Therefore we must have a clear and realistic defence policy which defines what we expect of the Canadian forces and how we intend to equip and train them to carry out their tasks.

During the election campaign, my party maintained that it was urgent to review Canada's defence policy in order to take account of the country's new needs and the financial reality we are facing as well as international instability.

I would now like to describe how the government intends to conduct this most important review.

[*English*]

We have had some discussions in the last few months on the issues that have arisen, and the public consultation process is a central priority for this government. In the election campaign this was outlined by all parties that felt that Parliament should take a greater role in the formulation of policy development. Parliament has always historically had that essential role, but in recent years governments have moved away from listening to members of Parliament in a full and timely way in the formulation of policy.

Since we reconvened in this Parliament in January, we have had debates on two very important issues, our maintenance of peacekeeping in the former republics of Yugoslavia, and cruise missile testing.

In this same spirit of consultation, we are proposing today the establishment of a special joint committee of Parliament to consider the future of Canadian defence policy.

In something that will be unique and to avoid unnecessary taxing of individual members who will be very busy with a number of committees, we are going to have the House of Commons membership in this special joint committee mirror the Standing Committee on National Defence and Veterans Affairs to join with nominees from the Senate. That means the same members involved in daily defence related matters, those studying the estimates, will be dealing with the defence review. The most knowledgeable people on defence matters will be carrying through both exercises.

Through this committee we hope to receive the broadest input possible; in other words, not just from experts and interest groups, but from a wide variety of Canadians concerned with this vital national issue.

Ever mindful of the somewhat travelling road show that became a circus on the Constitution which the previous Conservative government put into place a year or so ago dealing with the Charlottetown accord, we would not wish the committee to follow that unsavoury precedent. We would, hopefully, wish the committee to hold hearings in different parts of Canada so that people who otherwise could not afford to travel to Ottawa will be able to get to some regional centres. I hope that does not become an undue expense for the House and that there will be selected communities, large communities across the country, in which representations can be made.

We would like this report from the committee to be made no later than September 30 of this year. Why September 30? We are trying to keep to our red book timetable. I know members of the other parties are going to become tired of the red book. However we have to emphasize to Canadians that they can expect this government to keep its election promises as much as possible. This is one we are trying to keep. We want the review to be completed by the end of the year so that Canadians will at last know where defence policy is going in this very turbulent time.

• (1020)

We will monitor the progress of the public debate as it proceeds in the journals and conferences and in the media. Once the committee completes its work we will study it very carefully. The public component of the policy debate on defence will be conducted as it should be, by the House of Commons and the Senate. That is the true vehicle for public input. If members of Parliament and Parliament itself cannot be the vehicle for expressing the will of Canadians, I do not know what else can.

The report will play a major role in shaping the government's response. By that I mean there will be a white paper on defence probably within a few months of the committee issuing its findings. The completion of this should be at the end of the year. I do not want to mislead hon. members of the Senate and the House. The report they will issue will not constitute the new

defence policy but we will ignore many or most of its recommendations at peril.

As I said Parliament is the unique place to bring a certain dimension to the debate that one cannot otherwise get through private consultations. I hope to engage in consultations with experts, officials and other people in the defence community as well as to have discussions with our allies based on their experiences. All of our allies are going through a similar turbulent period in developing foreign policy and defence policy. I will be having those conversations with them but certainly public participation and the role of members will have a heavy bearing upon the eventual outcome of this policy.

In the interim, government is going to have to make decisions. The world does not stop because Canada is having a defence review and I hope that members will take that into consideration. I can imagine some of the things that will come up in the next few weeks and months. I hope members then do not ask why we do not leave things until the end of the defence review. The fact is we have to make some tough decisions.

A very tough decision we made, which was another red book promise, was the cancellation of the EH–101 helicopters. We have had some difficult discussions with our NATO allies both at the summit in Brussels and over the last few weeks by telephone. My colleague the Minister of Foreign Affairs, the Prime Minister and I have had discussions with our allies on the very difficult situation in the former republic of Yugoslavia and the potential of air strikes. Some of the ongoing discussions have led to lengthy consultations in the House. I mention peacekeeping and cruise missile testing.

One could envisage for example the government being asked to consider how to respond to events in Bosnia, a request to send additional peacekeepers to that location. Obviously we have to make those decisions very rapidly as events occur. They cannot wait.

We will keep Parliament, especially the committee, fully informed of any significant decisions as long as we do not betray any confidences with our allies in the process. We will strive to make sure these decisions which have to be taken on a day to day basis do not prejudice the outcome of the review. We will do all we can to ensure that any decisions we do take on an ad hoc basis in response to developments as they occur will have the broad support of Canadians.

[*Translation*]

During the same period, the Minister of Foreign Affairs will review Canada's foreign policy. The minister will provide details on this subject to Parliament in a few weeks. Since the country's foreign policy and defence policy overlap in several areas, my colleague and I have developed a process to allow both reviews to proceed in harmony.

Under the terms of reference of the parliamentary committee reviewing defence policy, this committee will meet with the one responsible for reviewing Canada's foreign policy.

• (1025)

I also accepted the invitation of my colleague, the Minister of Foreign Affairs, to co–chair the national forum on international relations, which will certainly consider questions related to defence.

[*English*]

A national forum on matters, whether they be defence policy, foreign policy, overseas development aid, or trade policy will be hosted by my colleagues, the Minister of Foreign Affairs and the Minister for International Trade and I in a few weeks. That again is another promise in the red book.

The fundamental issues in the defence review to be considered are set out in a guidance document the government has put together. If I have the agreement of hon. members, I propose to table it in both official languages pursuant to Standing Order 32(2).

The Acting Speaker (Mr. Kilger): Is there agreement to table the document?

Some hon. members: Agreed.

Mr. Collenette: It is the guidance document that will be provided to all members of the committee to help them in their deliberations. It does not set out any prescriptions; it simply identifies the issues and helps them frame their deliberations. It is intended to stimulate discussion and focus the work of the committee on the critical issues to be resolved.

To give members a sense on how the government intends to approach the substantive aspects of the review I would like to spend a few minutes reviewing the broad outline in the document I have just tabled.

The document begins an examination of the Canadian defence issues by setting out the international and domestic context of Canadian defence.

In it we note that the cold war has yielded some very real improvements in international security relations. Since 1989 we have seen an astounding chain of events occur, especially in eastern Europe with the dismantling of the former Soviet Union and the re–emergence of states that have not been independent for many years, in some cases for centuries.

There has been significant progress in arms control and the resolution of some of the long–standing regional conflicts. Beyond this we have the rapidity of events unfolding especially in Europe to caution us as to how we deal with the formulation of defence policy.

The guidance document talks about the unpredictability, the volatility and the violence in the international environment. We see this obviously in the former republic of Yugoslavia and the disintegration of that country. However, it is being played out in

the bordering states, the former republics of the Soviet Union, both in Europe and in Central Asia.

I have become much more alarmed at the pattern of events that are occurring in that part of the world with smaller states potentially having the ability to operate nuclear weapon systems which have come into their hands directly because some republics of the former Soviet Union have them on their soil. However, I must admit I am very happy with the agreement which seems to have been put in place in the former republic of Ukraine, now an independent state, for control in dismantling and dismemberment of these weapons.

Many people have been involved in the arms business and the nuclear development business in that part of the world. We know there are regimes that for whatever reason through territorial expansion or other designs of hegemony in the region want to use nuclear weapons to improve their case. We see a very disconcerting scenario unfolding and that should make us vigilant in formulating our defence policy.

What I am trying to say is that the events, the hope and the euphoria in 1990 and 1991 following the collapse of the Soviet empire has given way to a bit more realism, a bit more pragmatism. Yes the world potentially is a better place. We do not have this terrible arms race between the two superpowers, but the fallout, especially in the Soviet Union, in Russia and that area has created a degree of instability we have to be very mindful of. We shall watch the situation in Russia very carefully. Of course Canada is fully behind attempts in that country to organize itself in the most democratic and fair–minded fashion in its new role as an independent country free from any ideology.

• (1030)

From a military point of view Russia does remain a power. It has nuclear weapons. It still has a large armed forces, much of which has been repatriated from the former eastern European states. Events such as the second coup attempt last October and the outcome of the recent elections are of concern to us. They reflect the precarious state of reform in a climate of serious social and economic problems.

Making long–term decisions about the Canadian Armed Forces is difficult enough at the best of times. It is even more difficult when the future of international security is so complex and so uncertain.

[*Translation*]

The guidance document reminds us of the importance of the national dimension of Canada's defence. As a bare minimum, under the National Defence Act, the forces are required to take action in situations that threaten public order in Canada. The forces still have a role to play in defending Canada and protecting Canadian sovereignty, and this role includes assisting other departments and other levels of government.

Over the years, the government has asked the forces to assist certain government agencies in search and rescue activities and with relief in cases of national disaster and the protection of our marine resources.

In its deliberations, the committee will have to determine what the appropriate national roles for the Canadian Forces are and what level of capability our military people need to fill these roles.

[*English*]

One of the most significant domestic issues affecting the Department of National Defence and Canadian forces is fiscal restraint. This is addressed in the foreword of the guidance document. I have stressed that we have to develop a policy that is realistic and affordable. I want to re–emphasize that point today. Because of the urgency of fiscal restraint, we must set priorities and focus on plans, procurement and operations that are most essential to our needs.

The guidance document sets out three areas where the committee and Canadians need to think carefully about defence priorities in an attempt to design an appropriate defence posture for the 1990s. However in doing so we cannot forget the cost implications.

In that context I would like to address a comment which has been raised by the other parties and by some of my own colleagues. That is the logic of having a defence review when we are about to cut a massive amount from the defence budget. This is something which again was outlined in the red book.

With respect to defence we agreed to eliminate the EH–101 helicopter program. It was a sound decision. It was a good decision. That particular piece of equipment was too expensive for our needs. We felt that the former government erred. We said so in the campaign and we have discharged our obligations.

At some point in time our need for replacing the Sea Kings to carry on search and rescue and other naval operations for which some of the EH–101s were intended will have to be addressed. Committee members can help us along when they discuss the role for the forces and their policy suggestions as to the kind of capability we need in search and rescue, in maritime surveillance and the naval force generally where the EH–101 was to be deployed.

Our other promise was to cut $1.6 billion from the defence budget. It is there in the red book. It is not a budget secret. This is public. Of course the Minister of Finance when he brings forward his financial projections will obviously take that into account.

• (1035)

That is a promise we will discharge. I am on the record saying that in speeches and I have mentioned it in the House.

In dealing with this urgent fiscal situation, because the savings have to start clicking in April 1, at the beginning of this fiscal year 1994–95, we had two options. We could have decided to curtail operations. We could have decided to, as I have said not facetiously but honestly, do something that would have seen our F–18 fighter planes fly every seventh day.

We could have our great new frigates which are admired by naval experts around the world just give tours of the Grand Banks instead of going any further and, again being somewhat tongue in cheek, having guns without bullets or armoured personnel carriers that do not function.

We cannot afford that because defence of our country and our vital interest is crucial. We must do this in the best way possible. What we decided to do is to try to take the tough decisions that governments have ignored in the past. They have ignored them in a most irresponsible manner.

As the armed forces budget as a proportion of government spending has decreased from about 24 per cent in 1963–64 to about 8 per cent today and going lower, the number of actual uniformed personnel has decreased from 130,000 to about 77,000 or 78,000. It is going lower because of the cuts that were announced by the previous government. Those are working their way through the system.

We have to decide. The government would be interested obviously in hearing from the committee as to how low we can go to have a real credible defence. If one goes too low, what can one do and what can one not do?

Along those 30 years as we were shedding uniformed personnel we were not in a commensurate way dealing with infrastructure and capacity. We have an administrative and physical infrastructure and capacity which is too much for the more modest armed forces we have today.

As anyone in business knows, if one's market share declines radically one has to cut one's overhead if one wants to stay in business. Unlike some in the House who tried to equate exclusively business with government, we do not do that because government is not a business like any other business. It is a unique institution that has to balance many competing interests.

However, we do owe it to Canadians to try to operate ourselves in a most efficient manner. When we announce our defence cuts, we will do so in such a way as to address this infrastructure imbalance, this inflated administrative overhead that does not really conform with the actual role being discharged by the armed forces today.

It will be very controversial. It will impact on every region of the country. I cannot over–emphasize enough the severity of what we have to do. If we do not do this and do this fast, that is in the next few weeks, then we will have to take the cuts in the operational end which in effect will grind us to a halt. It could even mean that we would have to, notwithstanding the decision of the House about deployment in the former Yugoslavia, the government's decision and the views of the House, concede external operations.

I do not think Canadians want to do that. We have to discharge our obligations whether it is there or elsewhere. We have to continue to operate the business, the plant or service for Canadians that the Canadian Armed Forces brings forward.

It would be very difficult. It would be very controversial and I would ask the members not just in the opposition parties but also my own party to understand the difficulty that we have to face.

In doing it we will deal with individuals affected in a way which is extremely sensitive, which will go beyond what is required in terms of collective agreements and with our personnel. I believe that we will be able to put as good a face on what we are going to do from a human impact position as possible, as realistically as we can. With respect to communities that will be affected, this will be very difficult. Some can absorb job losses, some can absorb the decline in economic activity, but others will not be able to do so readily. We do not want to preside over the dissolution of entire communities in the country.

• (1040)

Even though the government's financial means are severely restricted, we will work with provinces and communities, members of Parliament affected and businesses to try to ensure that the very good plant and capacity that we have in many of our facilities—office buildings, bases, other structures—are used for other purposes. Whether it is business, community projects or provincial government works, we will try as best as is possible to ensure that the economic activity in those communities is not gutted but is maintained to some degree.

Having said that, there will be no more Summersides. We cannot afford it. The former government—no disrespect to my colleagues from Prince Edward Island, there may be one or two in the House today—closed that base and there was an outcry. I understand the outcry. The compensation that the people in Prince Edward Island received was generous by comparison with what we can do today. We just do not have the hundreds of millions of dollars to replace the economic activity.

I want to take the opportunity in this debate to tell my colleagues why we are proceeding in this way. We have to do it now to preserve the fighting edge of the forces, but not to prejudice the outcome of the defence review.

If we mothball equipment and curtail operations, it is still going to mean jobs. If when the defence review is complete, the members have worked hard in their committee and they advocate a certain direction, we may have to say: "Well, we cannot do that any more because we got rid of that piece of equipment, we cut out that unit from the armed forces and to restore it is going to cost hundreds of millions of dollars".

By acting now I believe we are going to preserve the ability of the joint committee and others participating in the review process to effect policy in a meaningful way and at least be able to have a fighting capability at the end of this year that can discharge any obligations the committee thrusts upon it.

I would ask for the co–operation of members when we announce our budget cuts. My colleagues and I will be available on a regional basis to explain what we are doing and to try to mitigate somehow the impact. We will do everything we can to help various communities. But the time has come to address some of these very difficult questions and it must be done now. It cannot wait.

I am going on a little bit longer and I must apologize to my critics on the other side. I have probably told the House more than I have told the cabinet. It is meeting upstairs and I have to go and face the music, which is somewhat unusual in the sense of the House hearing a longer speech on defence than cabinet has already heard. It is meeting now and I apologize to my critics because I will not be here to listen to them. My parliamentary secretary is here. As members know, he is a former distinguished member of the Canadian navy. He will be making notes, plus our officials will be watching the debate on television. Everything that is said here today certainly will be brought to my attention.

In conclusion, the government wants to hear about every aspect of defence policy—our multilateral relations, NATO and NORAD. I think NORAD is up for renegotiation in 1996. We want the committee to be completely unfettered in what it looks into. We want it to be reasonable, obviously, and I think the members will be reasonable. We will be meeting jointly with the foreign affairs committee. I see my colleague from Toronto, the parliamentary secretary of foreign affairs, listening to the debate. There is obviously overlap in some areas but we could hold joint hearings to make sure there is no duplication of work.

I have confidence in the quality of the members that I know are on the House of Commons committee from the three parties. They are knowledgeable, they have spoken in the debates on cruise missile testing and on Bosnia and our role in peacekeeping. They are knowledgeable people and they are sincere. They want Canada's defence policy not to be one of partisan bickering but something upon which we can all agree and something about which we can all feel the kind of pride that we should feel.

The Canadian Armed Forces has a terrific reputation. It goes back decades. It goes back to our participation in world wars, the Korean war and all our peacekeeping ventures. We have just sent over a fact finding tour led by people from foreign affairs. We have one of our senior military people assessing the situation in Bosnia because we have to make a decision very quickly about our engagement. The comments about the conduct of Canadian troops are absolutely outstanding.

• (1045)

I hate to quote one of the belligerents, but one general on the Serbian side when talking about our troops in Srebrenica said: "We want the Canadians to stay. We trust them. We like them". That is probably the only thing the three factions agree on in Bosnia, that the Canadian troops are probably the best that are deployed there under the UN command.

We have a proud institution, terrific people. In many respects it is a shame that we have allowed our armed forces to work hard without having paid much attention to them over the years. The last government dealt with the armed forces in a most reprehensible manner in terms of policy. It issued a white paper without public consultation. It slashed here there and everywhere with no military, operational or logical reason to do so. It certainly shocked the morale of the armed forces.

However, we have professionals. They know what is coming in terms of defence reductions but they have a real faith in this Parliament and the changing attitudes of the Canadian public and the government to try and be fair and honest with them so that they can discharge their obligation in the best interests of everyone in this country.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, I would like to start by congratulating the Minister of National Defence on his presentation. In the course of my speech, however, I will show there are a number of points on which we differ with the minister.

I am not sure whether we should be grateful to the government for initiating a review of our national defence policy, as part of a motion to appoint a special joint committee to consider the document from the Department of National Defence entitled Review of Canadian Defence Policy.

I do not intend to dwell on the pros and cons of appointing a special joint committee. The role of the Standing Committee on National Defence happens to be to deal with the items that together form the mission of this new committee. Without wishing to seem repetitive, is this not just another form of

duplication and overlap, a waste of time better spent making the decisions that are so important to Quebecers and Canadians?

The new committee will have the same consultative powers: the power to summon witnesses, to hire consultants and to print documents. It will also, as the minister said, adjourn from place to place inside Canada in order to get the advice it needs to make informed decisions.

Everything in the committee's structure and operations is a duplication of the Standing Committee on National Defence, thus generating additional costs that, although not necessarily excessive, will not be well received by the Quebec and Canadian public.

It has been said repeatedly that we must reduce public spending, make government more effective and, what all taxpayers would like to see, simplify the parliamentary process to make it productive and cost effective. And lo and behold, here we have one more addition to the government apparatus, and I find that very difficult to accept. All members in this House should try, to the best of their ability, to reduce all unnecessary spending, even the smallest amounts, to prove to our constituents that we realize the financial situation is very serious and that our actions must reflect the commitments made by all parties to their constituents.

I am afraid that, all things considered, I cannot accept the duplication of time, energy and money this special joint committee will represent. The Minister of National Defence said earlier that hon. members were very busy, and now he wants to make them even busier by striking another committee that would have the same mandate as an existing committee.

• (1050)

I repeat that it is the responsibility of the Standing Committee on National Defence to review the document tabled by the hon. minister and to make the best possible recommendations. The standing committee can invite any expert on military or foreign policy issues, and ask pertinent questions so as to develop a defence policy and submit it to the government. Again, members of the standing committee who will sit on the joint committee will have access to the same experts, will ask the same questions and, no doubt, will get the same answers. If this is efficient decision making, then I understand why Canada's debt is so large.

However, the tabling of this motion has one definite advantage: it will force members of this House to discuss the motion itself, but also Canada's defence policy, which is often criticized by the public, the media, some elected representatives, as well as the Auditor General.

I think we all want an exchange of ideas, but also an in–depth review of the role of our national defence establishment. We must look at every aspect of defence policy. Commitments to NATO, the United Nations and the United States are all important elements in this review. Some major changes have occurred on the international scene in recent years; all NATO allies have modified their defence policy and the United States, Great Britain and France have adopted new approaches. Canada has, to some extent, followed the same process by coming up with a new defence policy statement in 1992.

This trend has triggered three patterns in the readjustment of defence policies. First, all countries reduced their defence budgets, which translated into reduced demand and production for the defence industry. This situation severely affected arms producing countries, including Canada, where thousands of jobs disappeared. Quebec also paid a heavy price, since a good part of the Canadian defence industry was centralized in the Montreal region.

The second pattern is more of a strategic nature, since it has to do with evaluating possible external threats, following the reduced risk of east–west conflicts. This risk being now almost non–existent, the threat of regional and even local conflicts has taken a new importance which defence policies must now take into account. Canada shares this view with its allies.

The third pattern is the progressive transformation of international institutions such as the UN and NATO, whose political and strategic missions are being fully reviewed.

In the context of our relations with other countries, we must remember that the role of Canadian peacekeepers was examined during those long debates on the situation in Bosnia and on Canadian peacekeeping missions. The Minister of National Defence also referred to that role in his speech this morning. Consequently, I will not discuss this issue at length.

Other aspects concerning the review of our national defence policy are just as important, but they affect us and our constituents much more directly. I am referring to the national and financial aspects.

The national aspect has to do with internal activity. What role do we want our military personnel to take on inside the Canadian territory? Will our armed forces play a more significant role to ensure our internal security? Will they be called upon to patrol the Canadian coastline to protect us against possible intruders? Will they be called upon to play a more active role in the fight against drugs? Will they be called upon to help monitor fishing activities in our territorial waters? Will they be called upon to be more involved in sea and mountain rescue operations? Will they be called upon to help the public in case of a natural disaster?

Only when the role and the mandate of the Department of National Defence are clarified will we be able to determine the human resources and the material required to fulfil that mandate.

It would be premature to evaluate and analyze possible changes in our defence policy until the Minister of Foreign Affairs, in co–operation with the Minister of National Defence,

takes a close look at our commitments to NORAD and NATO, and also at our involvement in UN peacekeeping missions. In fact, the minister said earlier that officials from those two departments would meet to discuss those issues. So, until the House is informed of the outcome of these meetings, it is difficult to predict what Canada's new defence policy will be.

• (1055)

Only then we will be able to determine the personnel required. Moreover, future needs should be determined in co–operation with military authorities. Given the circumstances, we should not focus on major policy directions, but rather on administrative aspects, in order to find out what the real implications are.

For starters, the Bloc Quebecois suggests that reduction programs already initiated be evaluated. This includes an evaluation of the decision to cut back on staff, reduce the number of officers and close certain bases. We should know why military equipment is being procured or maintained and determine, with the help of the military, whether such equipment is relevant. We have to make the necessary choices and avoid spending billions of dollars to procure equipment solely for regional development purposes. Often, the costs are higher than if we had relied solely on ability and expertise. Finally, as the Auditor General has repeatedly pointed out, the minister should be made to completely rethink his military procurement policy.

At this juncture, I cannot help but give several examples of this procurement policy which has cost the taxpayers dearly. If this policy is not amended, it will prove to be even more costly.

Take, for instance, Litton Systems of Toronto which was awarded the contract to modernize destroyers, even though it had no expertise in shipbuilding. The $2 billion contract awarded to Litton Systems represented a waste of money since this company was unable to fulfil its commitments owing to its lack of expertise in this field.

Logically, why was the contract to modernize these destroyers not awarded to MIL Davie of Lauzon, the company that built these ships, was totally familiar with their components and had the necessary expertise to fulfil the terms of the contract?

Another example is the $250 million contract awarded to a British Columbia firm for the construction of tracked vehicles. The company based its design on a Swedish model, whereas Bombardier has been building this type of tracked vehicle for decades now. Had these contracts been awarded to companies with expertise in these fields, the government would have saved money. This is what it should be aiming for.

In his 1992 report, the Auditor General refers to major operational problems, in particular with regard to the weapons management policy or military equipment procurement programs. Because of the numerous problems and difficulties that arise, the processing of proposals is delayed and a large number of staff are tied up. Several recommendations make mention of staff problems and specifically, of DND's defence program management system.

In section 17.25 of his report, the Auditor General is openly critical of the program management system, noting that in addition to being ineffective, it generates an enormous amount of work for staff. The Auditor General proceeded to say, and I quote: "The first problem relates to the enormous staff workload needed to implement this cumbersome process. Our analysis of all projects over $10 million identified in the defence services program as of February 1991 revealed that it takes an average of 1,109 days from the time a project is first identified in the DND database until the statement of capability deficiency document is approved. It takes an average of 1,107 days for the program planning proposal to be approved, 1,608 days for the program development proposal, 1,332 for the program change proposal, and 394 days for effective project approval by the Treasury Board. These average times between individual stages of the defence program management system and the number of times these documents are amended and recirculated provide a good indication of the amount of staff effort involved".

Considering the many pitfalls and obstacles, the Auditor General estimates that only a very small percentage of projects proceed through the entire, amazingly ineffective process.

• (1100)

He pointed out, among other things, that all the change proposals to the defence procurement program —and there are many; just think of the frigate contract and the disputes between National Defence, St. John's Shipbuilding in New Brunswick and MIL Davie of Lauzon, in Quebec— are making even more cumbersome a process which already takes too much time and costs taxpayers too much.

The costs associated with such a management process cannot be considered in isolation. Large amounts are involved and, instead of making things easier for the government, it is making things harder, so much so that the government is now avoiding this complicated process and granting gainful contracts directly to companies, like Bell Helicopter of Mirabel for the tactical transport helicopters and Western Star for the light off–road transport vehicle.

I think that if the Auditor General points out serious deficiencies, it is worth looking into the matter. Why is the Liberal Party not acting? No business could survive such methods, it would go bankrupt.

The abnormally high number of higher ranking officers in the Canadian Armed Forces is another example of an overly liberal

and incredibly costly process. How can we justify having 32,999 corporals and 7,631 captains when there are only 9,370 soldiers in our armed forces? There are just about as many captains as soldiers. With only 9,370 soldiers on a total strength of 77,975, the Canadian forces are the most top heavy in the world, relatively speaking, and also the most expensive to maintain.

Would we not be justified in questioning the suitability, the desirability of such an expensive top level? Would it not be better to have fewer officers and to apply the savings to equipping our soldiers? Unquestionably, such a situation calls for corrective budgetary action.

I would now like to move from the personnel problem to the infrastructure problem, specifically to the closure of military bases. This is not the first time in our history that the government has had to close down military bases. Several were closed after the second world war, and again in the sixties, in the seventies and, more recently, in 1988–89 when the Conservative government closed over 13 bases and stations across the country.

In spite of it all, the defence infrastructure remains far too big for the size of the forces. With a strength of merely 78,000 members, the Canadian Armed Forces are maintaining from coast to coast facilities that could accommodate 140,000. Obviously, more cuts are needed, especially since several of our bases are obsolete and increasingly expensive to maintain. Also, their strategic value is not the same as it was at the time they were built. So, for all these reasons, the government will have to make a choice and impose a new round of closures.

During the last days of its mandate as the Official Opposition and again during the election campaign, the Liberal Party took a stand for base closures in return for real, concrete guarantees to the communities affected by these measures. As a matter of fact, the Minister of Defence said a few words earlier about the applicable procedure.

Promises were made in the red book to convert surplus military bases in Canada to peacekeeping training and staging centres. The Liberal defence conversion plan reflects a strategic direction based on Canada's foreign policy, a policy in which peacekeeping is viewed as a political basis that the Liberal Party will rely heavily on.

The plan to convert surplus military bases to peacekeeping training and staging centres seems to be an important part of the Liberal Party's foreign policy and their March 26, 1993 press release was very explicit in that regard. So, this policy direction should not be overlooked and action in this area is to be expected.

It is important at this point to denounce holding a special debate on Canada's defence policy when the government has not yet tabled its new white paper on defence.

• (1105)

This position applies not only to the issue of cutting military bases but also to that of training centres for peacekeepers.

We, in the Bloc Quebecois, cannot approve the peacekeeper training centres initiative for several reasons.

First, it would be unrealistic to believe that countries from around the world or NATO members will send their troops to such centres for training. Who will pay the travelling expenses of international troops coming here to train and the costs of transporting their equipment? The UN does not have the resources to pay such costs. Furthermore, these international missions always have extremely tight deadlines. How can one reconcile these deadlines with a stay in Canadian training centres that will cause even further delay?

Second, as the minister was saying earlier, it has been demonstrated that Canadian peacekeepers are among the best trained in the world. So why create a training centre when our troops already enjoy exceptional training conditions on their existing bases? Why should we spend new money to move our troops, who are already training in the field, at less cost, for international missions?

Third, it is dishonest and hypocritical to argue that the creation of a training centre does not entail extra costs for the Canadian government. How can we say that, on one hand, we are cutting spending by the Department of National Defence and that, on the other hand, we are keeping military bases which should no longer be in use open for peacekeeper training. This contradictory message deserves to be challenged by the Bloc Quebecois.

Fourth, Quebec's military bases, Valcartier in particular, play a very important role in preparing Canadian troops for international peacekeeping missions. Encouraging the creation of training centres for peacekeepers—in Cornwallis, for example—effectively means the end of this type of activity on Quebec territory and the loss of significant economic resources. We have no choice but to oppose such measures, for the very foundation of defence department activity on Quebec territory may be affected.

The real solution to compensate communities that will be affected by defence spending cuts remains the establishment of defence conversion committees. The success of these conversion projects is totally dependent on local people taking in hand the economic resources offered by the government to compensate for losses caused by the termination of defence activity and to stimulate the economic diversification of the region affected by these changes.

We are proposing that priority be given to local and regional stakeholders in the military base conversion process. These local stakeholders are in the best position to know how to optimize resources and how to decide on economic diversification projects. We are also proposing that a plan be developed for the economic reallocation of buildings and facilities that will be closed by the Department of National Defence, and then that existing infrastructure be integrated into economic renewal projects put in place by local stakeholders.

Program management, preparation and planning must be transferred to local stakeholders to prevent the federal government from over–centralizing once again. In any case, it is likely that projects favoured by local people would be more valid than those coming from the federal government. In fact, a centralized approach may lead to excessive costs and again to the bureaucratization of government action. The federal government's action plan should not hinder local and community initiatives.

In conclusion, the Bloc Quebecois is reiterating its commitment to the cuts that must be made in the defence department's budget. In my speech, I pointed out several questionable expenses in a costly and demanding management system, and it would not be unreasonable to believe, like the Auditor General, that drastic changes must be made in this area.

Finally, the list of criteria for military base closures was compiled many years ago. Such closures must be done in a rational and irreproachable fashion. When we look at infrastructure, it is important to remember that Quebec only has 13 per cent of the defence department's capital assets. It would then be ill–advised to believe that Quebec bases can be reduced even further, as this would only aggravate Quebec's current disadvantage in this area. In addition, the bases in Bagotville, Valcartier, Saint–Jean and Montreal are operational and essential to military operations as they represent the minimum needed in Quebec.

• (1110)

In closing, I want to state once again my disagreement with the motion to create a joint committee. I would urge instead the government and the department of defence to simplify, instead of complicating, the defence policy review process.

I hope that the minister will have the political courage needed to rationalize the management of his department with intellectual honesty and the enlightened co–operation of all stakeholders.

I would like to commend, in closing, the commitment made by the hon. minister in his speech to carry out the rationalization everyone is hoping for.

[*English*]

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, I congratulate the Minister of National Defence on his presentation this morning and my colleague from the Bloc Quebecois on his presentation, although I must say there are some portions of his presentation with which I disagree.

I would like to reiterate the Reform Party's support for the conduct of a defence review. We think it is long overdue and vitally necessary that our country revisit the requirements of Canadian defence.

We also support the establishment of a joint committee of the House of Commons and the Senate. It is my understanding that there would be two committees dealing with this matter if it were not for the consolidation into one.

Senate expertise as evidenced in the 1993 Senate Standing Committee on Foreign Affairs report on Canadian involvement in peacekeeping is but one example of the expertise the Senate brings to bear and can offer. Within reason more heads, particularly knowledgeable heads, are invaluable. It provides for broader input.

The committee at the moment is skewed somewhat eastward, in that there is a lack of western representation on it. I am hoping that perhaps in the representation from the Senate we will see some more western representation to provide a more national mandate.

We are very much in favour of the document's support for consolidation with other parliamentary committees. We think it is important that defence be taken in conjunction with foreign affairs. Obviously it is an adjunct to it. We also think a consolidation with the industry committee to involve defence conversion will best benefit Canada in the conversion from our current defence posture to a different one.

With the end of the cold war, as the minister said, there was great relief throughout our country and throughout the world because it appeared the great menace that had faced us for many years was gone. That to a large measure is true. The Warsaw pact collapsed and there was no hovering menace that appeared to be ready to consolidate or to take over the west.

However more recent happenings have indicated that is not quite the case. We now have a much more volatile world. Nationalism has risen in many areas, including the previous Soviet Union, and there is danger that local conflicts or extended conflicts could erupt in that area.

We have seen the dire consequences of ethnic and religious clashes. They are going on at this moment in the former Yugoslavia. It would be a misnomer to say the world is a safer place now. In fact it is probably more dangerous without the iron fist control we used to see in the Warsaw pact.

A rising threat which we must be concerned with and take account of is the terrorist threat. With the sophistication of modern weapons and the ability to distribute those weapons throughout the world by countries which are a little lacking in foreign exchange and therefore vulnerable to offers of remuneration for the weapons, they are virtually everywhere or can be virtually everywhere in the world. We as an independent country

have to be very conscious of this point and prepared to deal with a terrorist threat.

● (1115)

I guess we should be asking ourselves the following question right now: Are we entering an era of continued instability, or are we simply transiting a time of turbulence and discord? The answer to that question is not readily available. I think we have to await the outcome to see just what is going on. I fear that it may be a more extended period than we would wish.

Traditionally Canada's defence priorities have been, first sovereignty, then mutual defence alliances, aid to the civil power, peacekeeping, and search and rescue. In this defence review nothing should be sacred. Everything should be examined to decide whether or not we want to continue with it, whether we want to reallocate priorities, and whether we can afford to do what we say we are going to do.

For instance, search and rescue is almost a given. People consider that if we have defence forces they will be there to help people at sea, to help people who are lost, to help survivors of air crashes, and so on. However, is this better done by the military, or could it possibly be done by contract with a civilian agency in a cheaper fashion? I think that question must be considered.

We must consider Canadian national needs: the ability to control our air space, to detect and monitor people who enter it, to control our seashores and the approaches to them, and to control our borders. We must be able to provide protection from smuggling, from deliberate pollution, from illegal immigration, from drug trafficking and from overfishing. The question we must deal with is: How much of these tasks must be accepted by the armed forces and how much can be assigned or co–operated with other agencies?

We must look to Canada's international needs and desires. Our mutual alliances come to mind. We have been involved in NATO since 1949. It has been a very successful involvement because in my mind this is what brought the Warsaw pact to its knees. It is what stopped the encroachment into western territory from the east. Although NATO could be recognized as a large relatively inefficient and very expensive enterprise, it has accomplished its purpose. It should be recognized as that.

NORAD is almost considered by some to be an agency we no longer need. We must be very careful in our assessment of NORAD because it also has a space adjunct to it that I think we would ignore at our peril.

Going to the proliferation of various weapons of sophistication in the world right now, there is a very great likelihood we will see strategic missiles in hands we would prefer not to see them in. While NORAD is not in the business of providing a defence against it, it could certainly plot the launch of these missiles and the projected strike zone, where it is going to hit. This was used to some effect in the Persian gulf war when the Scud missiles were tracked from their launch. Their impact was passed as information to our naval vessels in the Persian gulf.

We have to look beyond those two mutual defence alliances to our burgeoning involvement in the Pacific Rim. Is it going to involve a requirement for Canada to join in with some defence alliance with the people in the Pacific Rim area?

Since the beginning we have been involved in UN peacekeeping activities. Probably Canadians in the majority would vote for continuation in these activities. But we have to question very seriously in which ones do we wish to be involved. How much are we willing to commit in funds to providing those? Those funds not only involve the actual deployment of the people who are there. They involve the cost of training those people, of transporting them and of looking after them after they come back.

Again referring to the gulf war and other commitments we have had, we have had naval vessels in the Persian gulf, in the Red Sea, in the Gulf of Aden, in the Indian Ocean, and currently we have vessels deployed in the Adriatic.

● (1120)

It is important to realize that at this moment there are over 700 submarines employed by over 44 different countries in the world today. There are another 150 being constructed at this moment.

The submarine has become the weapon of choice for many nations because it is relatively inexpensive to operate and relatively devastating in its ability to control what goes on. For instance, in the Falklands war, one British submarine tied up the entire Argentinian fleet and kept it out of the action.

Therefore we have to very seriously consider when we deploy our naval forces into other spheres whether we go there as an independent nation capable of providing our own protection or with a force that can add this protection to us. That is a decision we have to take.

We are involved at the moment in a humanitarian assistance mission in the former Yugoslavia. There are many misgivings among many Canadians about the mandate, the effectiveness and the actual involvement of Canadians in this type of theatre.

Finally, of course, we must consider the requirement for Canadians to intervene on ideological grounds where we see a human rights violation situation going on in a country and our

people think there is a requirement for Canadians to be involved. The mission in Haiti at the moment comes to mind.

Finally, we have to consider the terrorist threat that I referred to earlier. It is very likely that at some time there will be a serious terrorist threat posed not necessarily against Canada but perhaps against one of our neighbours or our allies. It could also be posed against us and we must be prepared to deal with that.

To paraphrase from the guidance document, the question that we need to examine in this defence review and answer is should Canada establish and maintain at the lowest possible cost a combat capable total force of naval, land and air forces which is adequately equipped, appropriately supported and properly trained to protect Canadians, their values and their interests at home and abroad.

I suspect the answer to that is going to be yes, although we may be seeing a change in the priorities that we have allocated in the past to those that we will allocate at the finale of this defence review. Our aim should be to give Canadians the defence forces they want and are willing to pay for.

My perception of our task in this defence review differs somewhat from our colleagues in the BQ on one item and maybe with others. I do not know. The bottom line as far as I am concerned should be that within those forces and within the budget that Canadians approve, Canadian defence dollars should be spent on defence and not on ancillary items.

The social benefits traditionally associated with defence establishments which come from employment and military payrolls must take second place to defence requirements.

Finally, the outcome of the defence review should be to answer the needs of Canada as a whole, not those of any one area or region within the country. To my mind we are trying to establish the requirements for Canadian defence forces from Vancouver Island to Newfoundland and from the American border to the North Pole.

We should concentrate on achieving what we think is needed and what we can afford to do. That should be our final game. It is my hope that when the white paper is produced some months after the conclusion and the submission of our final defence review, it will reflect very closely the findings that we come up with in this review.

Mr. Ovid L. Jackson (Bruce—Grey): Mr. Speaker, it is a pleasure for me to participate in this debate and to say to members opposite that I appreciate their input.

The last intervention by the member from the Reform Party was quite good. It was balanced. It said that there were imperatives that we have as a nation whether it is an insurrection, smuggling or looking after our territories or whether or not search and rescue is something that the military should have or whether it should be privatized. Canada has a unique tradition with respect to its role as played in World War I, World War II and in conflicts. I think our size, our economic base and our geography along with those traditions have placed Canada in a particular position that cannot be ignored, and that is that we are well–known for our peacekeeping roles. Some people would ask if it is peacekeeping or peacemaking. Whether or not we want to get into that argument is really not a problem since our major role is probably to help stop conflicts.

• (1125)

The member opposite made a very good point when he spoke about submarines. Submarine warfare as well as cruise missiles and F–18s have changed the way that wars are traditionally fought. The Suez Canal was something very strategic until there were submarines. Submarines could be in any place in this world. There is something called MIRV which comes out of the water with a propeller and rocket fire. It can break into seven warheads and each one can be independently guided. That changed the whole perception as to whether or not a base was needed in any particular locale.

I for one would like an answer to the question of the hon. member, what exactly is our role, and then try to deploy our people based on that role. Of course that role would involve not only the defence standing committee but also military experts.

The minister of defence said that we do not operate our system like a business. He was right. I listened to the member opposite who said that we should not be engaged in deadly war equipment. It is a fact of life that for our own protection we may have to do it and since we have a surplus, we sell to people globally. Then there is a fight within the country about whether it goes to Montreal, Quebec City, British Columbia or Ontario. That is probably something that should not be in this debate since we are talking about what our position is, what kind of equipment we require and how are we going to carry it out in the realities of the amount of money we have.

I would like to make one point and I hope that it is considered. The member for York South—Weston and others have looked at defence spending and have said that it is top heavy with generals and people in the upper echelons.

We hear the argument that these people are required since our standing army is not very large and if we have to get up and go, these people can train troops, that they are in positions strategically in order to make that happen.

One suggestion that is probably appropriate involves the great tradition of taking people from the private sector who were in the military, taking their years of experience, counting them in the pension funds and so on. That is one area where the private sector could probably help. Strategically we need those people. However, in reality I do not think we can pay for generals and so on. To keep these people motivated, they take exams and keep moving up, so there is a top heavy army. One innovative technique might be to let them be in the private sector and do their managerial work which involves some of the skills we need, whether it is logistics or whatever special expertise they

have, and allow them to interact with the military from time to time to keep them combat ready.

I applaud members opposite for their interventions. I know there is another subcommittee. I am not sure why that is happening. As far as I am concerned I do not care which committee studies it. I just hope the focus is on the reality.

Bismarck said once that countries should only make alliances with countries of their own size. Once you start with one bigger, you are going to get into trouble. You cannot go around saying that you are neutral. You can be neutralized but you are never neutral. It is the brutal reality about power and power relations in this world. Canada is unique. We do not want to fight with anybody. We happen to be next to the United States which is a global force and deploys itself. Because we are in the global spaceship called earth, everything is interconnected with everything else. There might be a hot spot and it may be that the conflict could spread, which we have seen happen time and time again, and then it affects us.

We have to look at it strategically and come to grips with that within our own reality. I think that is the way we should go.

• (1130)

Mr. Frazer: Mr. Speaker, I do not think there was a question there. It was mainly a comment. I would agree with much of what the member said.

Mr. John Williams (St. Albert): Mr. Speaker, first I would like to comment on the points raised by my colleague from the Bloc Quebecois who argued against creating another committee because it was duplication. Last week they were taking the exact opposite point of view when they said: "Let us form another committee to examine the waste and duplication in government". Now they are opposed to the creation of a committee that is going to do some additional work.

I would like to ask the Parliamentary Secretary to the Minister of National Defence—

The Acting Speaker (Mr. Kilger): I would just like to remind members that in the question and comment period, comments or questions can only be directed to the last spokesperson. In this case the member for Saanich—Gulf Islands was the last member to speak to this motion. So I would ask the member for St. Albert if he would direct his comment or question to his colleague from Saanich—Gulf Islands.

Mr. Williams: My question therefore is for the last speaker. The riding of St. Albert where I live is on the edge of a major military installation, CFB Edmonton, which employs approximately 3,300 people. That is a major installation.

I would like to give a bit of a background on how much is actually involved in that installation. The base provides administrative and technical support not only for the elements of air command but for those units located in Edmonton from the National Defence Headquarters, Land Forces Command Headquarters, Maritime Command, Training Systems Headquarters and Communications Command. It is a tactical aircraft centre for the Canadian Air Forces as well as a parachute training centre.

In addition, it is the home of such units as the Canadian Airborne Centre, Parachute Maintenance Depot, Survival Training School plus four flying squadrons. Not only that, but the search and rescue for western Canada for the the north is located in Edmonton.

A couple of years or so ago we had a horrible crash in Resolute Bay where we were unable to get our search and rescue people in to perform a rescue without the loss of life. I think it is absolutely important that we have a military installation in Edmonton that can serve the north.

The Minister of National Defence has said that there will be major cutbacks announced within the next few weeks prior to the defence review taking place. I would like to suggest and ask my colleague from the Reform Party who was speaking whether he agrees with me that no cuts should be made, especially on a major military installation of 3,300 people, until such time as a defence review has taken place and we can find out whether or not this is really needed. How can it be decided that a hub of military installations that serve all of western Canada, employing 3,300 people, is no longer relevant?

I would like to ask the member for Saanich—Gulf Islands if he agrees with that point of whether we should wait until the review is finished before we make any major decisions of that kind.

Mr. Frazer: Mr. Speaker, I thank my colleague for the question.

I am already on record with the minister as reflecting the view that I believe that closure of bases and so on should better await the outcome of the defence review. I think it most important that we know what we are doing and why we are doing it before we do it. It is far more expensive and time consuming to try to recover a capability that we have given up than it is to maintain it for just another few months and then say: "All right, now we do not need it". I do agree that we would be wiser to wait until the defence review is completed before we announce base closures and so on.

On the other hand I am assuming because of the multitude of activities that take place at Edmonton perhaps it might not be one that is considered for closure. However, if in the course of the defence review it is revealed that the capability that is vested in Edmonton can be diversified to other bases and the capability that is required is still available then I would say that I would have to opt on the side of Canada and its defence force as a whole rather than leaning toward supporting any particular area in the country.

• (1135)

Hon. William Rompkey (Labrador): Mr. Speaker, I am very pleased to take part in this debate today and I want to talk a little at the beginning about the timeliness of the debate and I do so as the recently elected chair of the House of Commons Standing Committee on National Defence and Veterans Affairs.

In that capacity I am looking forward to the review and to hearing from people all across the country. I want to thank the government for bringing forward the review in the way that it has. When we were in opposition we called time after time for the government to do exactly what is being done today.

As the official critic for the opposition at that time, I recall asking the Minister of National Defence if he would refer this matter to the House of Commons standing committee. Now we have a reference and I am very pleased with that.

It seems to me that we need to go about it in this way. We have seen defence cuts over the last several years and we all know that the cold war is over, that there is a peace dividend and that restructuring has to take place.

We also are very much aware of the fiscal and monetary situations. We are aware of the deficit and the need to restrict and cut that deficit and keep it in line. Obviously, defence has played and will continue to play its part in the reduction of the deficit.

We felt quite correctly as an opposition that to drive defence policy from the Department of Finance was not the way to have an armed forces for Canada for the future.

We felt that we really should proceed by examining the aims and objectives of the armed forces. What do we want Canadian armed forces to do for the foreseeable future and for the next century?

That is the way we are proceeding now and it is the right way to proceed. Defence cuts can and should be and have been made but there is a critical mass to be maintained within the armed forces. If we fall below that critical mass we remove our ability to respond to the challenges of the future and to equip the armed forces however that may turn out to be for the task ahead.

To drive defence policy from the Department of Finance we felt and feel now was not the way to proceed. I am very pleased that we are going about this examination, this review, with an open mind and questioning all the underpinning assumptions of national defence for the future.

I am also pleased that the House of Commons, the representatives of the people, is being used as a vehicle to include as many Canadians as possible in this debate. We will want as parliamentarians to hear from Canadians all across the country who have an interest in defence matters and in the security of Canada. I hope they will come forward and I invite them to come forward. Perhaps we can even use the vehicle we are using today of television to include as many Canadians as possible in this review.

We want their ideas. We want them to feel that this is their debate, this is their review, these are their armed forces, the armed forces of their country. I hope that many Canadians will participate.

We will be doing it as well in conjunction with our colleagues on the committee on foreign affairs because obviously there is a very integral relationship between the armed forces and the foreign affairs of Canada. That is a component of the armed forces and we will be looking at that. We will be exploring our membership now in NATO, the development of the CSCE, our partnership in NORAD and the alliances we have formed and may continue to form and explore on both coasts and in other continents.

I am looking forward to this and I want to talk a little about my own experience with the armed forces. It may underscore an aspect of the armed forces that we have not heard about and perhaps do not always consider.

• (1140)

I remember joining the naval reserve when I was at Memorial University in St. John's. I was 19 years old. As a matter of fact, I had been a Canadian for seven years at that time. I was not born a Canadian. I have a great deal of fun sometimes by telling other people that I am a new Canadian. I came to this country when I was 13 years old.

We in Newfoundland, it is important to underscore, were not part of this country until 1949. When I joined the navy reserve I was a new Canadian of seven years. I had rarely been off the island. My friend from Summerside knows that those of us who are born and live on islands live a pristine and surreal existence that is the envy of many other people all over the world. One thing that it does for us is create a bond between us, but it does not introduce us always to other people in other areas.

When I joined the Canadian navy I met for the first time other Canadians. I discovered what they were like. I got to know them. I trained in Halifax, I trained in Esquimalt, British Columbia. I saw both ends of this country and all places in between. That introduced me to Canada.

I make that point because I do not think we should underestimate the role of the armed forces in Canadian citizenship in the broad sense.

As we question what is happening in the world and as we question what is happening in this country and as we look for the kind of Canada we have had, the kind of Canada that we want now and for the future, let us not underestimate the role of national institutions.

As we see many national institutions fading, disappearing and changing it seems to me that the Canadian armed forces are one of those national institutions that is still with us and that still provides a very important role in this country for national citizenship in the broad sense of the word.

It helped me to educate myself. It taught me a few things. I suppose if war were to be declared and were called up, I would be called upon to remember some of those things that I learned over 30 years ago. God help the country if that were the case.

However, it taught me more than just navigation, seamanship, semaphore and that sort of thing. It taught me about people, how one responds to people, how one works with people, how one lives with people and about this country as well.

I do not think we should underestimate the value of the armed forces for education and citizenship in the broadest sense of the words. I am not saying that may be the primary role of the armed forces but I think it is an important role.

We should ask in this review how the armed forces reflect Canada in other ways. How many aboriginals are there in the armed forces, for example? Is it commensurate with the percentage of aboriginals in this country? How do the armed forces reflect the bilingual and bicultural nature of Canada? We do have bilingualism within the armed forces. As a matter fact, we have components of the armed forces that operate in either official language.

I had the privilege last spring, as a matter of fact, of spending some time at Valcartier with the Vandoos before they went to Bosnia. I was impressed once again with the competence, the professionalism and the dedication of that particular fighting unit which is so renowned not only in this country but around the world. I was impressed as well with its ability to respond to new circumstances.

It does not simply have a tradition. When I saw the simulation of events it was to meet in Bosnia going on at Valcartier I realized that particular unit not only had traditions but had competence in anticipating new situations that it would find itself in and was developing an ability to respond.

We should ask ourselves in this review how the armed forces reflect various aspects of Canada in the inclusion of aboriginals, in the inclusion of people of both official languages.

• (1145)

There are other components as well that we should be looking at to see whether our own armed forces effectively reflect the kind of Canada that we have and that we want.

Then we should ask what do we want the armed forces to defend against? Should we be talking about defence or should we be talking about security, the security of Canada, and how we want Canada to be secured? Are our borders secure against the incursions of illegal drug pedlars, for example? Are we secure against foreign overfishing? I have to say that recently, as a matter of fact within the past few days, the Minister of Fisheries and Oceans has been in Brussels trying to convince the Northwest Atlantic Fisheries Organization that we do have a serious crisis in this country.

I have to say as well that the reports this morning were not all that encouraging. The CBC reported that European countries still do not accept, as I heard the news, that there is a crisis and that there has been a dramatic decline in fish stocks, even over the past year.

If we have not been able to adequately defend ourselves and our resources through discussion and through international forums, and I consider myself a moderate, I have to say very clearly that these resources are important enough to us that we should consider taking extreme measures if we have to defend those resources.

We have to see the future of the Canadian navy in that context, not just in the context of search and rescue. That has been alluded to already by my colleague from Saanich—Gulf Islands, and quite rightly. I have known SAR Techs over the years and they are among the most competent and effective that we have anywhere in the Canadian forces. We have to make sure that we give them the appropriate tools to do their job.

Particularly for those of us who live on both coasts, search and rescue is an essential and fundamental component that must be protected.

How do we secure our towns and our cities in emergencies across the country? As my colleague has quite rightly said, that has been a historical role of the Canadian Armed Forces and will continue to be for the future. How do we secure this continent of North America in co–operation with our very powerful neighbour to the south? How do we secure air space? How do we secure the seas around North America? How do we secure our towns and cities within North America?

There is a role there for the armed forces, it seems to me. We should be asking questions and comparing some of the things that are going on in the United States. For example, in the United

States there is a national guard. Is there a need or a role for such an organization in Canada? I do not know. These are interesting questions that we can explore as we explore the security of our towns and cities and our coasts and the role of the armed forces in doing that.

Finally, apart from securing the continent and looking at the defence organizations that we have had such as NORAD, do we need a NORAD of the Pacific as well as a NORAD of the Atlantic?

What about the Arctic sea? As the Prime Minister and others keep reminding us, this is a country that runs from sea to sea to sea. I just saw my colleague from Iqaluit here in the Chamber and he and I both understand that quite often traditionally Canadians see the coast as being east and west, but there is a northern coast as well. In my riding I come very close to the Arctic sea, to Baffin Island. I am just south of Baffin Island and I know that northwest passage is important to us as well.

Canada runs from sea to sea to sea and we have to make sure that all of those coasts, all three of those coasts, are secure in the future. That is our mandate.

How do we want to do that? We have to realize also that the world has to be made secure. Canada has a role in that as well.

• (1150)

The world has shrunk and is smaller than it ever was. Even if we wanted to and even if it was not in our best interest, I think we would be called upon to play a role within the UN. There is a growing need now, it seems to me, to look at the international structures we have created for ourselves to see if they are effective in decision making for keeping peace in the world. Once we ask about structures like the UN, NATO, the CSCE and so on we then have to ask: What armed forces do those structures need and how can Canada contribute?

We have been called on over the years to be peacekeepers for the world. We have an international reputation, and quite rightly so. We will have to ask ourselves in this review: What is the level we can sustain in terms of peacekeeping? There has already been another call for more Canadian troops to go to Bosnia as the ceasefire seems to be taking hold and to be effective.

How much can Canada sustain? We have troops in something like 17 different peacekeeping operations all over the world, something like 2,700 Canadians at last count, almost 2,000 of whom are in Bosnia, in the former Yugoslavia alone. Can we maintain 2,700 people in 17 different peacekeeping operations all over the world? It is not just our armed forces but our RCMP is taking part in those operations. Sometimes our customs officers are taking part in those operations. What level can Canada sustain? What role should Canada play?

We will have to examine that. For all those roles how may people do we need in the armed forces? How many soldiers? How many airmen? How many naval personnel? How many naval ratings do we need? Those are the questions we have to ask.

How will they be trained? Do they have to be combat ready? There is a theory proposed by the people to whom I talked at Valcartier last spring, the generals who were training the peacekeepers going to Bosnia, that the most effective peacekeeper is a fully trained combat soldier ready to meet any emergency. Only if we are ready to meet any emergency can we meet the lesser emergencies.

We will have to ask: How do we train and what do we train for? Finally how will we equip the armed forces? What level of armaments will we need? How will we get those armaments? How much will we produce in this country? How much should we buy off the shelf? These are questions we will have to ask.

What will be the impact of that on Canadians now? Obviously we will not take as thorough an assessment of the arms production industry in Canada, but it is relevant to the armed forces and it is relevant to the economy of Canada at this time. Those are questions the committee will have to ask as well.

How much will we build in Canada? We are building now. We are building in Halifax. We are building in Saint John. We have some of the best in Quebec. We have some of the best and most competent shipbuilding operations anywhere in the world. We are building in London, Ontario. General Motors has an important plant for the construction of armoured vehicles.

How much of this are we going to need? How much of this are we going to continue to build as Canadians? How much can we purchase elsewhere? Finally what level of funding will there be for the armed forces?

In his statement the minister has quite rightly pointed out that this is an important part of our study too. In the document he tabled today, the guidance document, paragraph 6 says that the Department of National Defence has been and will continue to be supportive of efforts to improve Canada's overall fiscal situation. Planned outlays have been cut back by more than $14 billion over the period between the fiscal years 1989 and 1997–98.

The cancellation of the EH–101 helicopter program and defence budget cuts called for during and since the recent federal election campaign will lower defence spending by well over 10 per cent in the next four years, from a high of 40 per cent some years ago to perhaps less than 7 per cent in present circumstances. Defence expenditures today account for less than 8 per cent of the federal budget as opposed to about 20 per cent in 1964. The defence estimates have taken a hit. There has

been a reduction in defence estimates. There will be more as we fight the fiscal situation and as we fight the deficit.

• (1155)

I end where I began: We must not forget there is a critical mass to the armed forces and there is a level below which we cannot pare. If we go below that level whatever it turns out to be, we may not have an effective armed forces in the country to do the kinds of things we want them to do. That is the kind of question we will be asking in this review.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I listened carefully to the previous speaker. He gave us a very eloquent overview of national defence. However, I do not fully agree with him, especially since he did not stick to the motion before us today.

As for the motion tabled this morning by the Minister of National Defence, I do not see the need to hold a special debate on our national defence policy, since the government has yet to table its white paper. With this debate, is the government playing for time and trying to bring the public on side? What I just said also goes for the cutbacks affecting military bases and for the peacekeeper training centres.

I was hoping the debate would focus mostly on ways to lower defence spending, even before the budget is tabled, rather than on a joint committee made up of a specific number of people, with specific terms of reference, which will undoubtedly cost Canadians an unknown amount of money. Earlier, the hon. member raised many questions, and I think that we have received enough information from our military strategists and our military staff and we have had enough discussions with these people to know where we should be going with our national defence policy.

I wonder of course how much this review will cost. I also wonder about the committee membership. I do not see why we need five senators on this committee, since they would only increase costs. But anyway, I am against such a committee.

In this debate on national defence, I have much more confidence in our military strategists. We have to trust someone, otherwise we should stop sitting in this House and start spending all our time consulting department after department. For example, CFB Bagotville is designed to be involved in Canada's territorial air defence, airspace control, drug enforcement, international forces as well as support for our land and naval forces.

• (1200)

CFB Bagotville can provide air defence since it already has all these elements. It can respond to all our anticipated needs in relation to NORAD. Bagotville is located 245 miles from Gagetown, 240 miles from Tracadie, 370 miles from Clearwater, 85 miles from Valcartier and 290 miles from Petawawa. Its central location makes it ideally suited to provide, with optimum efficiency, the services to which Canadians are entitled. The only thing that this base, which is 99.9 per cent francophone, needs to be really efficient is an air to ground weapons range.

I hope that the government will take these remarks into consideration and will take action instead of constantly telling us to wait, to wait for the creation of jobs, to wait for the budget. Communities that are concerned about base closures want to know. This is the question that I want to ask my colleague: How long they will have to wait before the government makes a decision. Will they have to wait one more year or even two more years? Will the government let this uncertainty drag on? If they knew that they were going to lose their base, they could start working right away with labour unions, with the industries that will be affected and with the people themselves in order to come up with a new project to replace that base. That is my question.

[*English*]

Mr. Rompkey: Mr. Speaker, I tell the hon. member that Bagotville is very important to me because CF–18s from Bagotville are staged into Goose Bay from time to time. In my riding we have a very direct connection in Goose Bay to Bagotville. I do not know what the future is for that base or other bases. I know the government will very soon make clear its intention in that regard, in keeping with the promises made in the red book during the campaign. Very soon Canadians will be apprised of the intentions of the government in that regard.

I just want to make two other comments. As I understood the hon. member he seemed to want to have the government's intentions first. As a member who has been around here for some time, I have to say I have been very impressed by the way in which this particular Parliament has proceeded, that is by actually asking members of Parliament what they thought before the government made some decisions.

Those of us who were around here before know that was not always the case. Decisions were made. They were a fait accompli. They were handed to people whether or not they liked them. This way is a much better way to proceed. Not only are parliamentarians being asked their opinion before long–term government decisions are made, but the people of Canada are having a chance to participate. When we were in opposition we called for this and I am very happy to see it is taking place.

With regard to an increase in spending, whether or not the member agrees with a joint committee I do not see a great increase in spending. It seems to me the committee will have to travel whether or not it is both Houses. The salaries of senators as well as members of Parliament will be paid on whatever committee they happen to sit on any particular day. I do not see a

great increase in spending as a result of having a joint committee rather than a House of Commons committee.

Mr. Randy White (Fraser Valley West): Mr. Speaker, I will try to be a little more brief in my question. I suspect many of us in the House have been touched at one time or another in some way by the military as I have been. I have friends still in the military all over the country whom I knew 20 years past.

• (1205)

I agree with many of the comments made by the hon. member for Labrador concerning national pride. People today are somewhat confused about the role of the military. People within the ranks of the military are also somewhat confused about it which does not do much for their morale.

I do believe we should study first and take action second, as my friend from Saanich—Gulf Islands has said. I also believe we should end the political football that has been evident within the military for 20 years at least. It seems to become an issue every year at budget time.

I would like the hon. member to comment on three areas. When the minister made his opening statement he said that public consultation is a priority with the government but the report that will ensue from the consultation will not constitute the new defence policy. I wonder if that is some form of disclaimer to the findings of the report itself or if it is just another way of saying the committee does not have as much teeth as we think it may have.

Another comment is on the selected communities where representations can be made. It is important to realize that some of these communities should be places like Summerside which has already gone through this type of situation. That community may offer some very good comments on this particular situation now that the deed has been done down there. The locations of these representations should be very carefully assessed and selected.

One other comment I would like to have made by the hon. member is the role of the reserves. I well remember growing up in the maritimes in the mid–1960s. I joined the military in Halifax, virtually having left school at a predetermined age. I had very few opportunities but I received a very good opportunity with the military and made a home there which led to a career.

What role does the government see for the reserves? There is a great opportunity for expansion. Perhaps the hon. member could comment on the future of young people in the reserves.

The Acting Speaker (Mr. Kilger): Before I recognize the hon. member for Labrador, the member for Fraser Valley West reminds me that like all new members in this 35th Parliament he has learned his lessons well in a very short period of time and that within one question there are many questions to the hon. member for Labrador.

Trying to respect the standing orders with regard to time limits of speeches in questions and comments, particularly in a debate such as this one which is of great importance to all Canadians, and wanting to give as many members as possible the opportunity to participate, I would ask the co–operation of everyone so that we might be able to get on the record the participation of as many members as possible.

Mr. Rompkey: Mr. Speaker, I take your point and will be brief.

On the last point, let me just say that I would foresee an increasing role for the reserves in the Canadian Armed Forces. We are committed to the total force concept, as was the previous government. We will be studying the comments the Auditor General has made on the inadequate integration of the reserves. However, suffice it to say that I see a continuing and increasing role for the reserves in the Canadian Armed Forces. Indeed, approximately 30 per cent of our people in Bosnia are reserves.

I take the point concerning locations of representations. I assure the hon. member that the committee will want to travel all across the country. The committee wants to hear from as many Canadians as possible, including those who traditionally have been part of the armed forces establishment and those who are simply interested.

With regard to the minister's comments this morning about the white paper following on from the committee report, if the member reads the blues, he will see the minister said that the government would not necessarily be totally governed by the report of the committee. He did go on to say, I think if the blues are checked, that the government would ignore the committee report at its peril.

• (1210)

I simply took that as the minister giving himself enough latitude to be the government, as is his role, but saying very clearly that this is a serious process and that we do want to hear recommendations and to hear policy formulated from the parliamentarians of Canada after listening to the people of Canada.

[*Translation*]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, the government is inviting us today to a third debate on Canadian defence policy. Going against all logic, the government started this series of debates by asking the House to reflect on two special aspects of such a policy, namely the role of Canadian peacekeepers in Bosnia–Hercegovina and in Croatia, and the

testing of cruise missiles over Canadian territory, before letting us know the general direction of its intended defence policy.

Today, without any warning, the government is asking the House to debate the main thrusts of our new defence policy using as a base a vague and general document which has been handed out to members at the very last minute. Moreover, the government assumes that a defence policy can be considered independently from foreign policy, which is not the case. There again, the government carefully avoided to unveil its intentions regarding the direction it will give to this new foreign policy.

However, since we must accept the general format decided upon by the government for this debate, I will say that we first need to put this question in the general geopolitical context of the day, because it is this context which determines the choices Canada will have to make when defining its defence policy.

It might be useful to recall that at the end of the second world war, the world split in two distinct blocs, the western bloc and the eastern bloc, which set up two competing military alliances, the North Atlantic Treaty Organization, NATO, that Canada joined in 1949, and the Warsaw pact.

At the end of the cold war, toward the end of the eighties, this polarized political situation changed drastically. The Warsaw pact dissolved, leaving NATO without any apparent rival. Therefore, western countries do not seem to be facing any readily identifiable threat. World stability is no longer the result of a balance of power between two groups. New nuclear powers are gradually emerging, and they often are politically unstable. Under such circumstances, it became difficult for Canada and its allies to question the collective security system which had determined their defence policy during the cold war.

On another level, the decreased influence of the east bloc countries and Russia on international issues had a direct impact on the political and military stability in several regions of the planet. Yugoslavia and the ex–Soviet republics are the most striking examples of that.

Some regions have also tried to take advantage of the new division of strategic powers to assert their political and military presence in their part of the world. The Persian Gulf war remains the most striking case, in line with the new configuration of global politics.

In response to the emerging political balance, NATO countries reviewed and then modified their defence policies. The same process went on in Canada and, in 1992, the government presented a new political statement to replace Perrin Beatty's white paper dating back to 1987.

The defence policy of western countries was readjusted in several ways. First, the most important measure in my view was to reduce the defence budgets; since exterior threats were no longer comparable to those that prevailed during the cold war, defence did not require as many resources as it did in the past. The armaments industry was affected directly by that readjustment because its markets shrunk considerably. In arms producing countries, hundreds of thousands of people were laid off and Canada was no exception.

• (1215)

Second, on a more strategic level, was the review of potential sources of outside threats. Under the new international order, the danger of an east–west conflict has greatly diminished. The new dangers, as identified by NATO members, stem from the regional conflicts which have been emerging in various parts of the world over the last few years. Canada shares this point of view, as attested by its 1992 policy statement.

Third, the political and strategic mandates of the major international organizations are being totally redefined. The UN and NATO are two cases in point.

The United Nations organization, through the Security Council, is increasingly being asked to take action in conflicts arising in various parts of the world. The latest ones, the gulf war and the civil war in the former Yugoslavia, herald new trends which have a significant impact on the national defence policy of western nations.

The North Atlantic Treaty Organization, for its part, seems to be willing to take on a much bigger role since the disintegration of the Warsaw pact. Originally designed to ensure the mutual defence of its member countries, NATO is now seeking to modify its defence mandate in the north Atlantic to become more closely associated with the United Nations organization, as its military arm whose role would be to enforce the mandates given the UN by the Security Council.

This trend is reflected in negotiations on the use of air strikes against Serbian troops in Bosnia–Hercegovina.

As a member of two major international organizations, NATO and the UN, Canada cannot and must not withdraw from discussions on these issues. The international situation is very unstable, and it would be extremely dangerous to renege on our international commitments.

As you know, Canada does not have the necessary resources to provide for the security and full defence of its vast territory.

This given has had a decisive factor in Canada's defence policy for several decades, as can be seen by this country's participation in joint security systems established through NATO and NORAD. It would also be unrealistic to think Canada is not affected by changes in the global political situation. We must realize that Canada can play a strategic role at the international level and, in return, rely on its international

alliances to guarantee the security of its territory. That was the gist of the 1992 policy statement.

The statement replaced the 1987 white paper which, as I said earlier, was drafted in a cold war context. The new defence policy was intended as an adjustment to the new international situation. It pointed out the risks that continued to exist from a strategic point of view, despite the collapse of the Warsaw pact, and perhaps I may quote the following:

> The nuclear arsenals of the former Soviet Union remain sufficient to devastate this continent. At a time of ongoing instability in the Commonwealth of Independent States, prudence requires that we take these capabilities into account in the formulation our defence policy.
>
> The size of our country, its strategic location, and the limited resources that we can devote to defence mean that, for the foreseeable future, Canada will maintain its long-standing relationship with the United States.

Until further notice, this policy statement is still the Canadian government's official policy on national defence. A few adjustments have been made, however, including the renewal of the Canadian–American agreement on cruise missile testing. Furthermore, with its contingent of peacekeepers, Canada has also helped redefine its role within our international institutions.

As far as strategy is concerned, we have seen that the geopolitical context is changing very fast. As I said earlier, this development should not necessarily be interpreted as a portent of a new era of peace. The carnage taking place in various parts of the world should give us some indication that is not the case.

It would be illogical to think that just because the world is no longer divided into east and west as it was after World War II, we should abandon our role within the joint security systems.

• (1220)

The concept of threat should not be perceived only as being inherently linked to the concept of territory. Should the conflict in the former Yugoslavia spread beyond its borders, for example, Europe and NATO would be directly involved. The catastrophic consequences of such a scenario are serious enough to make us realize how important it is to have a defence policy which is not only intended to protect the territory of Canada or Quebec, but also takes into consideration the security of our strategic and traditional allies.

During the last election, and many times since October 25, the Bloc Quebecois has reaffirmed its support for cuts in the budget of the Department of National Defence. Despite the international context I have just described, we believe that we could cut that budget by some 25 per cent without dramatically impairing the operations of that important department.

Reducing the budget of the Department of National Defence by 25 per cent does not mean that we should withdraw from our obligations. On the contrary. The Bloc Quebecois is not advocating the total elimination of all major equipment procurement programs, though we believe some should perhaps be abandoned.

These programs remain important if Canada is to live up to its international commitments, but the rapid changes on the political scene worldwide make it necessary for western countries to redefine their defence policies on an ongoing basis. Canada is no different.

A new government has been elected and it is now its responsibility to propose new directions, in terms of defence, that can adequately address these rapid and fundamental changes that are occurring throughout the world. In this regard, you will note that the Liberal Party of Canada had already stated some of its positions while sitting on this side of the House, in the opposition, and during the last election campaign.

But it is worth pointing out, Mr. Speaker, that this is not the first time that the Liberal Party sends conflicting and unclear messages about its defence policy. Let me just remind you that, in the early seventies, under Pierre Trudeau, the Canadian government tried at first to distinguish itself from its American neighbour, but later, in the early eighties, its positions got considerably closer to the Americans'. As evidence of this, it is interesting to note that it is the Pierre Elliott Trudeau administration that first authorized cruise missile testing on Canadian soil in 1983.

Let me also remind you that Prime Minister Trudeau had taken on an international peace mission while at the time increasing considerably national defence budgets and authorizing the purchase of sophisticated equipment in order to support Canadian defence policy. I am thinking, for instance, about the acquisition of CF–18s and the first order for new frigates intended for the Canadian navy.

While sitting in the opposition, the Liberal Party often blamed the Conservative government for being too conciliatory with the United States. It did not keep the Liberal Party from reaffirming its support for the cruise missile tests last January, even though many of the top members of the party had objected to such tests. It is not easy therefore to anticipate what the main orientations of the government will be on the issue of national defence.

Yet, on a political level, it is important that we make sure the government determines in the very near future the thrust of new defence and foreign affairs policies that will be credible, clear and feasible.

It is too late to go on listing platitudes like they have been doing in the red book until now. The Liberal Party is in office; it must act responsibly and stop pretending it is consulting people

in order to gain time. Consultation is definitely a good thing, but it does not relieve the government from its obligation to reveal its intentions and the general principles of the policies it wants to implement. Discussion is valuable only if it is based on solid grounds.

The House of Commons is now in its third emergency debate on issues that are not supported by an honest and concrete national defence policy. What is even worse is that those debates do not seem to lead to any well defined policy.

Such an attitude is totally inappropriate. At this stage of the discussion, we denounce resorting to emergency debates on a national defence policy when the government has not even presented its new white paper on the subject.

• (1225)

I also seriously question the creation of a joint committee of the House and of the Senate to study and define the direction Canada's new defence policy should take. I doubt it is pertinent and financially sound as an operating procedure.

Since there is already a House standing committee which has been given the mandate to study defence issues, we believe a joint committee would only duplicate its efforts, with all the expected drawbacks as far as efficiency and cost effectiveness are concerned. We think the government must avoid such expensive practices which only go to demonstrate that the Senate of Canada is useful and its existence fully justified. This inference alone should lead us to question the relevance of keeping this antiquated and archaic institution.

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I would like to make a few comments on what the hon. member for Verchères had to say and pose a question to him.

He made reference to the fact that this is the third debate we have had in the House on the armed forces in a hundred days. He spoke of this in a negative sense. I suspect there are those in the country and many members in the House who would look on that fact as being very positive. Certainly members of the armed forces welcome a discussion on their business. Three discussions in a hundred days is more than we have had on national defence in the House in the last 10 years. I see that as positive.

The member says these discussions are about defence policy, that we are going to have a defence policy today. I remind him that in the case of Bosnia the fact that we have a peacekeeping capability and would peacekeep is defence policy. Whether we would continue to leave peacekeepers in a particular location is a national operational decision. It is not a policy decision.

On the business of cruise missiles the minister made it quite clear on February 3 when he answered a question that we had agreed to participate in the cruise missile testing, but on the understanding with the American government that future testing would be determined by our defence policy. It is unfair for him to do that.

I have a question for him. He says that we are buying time. The red book said that we would have a defence white paper by the end of this year. That is what we are doing. It was clear. It was telegraphed months ago, almost six months ago. By the same token he says this is all wrong because we cannot make policy in these decisions; we have to study it properly. Then he says we are just biding time and goes on to say that what we really need to do is to cut defence by 25 per cent.

Does the hon. member want a policy to decide what we want to do, or does he want to cut it by 25 per cent? He cannot have both.

[*Translation*]

Mr. Bergeron: Mr. Speaker, listening to my hon. colleague, I hear a lot of things I never said. First of all, I would like to say that I went out of my way to point out that such a debate was highly desirable, and highly praiseworthy, but that we cannot have a discussion just for the sake of it. To have any productive discussion, we need a policy paper to give a direction to the debate.

When we had the debate on whether Canadian peacekeepers should stay in Bosnia–Hercegovina and in Croatia, and the debate on allowing further cruise missile testing in Canada, we, on this side of the House, criticized not the relevance of the debate nor its very nature, but the fact that the debate was going on before the government had presented its overall policy or the general direction of its defence policy.

My hon. colleague is quite right when he says that cruise missile testing and peacekeeping are part of Canada's overall defence policy. Consequently, as far as we are concerned, it is totally illogical to proceed backwards and, as I said before, put the cart before the horse by debating certain specific aspects of the defence policy before we even had a chance to discuss that policy as a whole.

• (1230)

In view of such criticism, we thought that the government had gotten the message. Obviously, it has not. It is back today with this debate on Canada's defence policy, without any policy paper or guidelines, except for this short paper we were given only this morning.

I think that we should have received this document much earlier so that we could have been apprised of the government's concerns and questions regarding defence policy. They only gave it to us this morning. How are we expected to have a

worthwhile debate under such conditions? What I was criticizing in this debate was not its relevance but the way it is taking place.

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, in my introductory comments on welcoming this opportunity to speak I said how great it was that we had three parliamentary debates on national defence in a hundred days which was more than we had in 10 years. Certainly I welcome that. I know members of the armed forces and members of the House welcome it. I see it as very positive.

The premise under which we are discussing today is that for the first time, certainly in my memory, parliamentarians are having a look at and listening to what the country has to say to determine what will be the defence policy. In my memory a white paper has not been written as a result of a parliamentary committee. I welcome that. It is the way it should be done. Instead of people behind closed doors putting together documents on premises that may or may not be right, I believe this is the right and proper way to produce a white paper.

By way of introduction I want to give some indication of how I plan to organize my thoughts today. I want to have a look at the traditional way we have gone about producing defence policies in Canada. Then I want to expand and have a look at some of the factors that have changed which may cause us to rethink our traditional way of producing our defence policies. Then I want to give some examples of those general discussions in the time I have.

To begin with, Canada's traditional approach to defence planning has been affected by many factors. Many of them cannot be changed. We have the country's political evolution and, to a certain extent, our post–colonial sense of dependence. This was thrown off at Vimy Ridge but it still remained for a few years after. We have our vast expanse and remoteness. We are the second largest country in the world. We have three oceans. We have the world's largest coastline. We have our physical contiguity with the world's most powerful state and, above all, our own peculiar political culture and the effect on how we govern ourselves.

The formulation of a clear policy in Canada is never a simple or easy matter. In my opinion Canadian defence policy has seldom represented a deliberately chosen course of strategic direction or a fully integrated element of national purpose and object.

For more than four decades the basic premise on which Canada's defence policy was based was the cold war. That was the background against which we defined our security interests. That was the reference point for the setting of priorities and the making of decisions.

The 1964 white paper was based on the view that if there were a war it would be nuclear and over quickly, thus precluding the practical use of conventional or reserve forces.

The 1971 white paper cut back military numbers but expanded their roles: protecting our sovereignty, defending North America, upholding NATO, domestic emergencies and UN peacekeeping.

The 1987 white paper considered nuclear powered submarines, new tanks, bases in the north and forward operating bases for F–18s as essential to our defence, at a time when the cold war premise was about to come to an end.

• (1235)

It also, incidentally, seriously considered the total force concept, calling up a force in reserve to complement forces in being.

The latest policy statement issued by the minister of defence in September 1991 represented a useful, but I believe long overdue clarification of a change in orientation. If one really views it in its pure terms, the document was more of a rationalization of incremental decisions that had already been taken more than a suitably thoughtful re–examination of the basis for future policy development and planning.

The premises have changed. It is now time to measure policy against those changes and on that basis work our way to decisions that will serve our national interest.

To begin with we are now living in a period of technological change that can justifiably be called a second industrial revolution. Advances in microelectronics, genetic engineering, materials, space and telecommunications have turned industrial planning upside down.

When we factor in the deeply embedded and substantive trends in the physical environment, human rights, demographics, trade and economic patterns, it suggests a climate in which the traditional business as usual view of defence planning is unlikely to work.

I believe also the concept of national security is changing. Today it must be recognized that military might does not wield the same amount of national power it did yesterday. Indeed, the relative power of countries is now determined by an increasing interplay of economic and military factors which together with the fragile disposition of modern political systems is a major consideration.

The emerging democracies in eastern Europe for example, in Latin America and elsewhere will only add stability to their respective regions if they are seen as capable of tackling their domestic problems.

National security in the future may be just as concerned with environmental issues and the ability of a nation to feed itself as it is with the size, nature and structure of the armed forces

shaped from the time honoured need of maintaining territorial sovereignty and security.

The *Exxon Valdez* oil spill off the coast of Alaska comes to mind. So does the collision early in this decade between a U.S. and a Russian nuclear submarine near Russia's Arctic naval base in which some experts suggest that had the submarines collided at a different angle, both may have sunk instantly before their nuclear reactors could have been shut down.

Economic and social developments, while traditionally considered important in determining national interest, have today taken on a new significance for military planning as states struggle for independence and to protect markets and access to resources vital to their domestic economies.

Interruption in the flow of oil out of the Middle East for example was a major consideration in Canada's going to war for the first time in 40 years in the Persian gulf in 1992.

Similarly, the concern of Atlantic Canadians, my own province and the Atlantic provinces, over the survival of their northern cod stocks may very well involve maritime forces responding to foreign overfishing on the nose and tail of the Grand Banks in a big way.

The hon. member for Labrador this morning spoke of this and other national and sovereign imperatives that we will have to consider. Therefore I will not cover that.

I now want to cast my eye internationally. At the end of World War II we ended up with 60 countries in the world–recognized entities as countries. As a result of revolutions and decolonialization, countries breaking up, today we have three times that many countries in less than 50 years.

In these 180 countries of the world, there are 4,000 languages and as many religions. What is interesting about the composition of the countries is it is responsible for the trend that we see today. That is that 60 of these countries have populations of one million or less and 40 of them have less than 200,000, less than most of the smaller provinces in Canada.

• (1240)

More important, and I think it is germane to the argument I am making, less than 10 per cent of these countries have a homogeneous ethnic population and less than 5 per cent have an ethnic group that accounts for more than 75 per cent of the population.

I believe what we are seeing is an explosion of nations downward and inward to the point where they are really comprising the smallest ethnic and religious groups.

In the last four and half years we have been involved in the world and in Canada in more peacekeeping operations than we have in the last 40 years. If we take the trend that I spoke of earlier and look at the increasing intolerance of religious, social and ethnic groups one for the other, it is my thesis that the demand for peace operations is going to increase in scope, in number and in complexity.

Let us look at some very simple examples. Political instability has us involved in Cambodia. The inability of Somalis to provide food for themselves had us involved there. Ethnic wars in the former Yugoslavia has us involved there. Canadians are asking why, why? These are some of the things that our defence policy will address.

The simple answer is that Canada is a major trading nation with a multicultural make–up and it is in our national interest to invest our national resources to maintain a more stable world.

The traditional concept of national security is also affected by the uncertainty as to what might be a new pattern of world order to emerge following 45 years of a relatively stable cold war environment. I would suggest that history tends to work that way. History tends to work in pattern, certainly in my lifetime.

The most recent example I suppose I can quote is that after the end of World War II it took a few years for a pattern of the cold war to emerge and for east and west military and political alliances to polarize on either side of the iron curtain. We had the Warsaw pact versus the NATO alliance. The cold war is now over and the security systems that we have known all our lives are in question. We are waiting to see what will eventually replace them.

On top of that the traditional alliances, the Middle East order, has changed. Trade patterns have changed and we are not sure what is going to replace them. We are still getting used to the idea of a single superpower and what that means to the outcome of regional disputes, although the recent Persian gulf campaign does provide some tangible evidence of how future blow–ups may be managed.

What happens in the Middle East will in many ways impact on Europe and what prospects there may be for global order in coming decades. The same argument applies for Asia where the changing power balances are affecting the positions of China and Japan as well as the smaller economic tigers such as Korea and Taiwan.

Superimposed on all of that of course is the compelling need to refurbish the operating mechanisms of the United Nations. That I do not believe needs any elaboration in this House to the members present.

Until a clear pattern emerges which if we are to believe history it will in a few years, hasty decisions on defence services programs for a 15–year period based on an outdated defence policy of the past five years may prove very, very risky.

Another consideration comes to mind. It relates to the need in responding to these factors of change within the parameters of national pressures for immediately shrinking defence budgets. As identifiable enemies disappear we do not have an identifiable Warsaw pact, we do not have an identifiable Soviet Union; as a perceived identifiable enemy disappears, the constituency for defence cut funding in this country and in other countries will by natural order and natural trends diminish and the call for peace dividends and conversion will increase.

• (1245)

The Canadian Peace Alliance, for example, is already calling for the budget to be cut in half. I am still seeing editorials in national newspapers citing the importance of identifying the industrial parameters and the national imperatives related to the conversion of defence industries. Conversion of defence industries is a big thing in the United States and in the U.K.

They may not agree with them, and there are members in the House whom I see nodding and shaking their heads, but I believe they have to be addressed by proper defence policy review.

In summing up what I have said, let me repeat that this is a time when it is particularly important to base defence policy on a truly vigorous appreciation of the complex global situation, on the broader meaning of national security and on a focused effort to be prepared to dispense with the traditional methods in the interest of effectiveness. As I said earlier, the fact that the genesis for this white paper is coming from political committees, parliamentarians studying the issues, I believe is an indication that we have agreed and are prepared to digress from the age–old traditional methods.

Canada is committed to peace. That after all and above all is our national interest. Our national goal is to promote a more stable international environment as I spoke of earlier. The role of our armed forces is to defend this country and to contribute to the preservation of peace and stability throughout the world. Our defence policy must support these objectives.

To do this effectively it must be based on a clear–eyed perception, one that recognizes the achievements of the past but also the continuing dangers of the present.

Sir John Hackett, a very well–known and highly respected military person and author, once said: "When a society looks at its armed forces, it is looking in a mirror and if the reflection of that mirror is a true one, the face they see will be their own".

Our armed forces have always acquitted themselves admirably. Their reputation as true professionals is unsurpassed be it in NATO, peacekeeping, national efforts, search and rescue or any conceivable operation that is within the purview of the military inventory.

Our policy review must be correct in order that when our young men and women in uniform are committed to an operation and sent in harms way, as many of them are today, their government and their country will know that they need to be there and they have the proper equipment and logistics support to make sure that they will do their job as well as they can under the circumstances.

In conclusion the decisions we make about Canadian policy must be guided by commitment, by focus, and by prudence.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, I listened carefully to the speech of the hon. member. It seems he has disregarded an aspect of the national defence policy review and consequently of the Canadian Armed Forces, and that is the work language in the armed forces.

I know that the former Conservative minister, Mr. Masse, had deplored the fact that French language was rarely used in the armed forces and that few francophones got promotions.

I know that in my own riding some members of the reserve cannot take courses in French and, therefore, find themselves barred from getting promotions.

Therefore, I wonder if the government will consider this matter in its review of the general role of the armed forces, and consequently of the operations of the Canadian Armed Forces. I would like to know the government's position on the matter because the present situation appears quite deplorable.

• (1250)

[*English*]

Mr. Mifflin: Mr. Speaker, I appreciate the hon. member's question. Whether it has applicability and relevance to the particular discussion I just had I suppose is immaterial. I will grant him that it is an aspect of our policy we should be looking at. I did not mention it of course. He appreciates that in a 20–minute presentation we are all constrained to present factors determined by a number of things.

It is a fair question. What I will say to the hon. member is something the Prime Minister has not said. I am sure he would agree with what I am about to say but I have not checked it out with him.

There are no sacred cows. We have assumed nothing in that sense. Clearly there have to be parameters in what it is we do. I speak generally and from personal experience. Considerable progress has been made in that area. More progress has yet to be made.

One example for the hon. member of an ongoing project in his province is a centre of excellence for the naval reserve force. He is aware of course that the headquarters for naval reserves is in Quebec City. This centre of excellence will be used for training

reserves. It is meant to address the ability for naval personnel who tend to be posted to the east and west coasts to be given the opportunity to participate in their second language.

I use that as one example of the ongoing efforts by National Defence. However, the general answer to the member's question is that I am sure it will be addressed.

Mr. John Williams (St. Albert): Mr. Speaker, I would like to congratulate the Parliamentary Secretary to the Minister of National Defence for his eloquent defence of the defence department.

At the edge of my riding are CFB Namao and CFB Edmonton. We heard the defence minister speak this morning about how there will be cuts. I understand that cuts have to be made. However, today we are debating the need for a defence review. I am quite concerned that the minister intends to make some serious cuts to the defence establishments.

Prior to the commencement of the review or right at the very beginning rather than at the end, CFB Edmonton now employs about 2,800 military personnel and quite a number of civilians in addition to that. It is the base for search and rescue for Canada's north. As I mentioned, there was the plane crash in Resolute Bay where there was loss of life because we were unable to get people in there quickly enough to save those lives.

Can the parliamentary secretary give any assurance whatsoever to me and my constituents, if the rumours are true that CFB Edmonton is perhaps on the chopping block, that their jobs are secure? This is a major defence installation. We cannot just say that all the things they were doing yesterday are now totally superfluous and just close the whole place down. This is the hub of the western forces in Canada and many headquarter facilities are there.

Can the parliamentary secretary give his assurance that CFB Edmonton will be maintained so that these people can be assured they are performing a vital role as they have been in the past toward the defence of Canada?

Mr. Mifflin: Mr. Speaker, I appreciate that the hon. member feels constrained by this in response to his constituents. I would do the same thing and I appreciate his concern.

I would just like to repeat what the minister said this morning. I have heard him say it many times. That is that we have to be very clear that the infrastructure rationalization is separate from the defence policy.

• (1255)

The hon. member for Saanich—Gulf Islands will remember as I do that whenever cuts and reductions in the military force came up those of us in uniform would reach for a thing called the infrastructure study. We would give it to the politicians because we knew they would never cut back on infrastructure. It was politically dangerous to engage in infrastructure rationalization.

We—not just any side of the House, but all politicians and I am one of them—cannot engage in that any longer. We now have an infrastructure for 75,000 people that we had for 130,000. We may get away with plus or minus 10 or 20 per cent but we cannot get away with 100 per cent deficit. We have one building for every two people in the Canadian forces. We cannot rationalize that. We cannot agree with that and cut the operational edge of the armed forces. It would not be fair to our men and women in uniform.

We have an operational capability right now. That is essentially to send a task group to sea, to send two squadrons of fighter aircraft abroad and to send a battle group. We want to honour the commitments we have made in the red book but at the same time maintain our operational commitment until we decide in a defence policy review what we want that commitment to be.

The hon. member knows I am unable to comment on the question he has asked me. I hope the overall perspective I have given him will put it in the context of what we are discussing today and why the policy review will be in the future and infrastructure decisions will have to be made before that.

[*Translation*]

Mr. Maurice Godin (Châteauguay): Mr. Speaker, I have been listening for some time now to what the member opposite has to say about defence. I must say I have serious reservations about the need for such a new committee.

Earlier, some members told us how pleased they were because this is the third time the issue has been raised in the last 100 days. That, in my opinion, does not mean we will get better results. If we had been better prepared, we might have needed to address the issue only once.

Also, we have heard a lot about the way this government is doing things, about the way it consults before taking action. I agree that members should be consulted. However, when we are asked to set up a committee without knowing how much it is going to cost, we need to consider the proposal very carefully. Earlier, a member talked about the Charlottetown circus which cost, as we know, millions and millions of dollars.

What bothers me beside the costs of the project is the way they keep quoting the red book. It seems that the red book contains all the solutions needed to improve government management. If that is true, why not simply implement the red book; let the government implement it and we will be able to decide for ourselves. We might not need this committee after all, which plans to travel throughout Canada.

We also heard about cuts and streamlining measures. But what will we do? We will travel throughout Canada to gather suggestions without knowing whether we will get the money and the budget to implement them.

To sum up, I would like to ask my colleague how much he thinks this committee will cost us? What will we get from it? You have to remember that less than a week or 15 days ago, we, in the Bloc Quebecois, were suggesting that a committee be set up to review government expenditures, and that our proposal was turned down. Such a committee was not deemed necessary, because the government thought it had all the tools it needed to do that review.

• (1300)

I think that today the government is not looking just to set up another committee, but it also wants to travel throughout Canada to sound out public opinion. We just came out of an election. First, we should let the government implement the red book, and then, we can see what more can be done.

[*English*]

Mr. Mifflin: Mr. Speaker, I am going to run out of time. May I have the unanimous agreement of the House to answer the question? It will not take too long.

The Acting Speaker (Mr. Kilger): There is some time remaining for the parliamentary secretary to respond. If he should go beyond the allowable limits we are prepared to take into consideration his request at that time.

Mr. Mifflin: Mr. Speaker, the hon. member had a number of questions but I think the focus was why we need to have this committee. I have to presume he means the combined committee because I do not believe the hon. member would object to the defence standing committee studying the defence issue. I am going to assume he meant the combined committee.

I am not sure where the Bloc is coming from because I sat in this House a week or 10 days ago while the Bloc argued for a committee to look at issues the Auditor General had raised. On the one hand it wants some committees. On the other hand it now objects to the fact that a committee is struck for a substantive purpose, that is to look at what it is we are doing in defence.

The hon. member asks why we do not just apply the red book. That is precisely what we are doing. We are applying the red book. The red book says we are going to have a defence policy review by the end of the year. That is what we are doing. It should be no surprise.

The hon. member talks about preparation time. My gosh, people with the backgrounds they have should not need much time to prepare on such an issue as defence policy. God knows members spoke about it enough during the election so they should have enough preparation time to talk on the general subject. This is not a specific issue. Any member can get up and talk about anything on defence related to a defence review. I am not sympathetic to that problem quite frankly.

I will address the substantive issue. The substantive issue the hon. member has put to me is how the parliamentary secretary and the minister can support a combined committee. I will give him the answer; it is not that complex.

In the bad old days the traditional method I talked about in defence planning was relatively simple in the sense of how it was done. We asked: Who is our enemy? We looked across the ocean or up in the sky and we identified a potential enemy. Once we identified the enemy, we asked: Okay, what are his capabilities? There are satellites now that can hover 200 miles above and can read not only the licence plate number on a car but also can give the pigment in the paint. We knew more or less what the enemy had. We had the enemy identified and the enemy's capability.

The third aspect was: What is the intention of that enemy? Does he intend to surprise us by lobbing ballistic missiles? Does he intend to have a landing force in the Arctic? What are his intentions?

Determining intentions was more difficult than determining the capability or identifying the enemy. If a country had more armed forces than it justifiably and reasonably needed to defend itself, then it could be concluded it had an intention other than its defence. It had an offensive intention. Depending on how much excess defence capability it had could determine more or less how aggressive those intentions could be.

We cannot identify the enemy now. Therefore we do not know what his intentions are and we do not know his capabilities. When faced with that kind of situation as we are now that the cold war is over, we tend to fumble and do not know how to go about it.

• (1305)

However, what we are faced with, as many members in this House know, is the sitting down of reasonable men and women to take a look at a situation that is peppered with uncertainty. In a case like this the more people within the confines of an institution, in this case the parliamentary institution, we bring to bear, the better our judgment is likely to be.

In bringing two sides of the House together we not only get the perspective of members of the House of Commons, a certain age group, a certain philosophy and a certain commitment because of their requirement to campaign and be re–elected, we bring into call the upper chamber, the other place, which brings another dimension to those factors I mentioned.

The salaries are there anyway. On the cost of travelling, the numbers of dollars are so marginal as to be almost inconsequential.

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, I would like to start by apologizing to one of my constituents. I came to this House today certain that we would get unanimous approval from all corners and every party in the House on this defence review. Therefore, I have to apologize to that constituent in Penticton who said: "I watch the CPAC channel but it is always so negative". I thought today we would have something positive. I hope to address this issue with some very positive comments because I am in support of it.

A review of Canada's defence policy is long overdue. Although emphasis and approach have varied from time to time, Canada's defence policy remains much as it did 30 years ago. Therefore, I support this motion.

I look forward to reviewing the guidance documents referred to in the motion that the minister tabled this morning to determine exactly the scope of what our review will be.

I would also like to commend the government for using the committee system to undertake such an important policy review. The effective use of committees is an important means by which an individual MP can represent the views of his or her constituents in developing national defence policy.

As a member of the standing committee on defence, I look forward to the task ahead of us with the wealth and experience including military, academic and business backgrounds of those who sit on the committee. I endorse the concept of combining it with the Senate as well. The reason for this is that while we have a large number of people on the committee from eastern Canada, we only have a few who will bring a western perspective to the committee. Hopefully, with the five Senate members there will be some representation from the western provinces.

The work of this joint committee will be extremely important. Three questions have come to my mind and I am sure many Canadians have asked themselves the same questions. First, are our current Canadian forces suited for the post–cold war era? Second, do our international commitments meet our military capabilities? Third, how effective is our current defence spending? These are questions to which all Canadians would like answers.

I am reminded of during the campaign when I was in the town of Keremeos in my riding. A gentleman stood up at the back of the hall and said: "I do not believe in having a military in Canada and I do not think I should have to pay taxes for such a thing as encouraging people to go off to war and fight". My question to him at that time was: "If you do not believe in a military, do you really know what it does? Do you know the role it plays? For instance, would you object if the military were a part of an exercise to capture people who were bringing in a shipment of cocaine off the coast into Canada to sell to our youth? Would you be against a military if you were capsized on the ocean and the search and rescue technicians from Vancouver Island came to your rescue? Would you be against the policy at that point? Or would you be against a military that made certain that our sovereignty and our natural resources were not taken away by other countries like we do with our fisheries patrols?"

• (1310)

These are the things I do not think Canadians really sit down and think through about what the Canadian military role is and the actual importance of the things it does. It is one of the downfalls that the Canadian forces really can accept some responsibility for because they have not communicated all of their roles to all of the people of the country. That is one of the things we have to look at. These are extremely important questions and the committee must deal with them.

I have a little background in the military. I spent some time in the Royal Canadian Navy in the early 1970s and I remember at that time the military experienced a time when we were not upgrading our equipment. We were dealing with the equipment that we had and did the best we could but the government was not spending money on upgrading equipment.

I remember one story when we were called out. I was stationed on a ship on the west coast in Esquimalt and we were called out because there was a Russian destroyer just off the coast of British Columbia and our task was to go out and follow it and make sure it did not get into any mischief.

During this excursion we went out and found that this destroyer was a vessel that was much more capable than we were. It was a very technologically advanced vessel. We could not even keep up with this particular vessel because of the ships we had at that time.

The captain of the ship turned to one of boatswain mates and told him to go down to the leading seamen's mess and get the bingo crank for playing bingo on board. Everyone wondered what he was talking about but he did it. He got this bingo cage that holds the balls with a handle on it. The order was given to hoist it up the mast. Of course, everyone was wondering what the captain of the ship was up to. He looked at it and was very happy with his accomplishment and he said that the destroyer would be taking pictures of it for the next two hours and for three weeks it would be busy trying to figure out what it was.

The point I am trying to make is that although our equipment was not always the best, we certainly adapted to the situation we were in.

One of the areas I would like to talk about today, and nobody else has talked about it too much, is personnel and how we are going to cope with the changing armed forces. In particular, I would like to talk about the total force plan, the concept introduced in 1987 which I understand the hon. member for

Bonavista—Trinity—Conception participated in which has made our reserves a key component of Canada's defence policy.

The total force policy concept aims to integrate regular and reserve forces to give reserves a greater role in military capability. The total force concept was also designed to allow Canada to maintain the same level of military capability while cutting costs. Reservists are paid only when they are on active service or in training and are therefore less of a drain on the public purse.

As a result of this policy's greater reliance on reservists the levels of regular troops have declined while the numbers of reservists have increased.

In 1990–91 Canada had 88,000 regular force personnel. These numbers are projected to decrease to 75,000 in 1995–96. On the other hand, today there are about 38,000 reservists and by the year 2000 this is projected to grow to 47,000.

Presently reservists play an increasingly important role in Canada's peacekeeping operations. Reservists make up a much greater part of the replacements going on overseas missions.

As we heard today, I think the latest rotation to go overseas was composed of about 50 per cent reservists.

Some serious concerns have been raised about the increased reliance on the reserves and I hope this joint special committee will look in more detail at these issues.

In the past few years some concerns have been expressed that we are placing too many demands on reservists, especially those who have not been trained to the same extent as our regular forces.

In his review of reserve forces in 1992, the Auditor General pointed out that as reservists move up in rank, and this is through no fault of their own, they lack the training and skills as compared with those in the regular forces at an equivalent rank.

• (1315)

He found that reservists lacked practical experience. As an example, when a combat arms officer reaches the rank of major, it amounts to approximately 750 training days difference that the two people have attained.

We must ask, therefore, whether we are placing reserve forces in situations for which they are not adequately trained. In response to these concerns the Standing Committee on National Defence and Veterans Affairs recommended in 1993 that in Canadian contingents deployed in dangerous UN operations such as Bosnia, the number of reservists be limited to no more than 10 per cent of the total force. So far, there has been no problem on the ground due to lack of training, and our troops have properly carried out the tasks which have been assigned to them.

I would like to say that everyone in Canada should admire the work and courage and dedication that these reserve forces have displayed in these dangerous operations.

However, we must ensure that we are not placing unfair demands on our reserve forces. Serious concerns have been raised about the readiness of the reserves. Also, in the 1992 report the Auditor General found that only one–third of reservists would turn out during an emergency and many of those who would turn out would not be properly trained to the necessary standards. This joint committee must ensure that Canada does not sacrifice its readiness.

One major reason why reservists do not receive enough training and experience is their lack of security in their civilian employment. It is extremely difficult and a risk for many reservists to participate in training exercises because they may lose seniority at their jobs, they may be subject to losing promotions or their vacation time and in some cases they may even lose their jobs to serve the country in the reserve force.

This is an issue that I am deeply concerned about. I have a tremendous admiration and respect for reservists who have put their jobs on the line to serve Canada.

This is also a very important hurdle for the effectiveness of a total force concept. The Conference of Defence Associations has recently pointed out that if the issue of job protection is not addressed it is doubtful the total force will reach its top level of effectiveness.

The Canadian Forces Liaison Council is concerned. It is currently trying to solve this problem by emphasizing to employers that the training and discipline the reservists gain will actually benefit the employer and will far outweigh the loss in employees' time.

We must consider the point and the viewpoint of business owners very seriously. After all they face additional costs and inconveniences when their reservist employees are called for training or active duty.

This may prove to be particularly trying to small and medium sized businesses. Everyone in this House has recognized that small and medium sized businesses are going to be the areas in which we create the employment in this country. Therefore, if we are looking at a defence review we also have to realize that a number of these jobs that are created through small and medium sized businesses will also have this additional strain that some of those people will probably be reservists.

The real test of this policy, however, is yet to come. Presently many reservists serving overseas are students who are willing and able to take the time off from their education. Replacements for many of these student reservists may have to come from employed reservists for whom it will be much more difficult.

This special joint committee will, I trust, consider ways to encourage employers to permit reservists to serve in Canada. In many other countries there are laws requiring reservists to be allowed time off to train and to serve, while preserving their jobs and their seniority. The problem is that this could discourage employers from hiring reservists. We ought to be very cautious about any legislation that may do that.

In this defence policy review we should also consider ways to protect the employment of reservists, whether called up for training or active service. At minimum, I would hope that we set an example for the private sector and take measures to protect federal employees who actively serve in the reserves. By addressing this issue we can show our support to the increasing role we are asking reserves to fulfil in our defence policy.

• (1320)

Canada's armed forces have a commendable history of providing a well run, effective military which has performed the many tasks required of it with distinction and with honour. Whether on cold patrols, fisheries patrols off our coasts or peacekeeping duties in the war torn corners of our world, the men and women who serve Canada so well deserve our admiration and support. The realities of the present day debt and deficits however mean we have to be concerned that we are getting the best value for taxpayers' dollars.

In his 1992 review the Auditor General stated that the problems related to the ability of reservists to respond when called up have reduced the savings possible under the total force concept. I hope the special joint committee will make this one of its primary focuses.

Finally I would like to take a moment to talk briefly about a program that is close to my heart and falls under the defence budget: our national cadet program. This program with which I have been involved for several years is a useful and productive program that instils a sense of civic responsibility and national pride in young Canadians. It does not matter if they are from Valcartier, Quebec, from Labrador, Prince Edward Island, Saskatchewan or Alberta, they all undergo the same training program. It helps to strengthen the unity of our country.

While the program grows in popularity its budget has been decreasing. I believe it comes back to the issue of effective government spending. How many inefficient projects are we saving at the expense of this program which trains 65,000 young Canadians in leadership, citizenship and physical fitness?

This is the type of program we should encourage. It is uniquely cost effective for the government because it is a partnership between the Department of National Defence and civilian organizations like the Navy League of Canada, the Army League of Canada and the Air Force League of Canada. In communities where they are located there are local organizations that also support them through funding. In my own community of Summerland, British Columbia, the Kiwanis Club is a supporter of the cadet program.

The government has expressed a concern for youth. In the national cadet program Canada already boasts the finest youth program in the world. Over the next year I will certainly make the joint committee aware of the important role the cadet program plays in the lives of Canadians.

These are some of the issues I look forward to addressing in the upcoming defence policy review. I support the motion and I commend the government for allowing the special joint committee to consult broadly in making recommendations. I am eager to hear the input of Canadians on the issue. I hope we will respect the views of all Canadians. Through public consultation we can have an effective review of our defence policy.

[*Translation*]

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, first, I would like to thank my colleague from the Reform Party for his excellent and very instructive speech on the work of the Canadian Armed Forces.

Since he did not say why he had decided to support the government's proposal to create an ad hoc committee for this review and since there is already a parliamentary committee on National Defence, could he tell me why he thinks this committee is necessary? And how can he justify these additional expenditures? There is no doubt that with the creation of this ad hoc committee the regular committee will be free to study other issues, but why this ad hoc committee? Why would we allocate special sums of money for travelling across the country? It seems to me that the Reform Party has repeatedly asked that we cut spending. Why does the hon. member think that we should put extra funds at the disposal of this group of parliamentarians and senators to consider a new approach, a new Armed Forces policy? How can he reconcile this with his party's position?

• (1325)

[*English*]

Mr. Hart: Mr. Speaker, I addressed that in my speech. I feel it is important because of the make-up of the House standing committee. We have two members on that committee who represent the views of westerners. My hope is that with the additional five members from the Senate we will see representation from all parts of the country. That is why I support it.

I do not look at it as a duplication. They have their committees and are doing some work. By putting the committees together there is an actual saving. We are talking about the things the member was talking about in making sure the right hand knows what the left hand is doing.

I do not want to cover any ground that I have already covered. However on the question regarding expenditures as far as travel in the country for consultation is concerned, the other member of the Reform Party on the committee and I will certainly make our views known that these trips in Canada must be justified. The work when we go on these trips will be work. There must be a reason for undertaking them. Otherwise we would be opposed to doing it.

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, I would like to commend the hon. member for Okanagan—Similkameen—Merritt on his positive attitude in seeking a resolution to the very serious problem presented to Parliament, the very serious debt crisis we face. The turn of events in the world requires us to assess our alliances and commitments to alliances and to look at how we have allowed our armed forces to be stretched from sea to sea in bases that no longer have relevance to their initial establishment. We will have to do some evaluation on a merit basis of whether they need to be done because this is a political decision.

The people in the armed forces can tell us about their needs, their training, their numbers, et cetera. Every time when it comes to making decisions the presentation from the Canadian Armed Forces has been that this is where we can cut without affecting our effectiveness.

These are some of the decisions we will have to make on behalf of the people of Canada so that we can keep our armed forces in a strong position to undertake the tasks the government always places upon them. They are spread thin because this is dictated to by the nature of the base policy the political decisions have made on.

Like the hon. member for Okanagan—Similkameen—Merritt I hope we will look at these situations. Some of the bases will stay and probably be enlarged. We do not know that. Certainly if we are to make decisions we need all the relevant information. As the hon. member said, in some cases we may have to go and look at them and when we speak we can speak with some sense of reality on behalf of the armed forces.

Again I would like to thank the member. We must keep in mind that if the armed forces were in need of overhauling, the decisions were delayed, delayed and delayed in this place. It was not the fault of Department of National Defence, because that was offered as a cut year after year after year.

Mr. Hart: Mr. Speaker, I thank the hon. member for his comments and I concur.

[*Translation*]

Mr. Lavigne (Beauharnois—Salaberry): Mr. Speaker, I would like to know if we are still in the questions or comments period or if I am beginning a 20–minute speech.

• (1330)

The Acting Speaker (Mr. Kilger): No. We are still in the period for comments and questions, with a few minutes left.

[*English*]

Mr. Glen McKinnon (Brandon—Souris): Mr. Speaker, I commend the previous speaker on his quality of presentation and his obvious knowledge of the subject. I would suggest that much work has gone into the preparation of his talk today.

Does the member opposite feel that militarily there was any advantage in looking at a possibility of having a consistent movement of personnel from cadet to reservist to regular force in terms of the armed force component of training?

Mr. Hart: Mr. Speaker, under the current guidelines the cadet program follows they do not promote advancement to the regular force or reserve force. One main reason for that is that it encourages not only young people who are interested in a military career. It encourages young people who have an interest in aviation, leadership training, their communities and getting involved in civic responsibility. It is not just a military focus. I am not sure it would benefit the program if we added that element to it.

Right now many who have joined the cadet movement go on to many other careers. It has been a positive experience. The experience the cadets gain through participation is very important. It makes them better citizens no matter where they go.

I am not sure making advancement to the regular force or to the reserve force part of the program is the answer for the cadet program. It certainly is a positive experience wherever they go. Some do go on to the military.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, by way of comment on that subject, the hon. member is right. The purpose of the cadet organization is not to induce young Canadians to join the Canadian forces.

Having said that, there is a natural affiliation. I regret I do not have the numbers, but several times in the last 10 years I have looked at military colleges, military units and officer corps. Without question if we go to one of these units, particularly the military colleges, and ask "how many of you have had cadet experience", we would be absolutely astounded by the number of hands that would go up.

I seldom get personal in the House, but my introduction to the navy really came directly as a result of being involved in my local sea cadet corps, RCSCC Matthew, where I was the chief petty officer. As a result of one of the annual inspections the inspecting officer had literature and discussed what we planned to do for the future. It was a direct result of my association with the cadet organization; it certainly helped me make a decision

to have a career in the military. It is important to make that correlation.

As a final comment, even if a cadet never goes anywhere near the recruiting office, the cadet organization in the country is one of the finest, if not the finest, youth organizations and one of the most unsung and unpublicized. Whether or not it is intentional most Canadians do not know about this tremendous program that is so responsible for making our young Canadian men and women much better citizens.

Mr. Hart: Mr. Speaker, at the start of my speech I said I was hoping for a positive experience. I certainly am getting it in the House today.

As a former commanding officer of an air cadet squadron I have seen two of my cadets go on to Royal Roads Military College. I would agree there is that element to it.

• (1335)

There is no question that with a program that encourages unity in all regions from every spot in this country, every area has the benefit of a cadet program. Those cadet programs are of vital interest to the Canadian people.

People will I hope start to take notice and participate in the cadet program.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I have waited a long time, probably close to five years, for a debate like this to take place in the House of Commons.

I was first elected in 1988. It should be fairly clear to anybody who has been to or lived in Nova Scotia and knows anything about national defence that the contributions made by the Canadian Armed Forces in Nova Scotia and indeed all of Atlantic Canada are extreme not just in dollars spent but also in contributions to communities.

When I was growing up, when we would see somebody in uniform on the main street of my home town, including my father who had served in the armed forces during the second world war, we would look to these people with a great deal of respect. It was bred into us. Of all the places in this great country, I believe there is no place where a service man or woman would feel more welcome than in a place like Nova Scotia because today we still harbour the same degree of respect for the men and women in uniform that we did during the Second World War and in times since then.

Places like Nova Scotia have benefited greatly financially because of the contributions and placement of bases of the Canadian Armed Forces. It is important when talking about the motion in front of us that we look at this from a bit of a historical perspective.

CFB Shearwater and probably half the Canadian navy on the east coast are in my riding. When I was elected in 1988, one of the big concerns that I heard over and over again was that these people in uniform who chose to serve their country so proudly and so well felt that once their representatives were elected, they forgot that they too were constituents who needed to be heard.

They were fed up in 1988 with what they saw as a series of government initiatives that clearly did not care what the job was that they were asked to do, that clearly were not policy driven. They seemed to be driven by an imperative first to get elected. Therefore they promised anything. However, once they were elected, they said they had a debt, a deficit and other things to consider. These were tough decisions. Guess who got the biggest cuts every time something came around? It was the men and women in the Canadian Armed Forces.

Somebody may ask why that is. Perhaps one of the reasons is that when one becomes a member of the Canadian forces and is a good soldier, seaman, air force pilot or working on the Sea King helicopters, one gives up many of the fundamental rights that every other Canadian has come to expect. One gives up one's right to publicly criticize government policy.

Many men and women in the Canadian Armed Forces immediately become an easy target for indiscriminate non–policy based cutting in the area that they have chosen to make a living, national defence.

In 1988, it was tough for me to canvass. When knocking on doors in Dartmouth, career naval officers said to me that my party was against the nuclear submarine program. How can you say your government will look after the interest of the Canadian military establishment, the defence industry establishment and indeed the interest of Canada as a sovereign state if you do not support this initiative?

I said to them that I believed the Canadian Armed Forces had to be given the tools to do the job that they were mandated to do. First and foremost, before we went into these major expenditures we had to have a defence review. We needed to have a white paper that had some teeth, that took into account the fact that the world had changed dramatically since any government had made a fundamental policy review in national defence.

People said to me at the time that Mr. Beatty, then Minister of National Defence, had a paper that went to the floor of the House of Commons. I told them that he had not acted on it, that we were still talking about it. They said that nevertheless it was a paper. I had a heck of a hard time convincing those individuals that the Liberal Party was committed to having a fundamental review of defence policy and that we would modernize our national defences for a changing world. I suppose a lot of them did not vote for me.

• (1340)

About six months after that when the Conservatives were re–elected in 1988, all their plans, policies and great promises of what they were going to do for the Canadian military establishment got shuffled away because of the debt and deficit. All of a sudden Mr. Beatty's white paper on defence was shredded. Once again we had a haphazard approach on how to deal with Canada's national defence forces.

In 1989 when the budget was brought in, after many men and women in the Canadian Armed Forces voted for the Conservative Party, voted for that government because they believed what had been said in the pre–shredded document of 1987 white paper, the Tories came in in 1989 and cut nearly $3 billion, $2.75 billion, from national defence over four years. They did this without any review of the impact that would have on the role that we asked the men and women in the Canadian Armed Forces to perform for us as Canadians both domestically and internationally.

We also saw base closures, again without a fundamental review. What is it that you want the men and women in the forces to do? Tell the generals and they will do their best. Do not come in and say: "We want you to do exactly the same today as you did yesterday, and by the way we are going to send you to three or four more peacekeeping hot spots in the world, but you are going to have to do it with $2 billion, or $3 billion, or $5 billion, or $7 billion less".

It was ridiculous. It was impossible to do both things at the same time. However the military did their best. Then we had what I consider to be an attack on regional realities in Canada.

Because the Tory government did not have a lot of seats in Atlantic Canada, it decided in the 1989 defence cuts that we would share a greater burden of defence cuts than any other part of the country. With 22 per cent of the personnel of the Canadian Armed Forces in Atlantic Canada, we received 55 per cent of the cuts in that 1989 budget. Forget what the mandate was. Forget what those bases were doing. Forget how that would impact on the ability of the Canadian Armed Forces to do their job. It was cut. A political decision was made to cut in Atlantic Canada because the Tories had very few seats there.

The Tories were not going to look anywhere else and we lost bases. We lost CFS Sydney, CFS Barrington, CFB Summerside. I still cannot believe that one. We had reductions in Gander, in Chatham, New Brunswick and on top of all that CFB Moncton, our supply base. I have talked to the generals who say it makes sense to have CFB Moncton, it makes sense to have CFB Chatham.

Political decisions were made at that point in time. The best advice of the generals was thrown aside. That government which had a lot of seats in one province, the province of Quebec, made some decisions about where supply bases should go. That is what it did.

It is little wonder that the men and women in the Canadian Armed Forces started to view all of us that practise politics in this place with a little bit of suspicion. They had been fooled once more.

The other thing that we saw in subsequent budgets was about $11 billion cut over the long term from national defence expenditures in Canada, all without a policy in place. Each and every time the government mismanaged its financial dossier, it hit national defence for the reason I said earlier. The men and women in national defence really do not have a voice. They are not allowed to speak up. They give up that fundamental right that every Canadian comes to expect because they have chosen to serve their country.

We are once again faced with the big bogeymen of the national deficit and debt. Where is government most likely to look first for cuts? National Defence. I have done my homework. I have done my research. I have come to a conclusion. We have a major debt problem in this country. We have got a deficit problem.

The one area of expenditure that has not contributed in any great way to the debt and deficit of this country is national defence. Since the mid–fifties we have seen the expenditures on national defence, not rise like in almost every other area of expenditure but go down steadily from about 25 per cent to about 7 per cent. We have seen the standing forces of the Canadian Armed Forces almost halved in the last 10 years.

National defence, I understand, is a big budgetary expenditure item. I am not saying that it is not. I think that in the absence of a fundamental wholesale full policy review that any further cuts to the Canadian military at this point in time would not only be stupid, would not only be dangerous but would be disastrous for the capability that we may be asking for in 12 months or 14 months' time, that the men and women and their generals and planners undertake for the Canadian Armed Forces.

• (1345)

I want to debunk another myth because some of it is coming from this side of the House and that is kind of hard for me to take. There is a myth that somehow when governments need to cut that we do not look at the strategic reasons why bases are in certain places but we say: "Well, we have to somehow equal pain". As an Atlantic Canadian who has been here for five years, when I hear equal pain it usually means more pain down in my neck of the woods than anywhere else. I hear this coming from some people in the department and some people in the government and it scares me.

Somebody said to me the other day: "Well, you know, Ron, you have $1,240 per capita being spent in Nova Scotia on national defence and the average is about $388 or $389 nationally. So I guess you can take a bigger hit than anybody else". The last time I checked, Canada had one of the longest coastlines of any state in the world. Of all the provinces in Canada, I would

put forward that when we take all of those coves on that craggy shore of Nova Scotia together, we probably have the longest coastline of any province in Canada.

The last time I checked, a sovereign state that had a navy had to put it on the coasts. It does not put it on the prairies. It does not put it in central Canada. I suppose it could try to put it on the Great Lakes but it might have trouble getting out sometimes. The last time I checked, if you are a maritime state, you have to put your navies on your coastline. We have the largest coastline of any state in the world. Nova Scotia has the largest coastline of any province.

British Columbia is on our Pacific side. Where do we put our navies? We put them on our coasts. That is why Victoria, Esquimalt and Halifax harbour are the homes to Canada's navy.

Yes, it costs to have a navy. It costs about a billion dollars per coast to have that small, paltry navy that probably needs a lot more equipment than what it has, but it does a damn good job with the equipment that we have given them and the resources.

I am not going to apologize and say because Halifax is the best ice-free Canadian port on the east coast of Canada that somehow we should shut everything else down in Atlantic Canada that has to do with the military because we have the navy. I am not going to do that because it does not make any strategic sense. The argument is full of vile subtleties that I am not going to debate in this place.

If we take out the Canadian navy and its contribution in Atlantic Canada, suddenly Atlantic Canada and all of the other defence establishment expenditures are below the national average. Is that not shocking? The member for Chatham knows that. I look at the member from Summerside and he knows that. However, past governments have said: "Well you have more than the rest, therefore you have to suffer a little more". Well, we have suffered quite enough from poor planning on defence strategy and poor economic planning of the last government. I am hoping that my government today is not going to do the same thing.

One thing I do know is that we do have a surplus of infrastructure in the Canadian Armed Forces. I know that. That is fundamental. It is reality. What I do know is that when planners over at finance start to determine what they think is sound infrastructure for defence then our defence policy hits the shoals. I know that defence planners are no more capable of dealing with science and technology planning perhaps or the post-secondary educational area in Canada than finance planners would be in defence.

That is why we need first—and I underline first—and foremost a fundamental review of what it is that we want our Canadian Armed Forces to do. Do up the list, priorize it, put our expenditure lines down, tell us how much it will cost and then sit down as a government and determine which of those priority options we are going to undertake.

I think to go the opposite direction would allow us to fall into the same trap as the previous Conservative government. It would allow the state of our Canadian Armed Forces to further erode to a point perhaps from which they will not easily be able to return.

It was not easy in this election to be canvassing with our red book. I supported the red book but it was not easy. The red book said that if we became government we would cancel the EH-101 helicopter contract.

• (1350)

CFB Shearwater is in my riding. It employs a lot of people and does a tremendous job for Canadians. There is the navy at Halifax harbour. Therefore, it was not easy for me to tell people at national defence that I supported new helicopters but I did not support that acquisition. I did it because I believed in the larger policy that we put forward as a government.

I said it before and will say it again to put it in *Hansard* that as long as we have the Canadian navy on both coasts, it is going to need shipborne air support. As long as we have ships and a navy and we need air support we are going to have to have good equipment to send our pilots up in.

The Sea King helicopters currently at CFB Shearwater are old. They are aging. We have great maintenance crews to keep them flying but they are still old and aging. This or some other government is going to have to make a decision on replacement because those helicopters must be replaced.

The argument then is as to whether or not the choice of the previous government was indeed a sane one. I do not think it was. It was a helicopter based on the premise of an old white paper in the absence of any modern defence policy saying that what we needed was a cold war helicopter. I know it does other things but essentially it was a cold war helicopter.

What I said to the people in my riding was that if they elected me as part of a Liberal government I would ensure there was a voice for the Canadian Armed Forces in my caucus and on the floor of the House of Commons. I would ensure there was a fundamental review of defence policy. I would ensure when that defence policy review was completed that somebody would be there to fight for the resources for the men and women of the Canadian Armed Forces to do the job we ask of them, which they do so willingly and so proudly on behalf of each and every one of us.

We are at that point now. I have read the red book. I had a little bit of say in how it was put together as some of us on this side did. We knew there would be cuts to national defence, but we said two things. We said we would fund the infrastructure program in the red book through cuts to the existing programs and we identified national defence as one of those departments.

We said we would take $360 million from national defence. We also said we would not take it in the same manner the previous Tory administration had, but that we would take it after consultation. I underline after. We indicated that any further cuts in national defence would flow from this fundamental policy review for defence.

I hope that on Tuesday we find that those commitments we made and that I and every one of us canvassed on are upheld in the budget.

Nobody in the Canadian Armed Forces I have met thinks times are easy. They know times are tough because they are taxpayers too. They know that the debt and deficit are spiralling out of control. However they also know that government has a responsibility to maintain a defence force.

What are the things I would like to see in the review? First and foremost we have to look at what our domestic requirement is. There is the navy on the east coast of Canada. We send those frigates and supply vessels out. We send them on exercises in the north and south Atlantic. It costs a lot of money to do that, but as long as we are involved in things like NATO then that is part of our commitment.

I hope that the defence review looks at what is the best and most efficient use of the limited naval resource we have on both coasts first and foremost looking at what it is we need as a sovereign state.

I have mentioned four or five times that we have the largest coastline in the world. I do not have to remind any Canadian that we have a major crisis in the Atlantic fishery. We cannot even police our own 200–mile limit. We have had a problem with too many Canadian fishermen taking too many fish because we could not watch them. We have had a problem with too many foreigners coming in and taking too many fish. Because we could not even police our own sovereign fish resource on the east coast the result is that we have about 40,000 people out of work down there.

We have seen an ecological catastrophe of biblical proportions with the virtual elimination of the northern cod stock. Surely to goodness we have learned our lesson and the defence review will look very closely at what it is we can do with our naval resources to ensure that our renewable fishery resource and which has employed so many hundreds of thousands of Canadians over the centuries is protected once those cod stocks return. That is a role we can look at.

• (1355)

There is another thing we have to look at. There is another war going on in our waters. That is the illegal drugs which are going into far too many coves, nooks and crannies, all along the east and west coasts of Canada. It is destroying our young people. Surely to goodness one of the things we must do is look at our defence resources and apply them in such a way that we combat this crime wave.

I hope we also look at the defence forces for other things. Domestic security also includes environmental security in this day and age. I do not know why we could not use the expertise of the men and women in the Canadian Armed Forces to have a first and ready strike force. Any time there is an environmental or ecological disaster in Canada these highly trained individuals could go in and secure the area and mitigate against environmental catastrophes as much as possible for Canadians.

On the international scene we are going to have to fish or cut bait. We cannot have it both ways. We are a small nation of around 28 million souls. We do our very best. Canada has participated in every peacekeeping venture since the second world war. Think about it. We are spending over $1 billion in our efforts in Bosnia at a time when the government has a $45 billion deficit and we are talking about cutbacks to programs and transfers to individuals.

These are not easy times for us. However surely the defence review will look at these things and will look at what it is we want our armed forces to do in domestic security. It will also look at what we should be contributing as part of our international collective responsibility. Maybe it is peacekeeping. Maybe we will decide there are other things we should do.

What I do know is that the framework established in the red book must be completed. This defence review we are debating today is absolutely essential and has been far too long in the offing. I am very pleased one of the first things our government has done is to choose to set this committee up as quickly as possible so it can go out and consult and come back with the framework for a modern policy for the Canadian Armed Forces.

I am no seer; I do not have a crystal ball. However I hope that on Tuesday the actions the Minister of Finance must take in order to try to control our spiralling debt and deficit will not adversely affect or prejudice this review. I hope the Minister of Finance and the Minister of National Defence will be able to effect as much of the savings as they must for this current year internally, without laying waste too much of the infrastructure of the Canadian Armed Forces.

In conclusion, this has been a great debate and I look forward to participating further as the day rolls on. The men and women of the Canadian Armed Forces have waited a long time for a government that lives up to its commitments on defence. They will be proud and pleased this defence review is now finally under way. At its conclusion they will find that yes, democracy

does work and that yes, sometimes political parties and prime ministers do keep their word to the men and women of the Canadian Armed Forces.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I hope that I will have the time to make my comment.

The Acting Speaker (Mr. Kilger): Order, please! I simply want to remind the hon. member for Chicoutimi that we do have three or four minutes left, but that the hon. member for Dartmouth would like to be able to answer.

Mr. Fillion: Mr. Speaker, I have the feeling that the member had a little more time than planned. I do not know if I am mistaken.

The Acting Speaker (Mr. Kilger): I must say that I have followed all the speeches closely this morning and that I have complied with the Standing Orders to the best of my abilities.

Mr. Fillion: Mr. Speaker, I appreciated the speech which was just made and I must say that for the first time this morning we seem to be hearing a different tune from the other side of this House.

The hon. member spoke of a white paper, a question that was raised this morning. I would like to remind him of a statement the present Prime Minister made when he was Leader of the Opposition in March 1993: "Canadians deserve a government which can lead the way, a government which brings new ideas and new strategies, a government which helps them adapt to change".

• (1400)

This debate and the approach which this government has taken in the past 100 days are at variance with what the Prime Minister said. So that my colleague can answer about what he said on the white paper, I ask him whether he is prepared to ask his caucus to have the Liberal government table its white paper on national defence as soon as possible and let the existing parliamentary committee on defence do its job and not create a new committee.

[*English*]

The Speaker: The hon. member for Dartmouth has about 30 seconds.

Mr. MacDonald: I will be very quick, Mr. Speaker.

I can understand, the hon. member opposite is probably used to watching Conservatives on this side of the House who make their decision first and then consult later. We are a government of a different stripe. We believe fundamentally that the people of Canada have a right to be heard before decisions are made.

The white paper will flow from the discussions that will take place in our caucus, in national defence, in the Parliament of Canada and in the standing committee that has been struck today.

If the hon. member will just give us a little time and give Canadians a chance to be heard, that paper will be tabled at the appropriate time in this House.

The Speaker: It being two o'clock p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

HALIFAX FRACTIONATION PLANT

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I would like to bring the House's attention to an article in yesterday's *Globe and Mail.*

The front page article describes the problems that plagued the Winnipeg blood fractionation plant when political manoeuvring became more important than proper technology and business practice. The Canadian Blood Committee, forerunner of the Canadian Blood Agency, currently trying to derail the Halifax fractionation plant and take over the Canadian blood supply, squandered millions of taxpayers' dollars before virtually giving the obsolete plant away.

In contrast, the proposed plant in Halifax will be built, financed and run by the private sector. Miles Pharmaceutical, which runs fractionation plants around the globe, has guaranteed the full output of the plant.

I call on the provincial ministers of health to learn from history, put petty politics aside and support the Halifax fractionation plant for what it is: good sound economic development in an area that is desperate for good economic news.

* * *

[*Translation*]

NATIVE PEOPLES

Mrs. Madeleine Dalphond–Guiral (Laval Centre): Mr. Speaker, yesterday, the Secretary of State for Training and Youth accused the Bloc Quebecois of waging a vendetta with the aim of destroying the Mohawks because their aspiration for self–government would threaten Quebec sovereignty.

I will remind the secretary of state that Quebec, more than any other jurisdiction, has always shown very great respect for the First Nations. Indeed, on March 20, 1985, the Parti Quebecois government was the first to recognize the principle of self–government for them.

The recent declarations of the Official Opposition never challenged the bonds created over time with the native people. Their sole purpose is to end illegal activities carried out with complete impunity by a small group of individuals.

We are extremely sorry that a member of this government refuses to recognize that the only demand—

The Speaker: I regret that I must interrupt; the hon. member's time has expired.

* * *

[*English*]

IMMIGRATION

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, when will justice be served? When will we stop defending the rights of the criminal and defend the rights of the victim and potential victims?

I am referring to Michael Drake, a convicted child molester who was released on bail while he awaited his deportation hearing. That deportation hearing was held yesterday. Today, Michael Drake is again free on bail as his lawyer prepares to appeal the immigration board's decision to deport Michael Drake to the United States.

How many times will this happen before something is done? How many innocent people will have to become victims before the minister of immigration will ensure that offenders like Drake are not released on bail during the appeals process?

* * *

CANADA STUDENT LOANS PROGRAM

Mr. Glen McKinnon (Brandon—Souris): Mr. Speaker, I am pleased to rise on this occasion to share with my hon. colleagues the fact that yesterday I received a Valentine from the Canadian Federation of Students in Manitoba. The Valentine's message outlines concerns over the relationship between the previous government's Canada Student Loans Program and students relying on this program.

• (1405)

On behalf of those students I would encourage all members of the House to participate in supporting changes to the program which would include the reintroduction of a six month interest free period, no privatization and a full re–evaluation of eligibility criteria and of the weekly loan limits.

Mr. Speaker and all hon. members, if you love education this Valentine is aimed at you.

* * *

THE ENVIRONMENT

Ms. Susan Whelan (Essex—Windsor): Mr. Speaker, yesterday I met with the Minister of the Environment to alert her that Fermi II, a U.S. nuclear power plant, planned to pump 1.5 million U.S. gallons of radioactive water into Lake Erie.

Plant officials and the U.S. government nuclear regulatory commission insist that this water is only slightly radioactive and well below legal limits.

I want to assure the residents of Essex—Windsor that the Minister of the Environment instructed her Ontario regional officials to conduct on–site field testing at Fermi II before the water was released to ensure that the levels of radiation are within legal standards and no other contaminants are present. Those tests are currently under way.

I am very concerned and so are the citizens of Essex—Windsor. Lake Erie is a shared body of water and the Canadian public has a right to be informed of potential threats to our drinking water. The levels of radiation may very well be within legal and even within Canadian standards, but Canada should be given ample public warning of such releases.

* * *

NATIONAL ABORIGINAL ACHIEVEMENT AWARDS

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, on Monday, February 28 the first national aboriginal achievement awards will be presented. A ceremony at the National Arts Centre will honour the outstanding career achievements of 13 aboriginal Canadians, five of whom are from Northwest Territories. This years winners are Susan Aglukark, Thelma Chalifoux, Nellie Cournoyea, Jean Goodwill, Cindy Kenny–Gilday, Verna Kirkness, Rosemarie Kuptana, Bill Lyall, Ted Nolan, Alanis Obomsawin, Murray Sinclair, Art Solomon and Bill Reid.

Congratulations to all for inspiring and enriching our communities, our peoples and our country.

The award ceremony will be broadcast on CBC March 3. I encourage all members and all Canadians to join us in this celebration of our talent, pride and hope.

* * *

[*Translation*]

QUEBEC MARINE INSTITUTE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, this year, the Quebec Marine Institute located in Rimouski is celebrating its 50th anniversary, and I want to take this opportunity today to underline this important moment in the history of seamanship training in Quebec and Canada. For 50 years, the Institute has earned an enviable reputation for itself both at the national and international levels in several fields related to maritime life. Young people and adults from everywhere come to the Institute to get quality training in these fields.

Deeply rooted in the region's maritime tradition, the Institute ensures Quebec's ongoing expertise in this area and enables the province to share its knowledge with the entire country. In addition to overseeing the maritime emergency measures training centre for the Canadian Coast Guard, the Institute has, since 1987, helped train Canadian Forces reserve personnel and is involved in many international co–operation projects.

We can only congratulate the Quebec Marine Institute for its initiative and its unwavering pursuit of excellence. May its dynamic spirit help it to weather all obstacles on the road to its continued development.

* * *

[*English*]

REGISTERED RETIREMENT SAVINGS PLAN

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, I would like to bring to the attention of the Minister of Finance the many requests of my constituents to protect the present level of RRSP contributions. In the past, much of the workforce was employed by businesses with the means to provide pensions for their workers. Today, more and more people are employed by small companies or are self–employed and have no retirement pensions.

We must preserve RRSPs as an essential means of allowing individuals to provide for their retirements rather than becoming dependent on government safety nets. The limited benefit to be realized by reducing RRSP levels compared with the high cost of reducing personal retirement savings plans is not in the best interests of Canadians.

I urge the Minister of Finance not to include changes to the registered retirement savings plan in his forthcoming budget.

* * *

LITERACY

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, today marks the second anniversary of literacy action day. In an effort to increase awareness of literacy issues and to keep them on the national agenda, groups such as Movement for Canadian Literacy and others will be reaching out for the support of all members on this issue.

• (1410)

In Canada there are over seven million adults with low literacy skills. In my riding alone, Don Valley North, there are over 12,000 residents with just such a problem. This is not only disheartening, it is absolutely unacceptable.

In keeping with our policies outlined in the red book, the government has promised to restore funding for the National Literacy Program to its original level. Further, I ask the government to increase this funding in order to overcome this difficulty.

I call on my colleagues to make every effort possible in removing barriers that prevent a number of Canadians from enjoying a never ending world of cultural enrichment.

* * *

KILLER CARDS

Mr. John Finlay (Oxford): Mr. Speaker, I would like to commend the Oxford County Board of Education for passing the following resolution:

> That the Oxford County Board of Education support all efforts to block the entry and sale of killer cards in Ontario.

I would like to say how important it is to me and to many members of the House, especially those of us who have served as educators of our children, that these vile cards that demean the victims of crime not be allowed to cross our borders.

I ask the government to take steps to stop the entry of these cards and once again commend the Oxford County Board of Education for passing such a worthy motion.

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RURAL POST OFFICES

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, since 1986 approximately 1,400 of Canada's 5,200 rural post offices have been shut down.

Recognizing the important role of rural post offices, the Liberal government placed a moratorium on further closings immediately following the October election.

I believe that the preservation of rural post offices offers a direct link to the future viability of not only my riding of Annapolis Valley—Hants but of communities across Canada. These post offices provide valuable and necessary services and further closures would cut an important link in the social cohesiveness of rural communities.

By reaffirming our commitment to keeping these rural post offices open, the government can play an important role in strengthening the economic and social infrastructure of rural communities.

I urge the government to continue to demonstrate its commitment to rural Canadians and ensure that these post offices remain open.

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[*Translation*]

DEPUTY PRIME MINISTER

Mrs. Monique Guay (Laurentides): Mr. Speaker, this morning the newspapers reported on comments made by the Deputy Prime Minister about our party and the Mohawks.

As Bloc Quebecois members, duly elected by the people of Quebec and duly recognized as the Official Opposition, we

strongly object to the absolutely blasphemous comments made yesterday by the Deputy Prime Minister.

How can the Deputy Prime Minister suggest that "the Mohawks are right to be offended by the Bloc's comments", when we have always made a clear distinction between certain warriors involved in smuggling and the other Mohawks who live in a climate of terror created by the warriors.

Who is the real culprit here: the Deputy Prime Minister or Bloc members who are just doing their job by representing their constituents?

* * *

[*English*]

THE ENVIRONMENT

Mr. John Duncan (North Island—Powell River): Mr. Speaker, the Commission on Resources and the Environment is a B.C. government project to review and recommend solutions to land use conflicts on Vancouver Island. These talks fell apart.

A community report was submitted which recommended 12 per cent of Vancouver Island be protected with minimal loss of employment, the creation of nine new parks and a continuation of community planning initiatives.

The commissioner's report was released last week. Virtually every community within the North Island is opposing the recommendations which will displace workers and create major unemployment.

This report is top down decision making and the affected communities want to send a strong message to government that it is unacceptable and to listen to the people.

* * *

[*Translation*]

RAILWAY TRANSPORTATION

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, today I would like to draw the attention of the House to the importance of the CN line that goes through northern New Brunswick.

• (1415)

The government and CN must maintain the railway line through northern New Brunswick to ensure the development and the economic viability of the region and the province.

[*English*]

The CN line through northern New Brunswick is one of the most profitable lines in eastern Canada. This line is one of the major factors in the present and future development of the forestry and mining industries in the region and the two major international ports of Belledune and Dalhousie.

I call upon CN to recognize the economic importance of this line to northern New Brunswick and therefore urge it to maintain its full operation.

* * *

THE ENVIRONMENT

Hon. Charles Caccia (Davenport): Mr. Speaker, once again we learn the Great Lakes and the St. Lawrence continue to be seriously damaged by toxic substances we produce and consume as a society. The International Joint Commission reports that the quality of water continues to be in danger because of unacceptable levels of persistent toxic substances.

The commission urges Canadians and Americans to deal with these toxic substances. They are damaging the economy, human health, wildlife and all other forms of life.

The commission recommends that governments, businesses, communities, labour, educators and the media act together in order to stop the damage, restore the integrity of the ecosystem, and protect the health of millions of people whose well–being and economies depend upon these beautiful bodies of water.

* * *

KAON PROJECT

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, the federal government has promised one–third participation in the KAON project in Vancouver, a project which is on the leading edge of world technology and holds great promise for Canada. All that remains to complete the funding package is to pursue U.S. participation.

The Minister of Industry is sending mixed messages about KAON. Federal government support appears to be wavering which is causing our international partners to lose confidence.

The Americans are enthusiastic about this proposal, and I quote from a statement by their KAON study panel:

> Mixed messages from Canada appear to have been received. A request now from Canada at a ministerial level—for a U.S. response might be very helpful to enable the early completion of the process.

We need to know, potential international investors need to know, as do the B.C. government and the scientific community, whether the minister is going to press ahead with this project.

ORAL QUESTION PERIOD

[*Translation*]

ORGANIZED CRIME

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

RCMP accounts and sources reported daily in the media are gradually revealing the extent of criminal activities connected with the smuggling operations of the warriors. The problem has become a very serious one, as we read this morning in the Montreal daily *La Presse*, which reported that smugglers operating on the reserves were also involved in money laundering, along with, and I quote: "—Italian organized crime, motorcycle gangs and even a number of Colombian families". According to the officer responsible for RCMP operations in Quebec, the RCMP cannot stop criminal activities on the reserves without the co–operation of the Mohawk authorities.

Considering that the situation has gone beyond the limits of what is admissible under the rule of law, will the Prime Minister acknowledge he has a duty to meet the Mohawk chiefs in order to obtain their co–operation in stopping the activities of the warriors, as requested by the RCMP?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have given the RCMP a clear mandate to do its job and wipe out all smuggling in Canada, including on Indian reserves.

As I explained to the House, the whole issue of policing on Indian reserves is very complicated. We have the local Mohawk police which is authorised by law and has a mandate delegated either by the Government of Ontario or the Government of Quebec. We have the provincial police which is involved in general law enforcement, in other words, the Quebec Provincial Police and the Ontario Provincial Police.

As for the federal police, its role on Indian reserves is to deal with smuggling. That is what it is doing now, and I have nothing more to say. The RCMP has a clear mandate to do its job as prescribed by law.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, it is common knowledge that any police, effective and prestigious though it may be, and we acknowledge that is the case with the RCMP, needs the support of the government. In this case, the RCMP does not have that support. That is pretty obvious.

• (1420)

I want to ask the Prime Minister whether he will admit that my question, which he failed to answer, is very relevant, in other words, we should ensure that the RCMP can count on the co–operation of the chiefs on these reserves and consequently, the Prime Minister should see them himself and not let people see ministers when they come out of these meetings and the parties are contradicting each other.

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if the Leader of the Opposition really wants to solve the problem, he will ask his members not to play the game of dragging the problem of the Mohawks into their questions all the time.

We are fighting those who are criminals. Some are outside the reserve; there might be some on the reserve. But the impression of the Mohawks at this time is that it is a campaign by the Bloc Quebecois to tarnish their reputation, and this is not useful.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, there is quite a difference between tarnishing a reputation and sticking to the facts. The Bloc never asked any questions that were not close to the facts, and the Bloc relayed allegations which were made and published in very respected newspapers in Quebec: *Le Soleil, La Presse, Le Droit,* et cetera.

The answer of the Prime Minister is equivalent to abdicating the authority of the law. If the Prime Minister would like to discharge his duties he would meet the chief of those villages and localities to make sure they provide their full co–operation to the government.

Since there are links with international activities on this question, would the Prime Minister get in touch with the American government to get the full co–operation of that government so as to implement an international police action plan which would be efficient and professional?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the RCMP has been in touch with the American authorities.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, the press is also reporting this morning that the RCMP is in a position to prove that in 1993 alone, at least $700 million in cash passed through the Akwesasne reserve, that many other items in addition to cigarettes are smuggled and that many other groups associated with organized crime are involved.

Will the Prime Minister undertake to put an end to the activities of organized crime groups who are taking advantage of a protected area just a few kilometres away from Montreal to launder money and conduct their illegal activities without fear of being stopped?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the matter of money laundering the hon. member refers to is already under active investigation by the RCMP. It has the full support of the government in doing whatever it considers

necessary to put an end to the smuggling rings wherever they are in the country.

I wish that the RCMP had the same support from the Bloc.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, my supplementary is for the Solicitor General, since he is answering for the Prime Minister.

Can the Solicitor General, who is privy to all kinds of information, explain to us why he is always the only one in the dark, when in fact these allegations come directly from RCMP investigators? Is the Solicitor General living on another planet, or does he simply prefer to turn a blind eye to what is going on?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I am dealing with reality, not like the Bloc that says that it asks questions that are only "close to the facts".

If the Bloc were serious it would ask questions based on facts because that is the kind of answer the government is giving. Our answers are based on facts, based on full support for the RCMP and its work everywhere in the country.

* * *

MEMBERS OF PARLIAMENT

Miss Deborah Grey (Beaver River): Mr. Speaker, my question is for the Prime Minister.

Yesterday the Prime Minister told Canadians that the whole idea of members voting solely on the basis of what their constituents want or believe is revolting.

• (1425)

At a time when Canadians are seeking better representation in Parliament, could the Prime Minister please explain why this is so revolting to him?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I said that we could not run a country through referenda. That is what I said.

If some members of Parliament do not think they can pass judgment when a law is in the House, they do not belong in the House. That is what I said. We cannot go to the electorate and have a referendum every time a member cannot make up his or her mind. "If it is too hot in the kitchen", as Truman said, "get out of the kitchen".

Miss Deborah Grey (Beaver River): Mr. Speaker, we are in the Chamber. This is what concerns us today. I quote: "The erosion of confidence in politicians is partly a result of an arrogant style of political leadership. The people are irritated with governments that do not consult them or that disregard their views". Those words come straight from the Liberal red book.

When did the Prime Minister begin to disregard this section of his red book?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, that is democracy. Canadians read the red book and they voted for the Liberal Party. That is democracy at its best.

* * *

[*Translation*]

CANADA CUSTOMS

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, *CBC Prime Time News* reported yesterday that liquor smugglers had bribed Canadian customs officers to make their illegal activities easier. This morning, the minister asked for an investigation and announced the hiring of 350 additional officers.

Can the Minister of National Revenue tell us whether he has arranged for tight controls during the selection process to avoid hiring people with links to organized crime and whether he will report back to the House after the investigation is completed?

[*English*]

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I can assure the hon. member and the whole House that when we hire the new customs officers they will be subject to normal procedures, which are very strict, for choosing the very best people.

We are fortunate we have a large number of people in Canada who have worked for the department on a part–time basis during the summer and who may be a potential pool from which we can recruit.

I can assure the hon. member that the very high standards the customs service now has will be maintained with the new people who join as a result of the increase in customs numbers announced by the Prime Minister last week.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): As a supplementary, I would ask the minister to say if he will report to the House on his investigation. I would also like to ask him whether he recognizes that the lack of follow–up on goods in transit in Canada is a weakness of Canadian customs and that this weakness is a boon to all kinds of smugglers.

[*English*]

Hon. David Anderson (Minister of National Revenue): Yes, Mr. Speaker, we will certainly follow up. Obviously at this point when we have just asked the commissioner of the RCMP to carry out an investigation there is indeed very little to report.

However, as matters progress and as the commissioner and the RCMP reports back to the Solicitor General, we will be reporting back to the House.

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MEMBERS OF PARLIAMENT

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I would like to ask a question of the Prime Minister. When government members vote in the House on a particular issue, does the Prime Minister expect them to represent the position of their party, their personal judgment, or the majority view of their constituents?

Some hon. members: Oh, oh.

The Speaker: I think the question is acceptable in its form.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I said yesterday—it is very simple—that this notion we should be replaced by polling is revolting to me. I repeat it today. We have been elected to use our judgment. Members of this party use their judgment knowing they belong to a party which was elected with a program which was distributed across the country. This is what a political party is.

• (1430)

The hon. member should be more worried about the way her party votes than the way the Liberal Party does.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I believe the only way to restore public trust in the judgment of Parliament is for Parliament to show greater trust in the judgment of the people.

Would the Prime Minister agree that one of the most effective ways of doing this is to give the people a direct role in major decisions from time to time through binding national referenda?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there was a referendum in Canada about a year and a half ago. It can be used once in a while but it cannot be used as a formula to run Parliament. That is not the way to do it. We were elected under a program.

There have been free votes in the House in the past. I must tell the hon. member I voted against capital punishment and abortion twice. This was not what my electors preferred but they continued to vote for me because I used my experience and judgment in those cases. It was a matter of conscience for me. I took my responsibilities and I went back to them. The hon. member will be facing the same thing.

Democracy is using your judgment and if the people are not happy they will vote against you.

The Speaker: The Chair sometimes has difficulty when a finger is pointing one way but I know you are referring to me over here.

* * *

[*Translation*]

THE BUDGET

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, with the tabling of the federal budget just days away, concerns are being voiced from all quarters about possible tax increases as well as the elimination of certain tax provisions benefiting middle–income families.

Is the Minister of Finance aware that middle–income taxpayers have been overtaxed for ten years? Can he reassure them by promising to spare them this time around?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, the Minister of Finance is aware that the previous government has imposed something like 38 or 39 consecutive tax increases. And it is obvious that the middle class, in fact all Canadians, have been crushed by the tax burden imposed upon them by the previous government, of which the leader of the opposition was a prominent member.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, I look forward to having a little fun myself next Tuesday.

Just days before the budget, I ask the minister again, can he reassure families in Quebec and Canada by denying rumours of tax hikes for middle–income taxpayers, rumours of taxes on group insurance plans and rumours of a lower ceiling on RRSPs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, the Bloc Quebecois critic for Finance is an economist who is very familiar with the rules of the game. He knows full well that three or four days before tabling a budget, it is not the place of the Minister of Finance to disclose its content. He knows full well that he will have to wait until Tuesday, and I do not see why he is not using more common sense.

* * *

[*English*]

PHYSICIAN ASSISTED SUICIDE

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, my question is for the Prime Minister.

My understanding is that the Prime Minister and indeed his party supported and actually pushed the previous government to enact the National Referendum Act in 1992, a special situation. Yet in his answer to me yesterday he said no to a referendum on the issue of physician assisted suicide.

• (1435)

Has the Prime Minister lost faith in the people of Canada so as not to entrust them with making a decision on this matter through a national referendum held at the same time as the next election?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would like the hon. member to check something. What was the cost of the last referendum? They are always talking about who is spending too much money. Is the hon. member saying that whenever members are traumatized and cannot make up their minds, they should spend half a billion dollars to help them do it?

We will use our best judgment and the people will have the occasion to judge us at the next election. I know we will win it.

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I would like to reiterate I am actually speaking of a referendum at election time which of course defrays the cost.

The National Referendum Act covers more than constitutional matters. Surely the Prime Minister must have known that when he pushed the Right Hon. Joe Clark in a letter dated November 12, 1991 and I quote: "to give the federal government the power to hold a referendum".

Why is he then denying to the people of Canada that right on this special issue similar to the Constitution?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we will be in Parliament for four and a half years. During that time we might have 25 questions for the people of Canada. Because members of the Reform Party have no platform and no direction from anybody they want to ask their electors rather than having the guts to have a program and get elected on it.

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[*Translation*]

GOODS AND SERVICES TAX

Mr. René Laurin (Joliette): Mr. Speaker, my question is for the Minister of Finance.

Yesterday, appearing before the Standing Committee on Finance, the Auditor General warned the government about the high cost of replacing the GST by some other tax of a yet unknown nature. He pointedly noted that the implementation of the GST had cost government and businesses a total of more than $800 million.

Does the Minister of Finance share the view of the Auditor General that replacing the GST would needlessly cost millions of dollars to government and businesses, when those businesses are not yet totally familiar with the tax?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional—Development Quebec): Mr. Speaker, it is really up to the committee to determine what is going to replace the GST. I believe that it is a very important exercise in democratic judgment. If the previous government had done so, perhaps we would not be in the mess we are in now.

This being said, the hon. member must know that I share most of the views of the Auditor General, and in particular the one which deals with the elimination of overlap and duplications between departments and agencies. The role of the Auditor General is to audit the books, while the role of the committee and the Department of Finance is to set the fiscal policy of the country.

Mr. René Laurin (Joliette): Mr. Speaker, would the Minister of Finance not agree that, instead of replacing the GST, it would be wiser to simplify it, to iron out all its administrative problems and to take the necessary steps to collect all accounts in arrears which total more than $1.5 billion?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional—Development Quebec): Mr. Speaker, simplifying the sales tax, reducing the cost, lowering the administrative burden, all that is part of our goal when we consider replacing the GST. And up until now I thought that was an opinion we shared, at least I thought that was the opinion of your critic for finance. If you have changed your mind, you should tell the committee.

* * *

[*English*]

THE ENVIRONMENT

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, the IJC today released a report that claims governments have not done enough to clean up pollution in the Great Lakes. It is clear that toxic chemicals continue to enter the Great Lakes system. There is evidence to indicate that this is damaging not only to the environment but to human health as well.

• (1440)

My question is for the Minister of the Environment. Does the government have any specific plans to resolve this serious problem?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I want to thank the hon. member for her question. I know she will acquit herself of her new responsibilities as the vice–chairman of the environment committee because she has a good record of concern about these issues.

The fact is that the IJC report is bad news for the 45 million people who drink water from the Great Lakes. It reconfirms our concerns that human health is affected both directly and indirectly.

In fact there is an international meeting to which I will be sending officials next week to continue the process of virtual elimination of toxins.

We expect to have a timetable and a framework in place within the next six months. We are very concerned that we sign the second phase of the Canada–U.S. water quality agreement to ensure that the decrease in sperm levels and the increase in breast cancer are dealt with very directly by elimination of toxins.

* * *

UNDERGROUND ECONOMY

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

The CBC reports liquor smugglers to be making profits of $105,000 per truckload and bribing Canada Customs officials to facilitate their trade. The finance minister talks of closing minor tax loopholes while smugglers are finding huge loopholes big enough to drive trucks through.

Does the government intend to expand the principles of its action plan on cigarette smuggling to include a broad attack on all sectors of the growing underground economy?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if the hon. member had listened to the announcement I made in the House of Commons last week, he would know we referred to the fact that the task of the RCMP was not to act only against cigarette smuggling but also against the smuggling of alcohol, drugs and armaments. That is the mandate of the RCMP and the Department of National Revenue.

In order to succeed we have to spend more money. We gave more money to the RCMP and the Department of National Revenue to be well equipped to do the job.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a supplementary question.

The government knows there is a direct link between high tax levels and the growth of smuggling in the underground economy. The government has set targets for deficit reduction and job creation.

I ask the Prime Minister: Has the government set a long–term target for tax reduction and can he tell the House what it is?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we said we wanted to reduce the deficit to 3 per cent of the GNP. I do not think I can add to what the Minister of Finance will have the pleasure of giving as his plan for this fiscal year, Tuesday next. The hon. member has only to be a bit more patient and he will have his answer.

[*Translation*]

BOSNIA

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, yesterday, officials of the United Nations Protection Force asked for an additional 2,000 to 3,000 peacekeepers to ensure a genuine ceasefire and the withdrawal of artillery around Sarajevo.

During a scrum yesterday, the Minister of Foreign Affairs indicated that he is considering sending more Canadian peacekeepers and that the government would make a decision in the next few days.

Given the urgency of the situation, will the Minister of Foreign Affairs tell us clearly if Canada can give a positive reply to the UN's request to send more Canadian peacekeepers to Sarajevo?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, the hon. member should know that Canada is third in terms of the contribution made to the UN force in the former Yugoslavia. We think that we have already done more than our share in this regard.

Obviously, the United Nations are trying to get additional troops to ensure an effective ceasefire and to maintain peace in that region.

• (1445)

I believe that other countries can make a greater effort and we hope that they will follow our example and reply positively to the UN Secretary General's request.

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, unless I am mistaken, the minister just said that Canada is doing more than its share regarding this mission. Consequently, if it cannot get additional troops, the UN could soon be unable to maintain the permanent ceasefire which we were all hoping for.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I am not sure I understood the question, but I presume the hon. member wants to know if I agree with the UN request to increase its force. I believe the answer is yes. We have told other countries that we feel we are doing more than our share and that they should make an extra contribution.

* * *

[*English*]

CANADA CUSTOMS

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the Minister of National Revenue.

The Customs and Excise Union opposes an integration of custom officials into Revenue Canada, saying that their focus will shift away from border protection to tax collection.

The minister says that he is taking steps to ensure the security of our borders. Will the minister also assure the House that in this process the wording of customs officers' present job descriptions will not change?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, the issue was discussed at some length in the House when we had second reading of Bill C–2. It was discussed again at the committee stage in the finance committee a short time ago.

The fact is that we intend to continue to have what I regard as one of the best customs services in the world for the non revenue aspect at the border. On the revenue aspect, that is collecting money, they do very well too but other things such as attempting to find children who have been kidnapped, attempting to pick up smuggled goods—drugs, arms, liquor or whatever—they do very well.

I can assure the hon. member that there is absolutely no intention on the part of this government of changing the fundamental role of the customs service at the border.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I thank the minister for his answer.

Just for clarification, because of the integration process and because of the PS–2000 initiative the job description will have to be rewritten. I need assurance from the minister that the new wording on the job description for the customs officers will retain its present emphasis on law enforcement and border protection rather than merely tax collection.

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I thought I had answered the question.

I can assure the member that when it comes to rewriting job descriptions, we will have first and foremost in our mind the excellent job currently done by customs and the perhaps increasingly very important role that we see for them to perform at the border.

I obviously cannot at this time, given the negotiations that will take place with the union and given the negotiations that will take place within the department, commit that the exact wording will remain there in the future as it has in the past.

In terms of emphasis, which I believe to be the hon. member's question, I certainly do not envisage any change whatsoever.

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CANADA POST

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the minister responsible for Canada Post.

As a result of the previous government's policies, some 1,300 rural post offices were shut down between 1986 and 1993. The minister announced a temporary freeze last November on such closures.

Will the minister now tell us what he will do to keep rural post offices open in Canada.

[*Translation*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I would like to thank the hon. member for his question. I am pleased to announce today that the government of Canada is putting in place a moratorium with regards to the closure of rural post offices.

[*English*]

As hon. members will know, before the election campaign, during the election campaign and after the election campaign this party and the Prime Minister stood clearly and firmly against the closure of rural post offices in this country. I wish to announce today that effective immediately a moratorium is in place with regard to the closure of rural and small town post offices across this country.

• (1450)

Some hon. members: Hear, hear.

Mr. Dingwall: Mr. Speaker, at three o'clock I hope I can get the concurrence of the House in order to provide additional detail to all members.

* * *

[*Translation*]

FILM INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Minister of Canadian Heritage.

I understand that the Minister of Canadian Heritage has ordered an assessment review on the possible merger of the National Film Board and Telefilm Canada. My question to the minister is: Can he confirm that the government intends to amalgamate the National Film Board and Telefilm Canada into one agency?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I can confirm that there is, in fact, a study underway. We have yet to receive its findings. There will undoubtedly be some findings and recommendations coming out of this review. I cannot anticipate what the recommendations will be, but once we get them, we will make the appropriate decisions.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, I have another question. Should the merger be recommended, will the minister acknowledge that such a merger, which would result in the integration of the National Film Board

within Telefilm Canada, would erode and threaten any assistance being provided to the documentary and animated film industry?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am of course very concerned about the public. I am also concerned about quality productions and the information provided by these two wonderful institutions. The National Film Board has been in existence for a long time now. You can rest assured that, before we make any decision, we will take into consideration the public interests and the quality of the service.

* * *

[*English*]

REFUGEES

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Mr. San Martin Pedro Hugo, an admitted Peruvian terrorist and conspirator to the murder of government officials, was denied refugee status in Canada and deported. Now that same individual has been granted a minister's permit and flown back to Canada. It will cost taxpayers tens of thousands of dollars to send him through the entire refugee process a second time.

When will the minister halt this hearing and have this terrorist deported?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I thank the member for his question. I have discussed this case with him.

Concerning this case of the refugee claimant who was denied refugee status, it was the feeling of my officials that the individual posed a threat to the Canadian community. Therefore the immigration officials had this individual flown back and deported to Peru right away.

Subsequent to that, the individual's lawyer appealed the case to the Federal Court of Canada. It was the Federal Court that ordered a new appeal hearing in front of the Immigration Refugee Board. There is something called due process, and therefore immigration was simply obeying the Federal Court, which is the law of the land.

Mr. Art Hanger (Calgary Northeast): Is it in the best interests of Canadians is my question. Since the election of this government, the minister has been made aware of numerous flagrant abuses of the refugee process. Canadians are concerned that the system is out of control.

How many more examples of abuse will the minister allow before he responds to the legitimate concerns of Canadians who want the refugee determination process overhauled?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, this government has moved very swiftly to try to deal with the concerns of Canadians in terms of ameliorating the Immigration Refugee Board. In fact, we moved on appointments that spoke to quality of experience and expertise. That was in fact concurred in by the press secretary to his leader who stated that finally these appointments are in the right direction.

• (1455)

Second, we also have reviews under way that are going to balance the whole question of tolerance with the question of criminality. The member should be cautioned not to inflate and inflame the situation, that it is out of control and that somehow criminals are certainly in the majority. That simply and factually is incorrect.

Third, immigration officials did airlift this individual. It is the Federal Court that through this individual's appeal granted a rehearing. That is simply the law of the land.

I would ask this member to work within the law. If he is advocating a change in the law, that is another question.

* * *

[*Translation*]

WINTER OLYMPICS

Mr. Ghislain Lebel (Chambly): Mr. Speaker, my question is for the Minister of Canadian Heritage.

On Friday, February 4, just before the Gorecki brothers left to represent Canada in snow sculpting at the Lillehammer Games, I received assurance from the minister's office that the Canadian delegation would receive the Gorecki brothers with all the respect due them. Such was not the case, however, and were it not for the generosity of the Norwegian people, the Gorecki brothers would have spent their time in Norway out in the snow.

Can the minister explain to us how he, warm and comfortable in his suite, could let such a faux–pas happen, knowing his legendary diplomatic courtesy?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I would be extremely sorry to lose my diplomatic courtesy by taking part in politics. I believe that we have something called Canada House in Lillehammer and it is open to all Canadians who go to the Olympic Games and especially to our athletes.

The people to whom he referred were certainly welcome to go there and I am bitterly disappointed that they did not have a chance to do so. I should add that I stopped to see their snow and ice sculptures and I would be pleased to congratulate them.

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I would like the minister to tell me the hours that Canada House is open. I believe that the Gorecki brothers are entitled to an apology from the minister, at the very least, because they went there and were not even received as they should have been.

[*English*]

The Speaker: Does the minister have an answer?

Hon. Michel Dupuy (Minister of Canadian Heritage): There was no question, Mr. Speaker.

The Speaker: I did not hear one.

* * *

BOARD OF INTERNAL ECONOMY

Mr. Stephen Harper (Calgary West): Mr. Speaker, my question is for the government whip in his capacity as the government spokesperson for the Board of Internal Economy.

The hon. whip will know that in recent years the board which manages the business affairs of the House and its $240 million a year budget has met in private and has refused to publish its decisions, including decisions related to financial matters, often for up to two to three years after those decisions took place.

I wonder if the hon. whip could inform the House as to what actions are being taken in this regard, what actions are being considered, when we might expect a reform and opening of this process and when that might begin to take place.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I thank the hon. member for Calgary West for his question.

Two years ago in January 1992 when my leader, now the Prime Minister, appointed me to the board, I said that the board should be more open. I am proud to inform this House and through this House all Canadians that at the last meeting the board decided to table its minutes once they are approved by this House so that all members and Canadians can see all the decisions that we take.

I want to thank all the members of the board and you, Mr. Speaker, for permitting this decision. I am sure this is the right step in the right direction for more open government.

Some hon. members: Hear, hear.

* * *

• (1500)

CFB CORNWALLIS

Mr. Harry Verran (South West Nova): Mr. Speaker, my question is for the Minister of National Defence.

CFB Cornwallis has been a recruit training centre for nearly half a century. Now we learn that Canadian troops training as peacekeepers for deployment in the former Yugoslavia are training in California.

Will the minister please tell the House why this training is being done in the United States instead of at Canada's foremost training centre, CFB Cornwallis?

Could the minister also tell us that no extra costs will be incurred by the Canadian Armed Forces in order for this undertaking and this training to be done in the United States?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I thank the hon. member for South West Nova for his many questions.

First, training for our peacekeepers in Bosnia is being done at the moment in California. This group is the Strathconas from Calgary. It is being done there because we have to guarantee adequate climatic conditions for that training. We cannot guarantee that at any base in Canada including Cornwallis, Gagetown or Valcartier because of the weather.

Second, with respect to Cornwallis, the outdoor training facilities would not be appropriate. They are just not sufficient for the kind of training that is required.

I should also say that the hon. member has been very diligent in pursuing me around the confines and the corridors of Parliament Hill, advocating his case about Cornwallis. I would say to him and to his constituents that we are very mindful of the promises we made in the red book. We are mindful of our promises for the establishment of Canadian peacekeeping training centre.

I would only hope that he would understand, as we make our decisions known in the next few weeks about budget cuts and the like with National Defence, he has been listened to and that his ideas have received due consideration. I hope he will realize we will try to meet the commitments that we and the Prime Minister made in the election campaign.

* * *

POINTS OF ORDER

REQUEST FOR DEFERMENT

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville): Mr. Speaker, I rise on a point of personal privilege to request you to defer your decision on the question of privilege I raised in the House on February 15.

I am making this request to allow me to retain and instruct counsel. It is my desire to have my conduct judged by my peers in a fair and open process, namely at the elections and privileges committee.

I wish to give my personal undertaking that I will honour and abide by the verdict of my peers after a fair hearing. I am convinced that due process will clear my name of all accusations and innuendoes.

STATEMENTS BY MINISTERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I rise on a point of order. I wonder if in the spirit of openness the House might give its consent to revert to Statements by Minis-

ters for the minister of government services to make the statement he referred to in Question Period concerning rural post offices.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I had indicated to the government House leader and the whip that I agreed to have the minister's statement and that we would give our unanimous consent, even though we received the information and the document very late.

Also, we on this side of the House would have appreciated a little more restraint on the part of the governing party in question period, so that there would really be a statement and not a sneak preview of a statement, as happened in question period. Perhaps the minister could have refrained from asking another member to ask him a question which had been well prepared by his department. We give our consent.

• (1505)

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I would like to speak to the same point of order.

We would agree that the use of ministers' statements in question period is not proper use of our time and would not give unanimous consent for the ministerial statement at this time.

REQUEST FOR DEFERMENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, the member for Markham—Whitchurch—Stouffville rose to make a request of the Chair. I believe the Chair did not comment on his request to have your decision deferred.

The Speaker: I will defer my decision to a future date. I thought I had made that clear. I will defer my decision.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, I would like to ask the Government House Leader to tell us what the business of the House will be for the balance of the week and the beginning of next week.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, today the House will continue its consideration of the motion to establish a special joint committee on defence policy. On Friday the House will consider Bill C–5 regarding the customs tariff and Bill C–7 concerning certain controlled drugs.

Monday shall be an allotted day. On Tuesday the House will consider Bill C–11 regarding tobacco and, as we know already, at 5 p.m. the Minister of Finance will make his budget presentation. The budget debate will begin on Wednesday and continue on Thursday of next week.

The business for Friday, February 25, will be legislation to be determined later after some further discussion with the opposition House leaders. We also hope that later next week we will be able to discuss with them some of the business we will be calling once the House returns from its weeks break.

I want to make one further comment. While today I said that Monday shall be an allotted day—and I assume this will be understood by the Table to mean I am designating the day—I also want to say that if by chance I say that Monday or any other day of the week will be an allotted or is an allotted day then it means I am allotting it formally. I hope that will be understood by those concerned.

By the way I am not referring to my colleagues, the opposition party House leaders, but others who are charged with recording the business of the House.

GOVERNMENT ORDERS

[*English*]

DEFENCE POLICY

The House resumed consideration of the motion.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, before we broke for Question Period the hon. member had asked me a question concerning the defence white paper. I would just like to elaborate.

The question basically was: Would I support the government tabling a white paper on defence policy? He seemed to think that should be done prior to consultation. I had indicated to him very clearly that this is a different government on this side of the House. We consult first and then act. We do not act and then consult.

We committed in our red book to a period of consultation. We have said to the Canadian public and we have said to the men and women in the Canadian Armed Forces that no more would there be a slash and burn approach to defence policy. We recognize there is a fundamental responsibility as a government to modernize our defence establishment. We recognize we have certain fiscal restraints which we have inherited from the previous government. Over all, we recognize our fundamental responsibility to Canadians that when we get into areas such as national defence policy, social policy, fisheries policy, whatever it is, we have a responsibility to consult. What we have started here today with this debate on the floor of the House of Commons is to get that process going, to put it over to a standing committee

of this House and to ask that committee to review what we should be doing in a modern, geopolitical world context.

• (1510)

In conclusion, we will come back at some point. I will support our government, this party, putting forward and tabling in the House of Commons a white paper on national defence. It will not be done, and I underline this, until the work of the committee has been done and all of the interest groups and all Canadians wishing to be heard on this issue are heard.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Madam Speaker, I listened with interest to my colleague from Dartmouth and I know he has a keen interest in national defence affairs. He has spoken quite profoundly today and a number of times in the House and in caucus. He is certainly a defender of national defence. I would ask him today if he could comment further concerning his opinion regarding base closures.

Mr. MacDonald: Madam Speaker, I would make a few more comments on base closures.

If we talk to members of the Canadian military who know what they are talking about, who should be the people who drive the defence policy, and ask them what they need to do the job we have asked them to do, they will say that since the Conservative government slashed the standing forces, there has not been a corresponding cut in redundant defence infrastructure. We all know that is the case.

My premise in the arguments I put forward today is simple. If we are asking a House of Commons committee to go forward and consult across this country about what our defence policy should be, we should not if at all possible, and I underline this, prejudice the outcome of that report.

What we should do in keeping with the commitments we have made in the red book is try to realize as much of the $360 million in expenditure cuts to national defence without adversely affecting the infrastructure that is left in the country.

We just heard my colleague from the Cornwallis area, from South West Nova, ask a question of the minister in the House about CFB Cornwallis. We have heard that CFB Cornwallis, which is in Nova Scotia, is the English speaking recruit training centre for the Canadian Armed Forces. Even though our forces had been reduced, I would anticipate that the result of a review would show that we are still going to have some new English speaking recruits coming into the system.

My colleague from South West Nova asked specifically about peacekeeping.

My point is if we can leave as much of the infrastructure intact at this point, pending the outcome of the defence review, we will be leaving every available option open to that defence review committee as far as what role it believes our armed forces should be mandated with.

It is never easy to close a base. I want to say that. It is never easy to close a base. It can be unconscionable, however, for a government to close a base without first and foremost looking at the defence priorities and the requirements and how that base closure would affect those requirements.

I would hope that the Minister of National Defence and the Minister of Finance in their wisdom will look internally at operations, will look at things such as lowering the hours of flying time for the Sea Kings at Shearwater. For every hour that the Sea Kings are in the air out of CFB Shearwater they take about 21 hours of maintenance. If they could cut the number of air hours by 30 or 40 or 50 per cent for a year without affecting the mandate and the requirement to be flying for certain manoeuvres it would be a substantial saving.

Perhaps there are things like that which can be done by reducing flying time for the Challengers currently out over the Atlantic doing fisheries patrol. My understanding is that fully 40 per cent of those flights are really not fisheries patrols. In the short term, perhaps a year, until this defence review is completed those reductions in expenditures could be made without adversely affecting the realm of possibilities of defence policy.

• (1515)

That is my position on defence reviews. I am hoping that on Tuesday when the budget comes down the ministers who are charged with this responsibility will be able to find savings internally without taking too sharp a knife to bases and infrastructure.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, I am relatively pleased to speak in the House today on this matter.

This special debate initiated by the government on Canada's defence policy bears a strange resemblance to the other special debates that have taken place in this House since January 17 last. We have had debates on social programs, on Canada's role in Bosnia, on cruise missiles, on parliamentary reform, on pre–budget consultations, and so on and so forth. All of these debates, which appear to have no common thread, illustrate the extent to which the newly elected government lacks the political will to see things through.

Strangely, the government's actions seems to contradict the claims in the Liberal Party's red book. Page after page, the Liberals led Canadians and Quebecers to believe that they were capable of grasping and resolving the enormous economic and social problems gripping the country today.

This debate does not seem to fit in with any particular plan. Yet, it should be part of an overall review of Canada's foreign policy, of its role with respect to the Third World and disarmament, of its relations with the United States, of the relationship between foreign policy and defence policy, and so forth.

We are being subjected to a special debate on Canada's defence policy, and one of the primary objectives of this debate is to propose the appointment of a joint committee on which the other house would be represented, no doubt to ultimately make it appear more useful and justify a little more its existence in the eyes of the Canadian public.

Some hon. members: Hear, hear.

Mr. Rocheleau: This committee, which obviously will cover the same ground as the Standing Committee on National Defence, will be a superb example of wasted time, energy and public funds, and of overlap.

This debate is even more useless in that it does not even reflect—and that was the least we could have expected—what is stated in the red book with respect to industrial conversion, an area that especially interests me as industry critic.

The red book was clear and explicit, and I quote from page 55: "The defence industries today employ directly and indirectly over 100,000 Canadians. The end of the Cold War puts at risk tens of thousands of high–tech jobs. A Liberal government will introduce a defence conversion program to help industries in transition from high–tech military production to high–tech civilian production".

But today, not a word. Not a word either in the throne speech, in the address in reply to the speech from the throne or in the defence minister's opening remarks in this special debate on Canada's defence policy. The issue of industrial conversion was entirely left out of the discourse and concerns of this government.

Most armament production industries are high–value–added manufacturing industries. This makes jobs in defence production valuable. It is therefore important to preserve theses jobs because a decline in the manufacturing industry of Canada and Quebec could be extremely detrimental to the economy.

An estimated 46,000 workers depend on armament production in Quebec. Over 32,000 of these jobs are listed in industrial fields. This is to say that industrial conversion is of particular relevance to Quebec. From 1987 to 1992, sales of weapons produced in Quebec have dropped by over 48 per cent, from $1.6 billion in 1987 to $810 million in 1992. During the same period, 11,000 jobs were lost in that industry.

• (1520)

The geopolitical situation, combined with a decrease in defence procurement contracts have resulted in a substantial drop in defence production, particularly in the Montreal area. Businesses associated with this kind of production are going through an extremely difficult period, and the transition does not guarantee the preservation of many jobs.

For example, the cancellation of the EH–101 helicopter contract translates into a significant shortfall for the Quebec economy. Defence companies work in very high technology sectors where costs are high. In other words, if conversion is to be achieved, it must favour civilian production with a very high added value and a very high technological content, and certainly not the manufacturing of stove pipes or common consumer goods.

If there was a real political will in this government, it could act almost immediately in two areas where industrial restructuration could be achieved in a tangible way. I mentioned earlier the helicopter deal and the government's decision to cancel production, with the support of the Bloc Quebecois. We must remember, however, the compensation suggested at that time by the Official Opposition to soften or completely avoid the negative impact of this decision. It was to transfer the scientific and technological budgets and expertise associated with the helicopter production project to the high–speed train project between Quebec City and Windsor, which has very important economic and technological benefits and the tremendous advantage of meeting a need of the civilian population, and whose technology could then be exported.

So far, the Liberal government has turned a deaf ear to this suggestion despite the statements in the red book. It took the same attitude toward the MIL Davie shipyard. This shipyard, which used to specialize in military shipbuilding, is now threatened with closure. In fact, it had to lay off 600 workers since the beginning of 1993. If nothing is done, it could be forced to close after delivering the last ship to the Canadian Navy. This shipyard has embarked on a process to convert from military to civilian production. It has started this process. In this context, in order to survive, MIL Davie must be awarded the contract to build the Magdalen Islands ferry and receive assistance in developing a new kind of multifunctional ship called smart ship.

In fact, the MIL Davie case was the subject of a unanimous consensus during Rendez–vous 93, an event held in Montreal by the private sector on September 15 and 16, 1993. Eighteen associations were gathered at this meeting on the economy, which took place at the suggestion of the Conseil du Patronat du Québec, including the Chamber of Commerce of Metropolitan Montreal, the Canadian Federation of Independent Business, the Front de solidarité des travailleurs du Québec, as well as the four main labour bodies in Quebec.

During this Rendez–vous, a resolution proposed by the École polytechnique de Montréal, regarding the opening of a high–speed train line between Quebec City and Windsor, was also unanimously passed by the participants. In the same vein, I would like to mention that, last week, residents from my riding and from the Trois–Rivières region sent me a petition signed by close to 6,700 people asking for a substantial reduction of military expenditures and the reinvestment of a good part of the resulting savings in the creation of good jobs. Those 6,700 petitioners are to be added to the 5,000 who have already expressed their disagreement regarding the helicopter contract. I would like to take this opportunity to pay tribute to the tenacity of all those who participated in this initiative, and I will be proud to table their petition in this House in the weeks to come.

• (1525)

If industrial conversion is necessary, it will be done on a case by case basis. There are already a few success stories, one of which I find particularly interesting, that is the Expro plant in the Montreal region. I want to tell you briefly about the instrument which brought about this success, namely the setting up of a manpower adjustment committee.

I am all the more pleased and comfortable to discuss this issue because I worked with these committees for 11 years in my region, when I was with the Quebec Department of Manpower. I can therefore attest to the strength and the power of these committees in a business, when their presence and their role are well understood. That strength is gained through the information, often confidential, which circulates within the committee, and is also linked to the common cause at stake and to the interest for the parties of finding common solutions to common problems.

It is very rare that a situation does not improve when employers and employees work together, are supported by governments, and are assisted by a neutral and independent third party who diagnoses the strengths and weaknesses of both sides of the company and who, after the two sides have approved that diagnosis, proposes a binding work plan.

As in the case of Expro, this should be the government's preferred structure if, some day, it should decide to make good on its election promises regarding industrial conversion.

In conclusion, we have to realize that a whole sector of the high–tech manufacturing industry is in jeopardy. The economic future of Canada and Quebec is largely dependent on our ability to react positively to this structural change. The government must get its act together and clearly show its political will to take energetic and consistent measures to ensure the industrial conversion of our military businesses.

[*English*]

Mr. Ron MacDonald (Dartmouth): Madam Speaker, the hon. member just gave a speech, indicating some of the ideas that he has as to where the government could effect some savings in national defence expenditure.

Somewhere out there is a misnomer that perhaps some provinces do not get a great economic impact from national defence expenditures. One place that is fairly great is in the province of Quebec. Indeed colleagues on my side of the House and employees of members that I know from the province of Quebec have little understanding about the great and very positive economic impact of national defence expenditures in that province.

I remind the member that for 1992–93 according to the data I have received from national defence, in excess of $2 billion—that is a lot—is spent directly in the province of Quebec by the Department of National Defence.

I would ask him to go a little bit further. One of the things that sometimes is not put into the right envelope as far as benefits are capital projects from Atlantic Canada. We have the frigate replacement program which is out of Saint John, New Brunswick. Many of those vessels are being built in the province of Quebec. Indeed the Department of Industry has indicated clearly that for every dollar that is spent in Atlantic Canada on capital projects, about 44 cents of it goes to Ontario and Quebec.

Therefore the major impact of defence may be at least 50 per cent more and perhaps even double. There is about $3 billion to $4 billion in that economic impact in the province of Quebec.

The member from Trois–Rivières indicated that he had a petition from some people in his riding. They basically said that they thought there should be even further cuts.

The hon. member knows that there are both civilian and military personnel employed in his riding and that his riding benefits to the tune of at least $4 million to $6 million. Would he be willing to forgo that $4 million to $6 million infusion from national defence, both civilian and military employees, grants and other purchases, to put into other ventures in his riding? Would he agree with the petitioners that he mentioned that we should slash $4 million or $5 million from Trois–Rivières?

• (1530)

[*Translation*]

Mr. Rocheleau: Mr. Speaker, I thank the hon. member for his question. I think that we must see the question in a broader perspective. Major geopolitical changes are taking place on this planet, and within Canada, budget cuts have already been under way for several years. I illustrated it in my statement. Spending decreased by about 48 per cent, with the effect of cutting about 11,000 jobs in Quebec, including high–tech jobs.

Governments and politicians must develop a broader vision. I do not think that we can limit ourselves to the short term; we must consider the medium and long term. Of course, some sacrifices may have to be made, but one thing I want to emphasize is that it will be done case by case. I do not think that it will be big government programs designed here in Ottawa; it will be decided case by case, factory by factory, using an instrument with which I am familiar, labour committees. These have been successful in all kinds of situations, especially one case which I am told is already a model for this planet. All kinds of people, including academics, are studying how Expro, which was known for labour conflicts of all kinds, strikes, lock–outs, all sorts of rather negative things, became a company with exemplary labour relations that is once again profitable.

I think that we must favour this kind of approach, which is not magic, but is necessary: maintain good labour–management relations. The secret of this mechanism is information, no denying it.

[*English*]

Mr. Harold Culbert (Carleton—Charlotte): Madam Speaker, I am certainly glad to see that my hon. colleague across the way has read the red book so faithfully. We are pleased to see that.

After listening to his comments with regard to economic and social programs and all the things we should be doing today, I assure the hon. member that they will be done by this government.

With regard to the defence committee and the subject matter of today and his comments, the hon. member made several comments with regard to alternatives and suggestions as to how government should be working with and for the people and providing the opportunity for input.

The committee he is talking about actually provides opportunity for additional input. I would certainly hope the hon. member will provide that committee with the opportunity to tap into his expertise to provide that input and those suggestions. That is exactly what it is for. It is a forum to provide as many people as we possibly can in this area with an opportunity to provide their expertise and their input to assist the department in making the best possible decisions in the final analysis.

I think we should indeed be pleased that this government continues to provide the opportunity for that input. That was not always the case with previous administrations.

Is the hon. member prepared to provide the benefit of his expertise and input to this committee to assist in the long term and short term as well to make those decisions that are going to be made and recommendations that will be made back to the department of defence?

[*Translation*]

Mr. Rocheleau: Mr. Speaker, I thank my hon. colleague for his comments. I am flattered that he noticed. Of course, if ever people in certain places thought that my contribution could be valuable, I would be only to happy to oblige. But the point I was making, what I was objecting to in my speech is the fact that the special joint committee in question will cover the same ground as the Standing Committee of the House on National Defence. Personally, I do not see the point. Perhaps it is as good a way as any to keep the people in the other place busy. However, given the costs involved—and the member on this side of the House will agree—I think that the money might be put to better use, as the case may be.

• (1535)

I also object to the fact that this debate has no framework. As the Official Opposition, we would have expected a plan of action, a master plan, an overview of defence and foreign policy, a white paper, something. But no, the proposal is to set up a joint committee, period. Very disappointing!

On the other point, I will be pleased to oblige if ever people in certain places should see fit to call on me.

[*English*]

Mrs. Jan Brown (Calgary Southeast): Madam Speaker, I will be as brief as I possibly can.

I would like to thank the hon. member for his presentation. He included significant detail in his speech of those projects in Quebec that are defence oriented and within the manufacturing sector. They do indeed provide employment to many. He cited the figure of 46,000 jobs.

He indicated in his opening remarks his concern for the lack of a thread to link together our debates in this House. This is a legitimate concern demonstrating a desire to seek coherence, which I think is the word the hon. member used, through national program development. He then moved to provincial domain, highlighting a narrower level of concern.

How can he reconcile his role as a national representative while at the same time working on a case by case scenario within and for Quebec? This does not provide the national coherence that he identified in his opening remarks.

[*Translation*]

Mr. Rocheleau: Madam Speaker, I thank my hon. colleague from Calgary Southeast for her comments.

In this case, and this is perhaps where my experience comes in handy, I know with regard to government programs that problems within a company are best dealt with within the company, through an in–house program. The key players, that is to say an employer and the workers, unionized or not, must be involved. They must learn to speak to each other, whatever the situation. Expro is a perfect example. It can be done, in terms of defence

conversion as well as in other areas where the situation has improved considerably.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Madam Speaker, I cannot tell you what a delight it is for me to rise today. It is the first opportunity that I have had to speak in this House when you are in the chair.

I want to make special note. My congratulations to you on your appointment as the deputy chair of committees of the whole. I know that the whole House benefits from your wise counsel in chairing us here today and in the future. My deepest and warmest congratulations to you.

It gives me pleasure as well to rise to speak in this debate and to talk for a few minutes about an issue that is of great concern to me and to my constituents. For over five years now it has been my very great honour to represent the people of the city of Halifax.

Halifax has many names. It is known as the city of trees. It is known as the city with more green spots than any other city in North America but primarily and perhaps most widely it is known as, thanks to Hugh MacLennan, Halifax the warden of the north. It was known throughout World War II in many dispatches and many news bulletins as a small east coast Canadian port.

• (1540)

From its founding in 1749, Halifax has been a city of great military significance in the defence of North America, most particularly in the defence of the north Atlantic. It is Canada's eastern naval base and the largest naval base in the country.

There are a variety of reasons why Halifax was chosen. Probably first and foremost is that we do have one of the most beautiful natural harbours in the world. Up until this winter it had been ice free for most of the time, but this winter has defeated many of us with its severity. Even Halifax harbour had a little bit of ice this winter. Normally we are and claim to be the largest natural ice–free harbour in the world.

We also have a distinct advantage in that we are the closest port in North America to Europe. We are also close to the major ports on the eastern sea coast of the United States. Behind the harbour itself we have Bedford basin. It has been said many times by me as well as by others that every navy in the world could ride at anchor with room to spare in Bedford basin.

We have been home to the Royal Canadian Navy since our founding. It might not have been called the Royal Canadian Navy at that time. I am sure the hon. member from Bonavista can tell me exactly what it was called in 1749, not that I am suggesting he was there, but he would know.

Mr. Mifflin: Sir Edward Cornwallis.

Ms. Clancy: Yes, indeed, he was the admiral of the day.

On a more serious note, Halifax has been a focal point of the Canadian navy as long as there has been a Canadian navy. Haligonians, though perhaps not always so, are now proud and happy to be home to the Royal Canadian Navy.

We have had some differences at some times over our history, as my colleague from Newfoundland would agree, but those differences have been settled for a long time. As I said, the location of DND in the city of Halifax and its environs is of tremendous importance to the healthy economy of Halifax, to the healthy economy of Nova Scotia and to the healthy economy of Atlantic Canada. However, it is also tremendously important to the historical and cultural life of our city.

We are and we define ourselves by that port. We know that the military presence there is of tremendous significance. We know also that not just the ships and their personnel but the work done at the naval dockyard is of tremendous importance to the economy of our city.

We are, and people are always surprised when I say this, essentially a city without an industry. We are the regional centre of the federal government and the provincial capital of Nova Scotia. We have five universities—six, excuse me. My hon. colleague from Halifax West would remind me that within the environs of our two ridings we have six universities. We also have that most important element to our economic health, the Department of National Defence.

Consequently, as the review of the armed forces and of national defence is taking place it is of supreme importance to the people of Halifax that the continued health and survival and indeed the continued thriving of DND be reiterated in this House. It is a matter of importance for all the people of Canada but most particularly for the people of Nova Scotia.

There are several things I want to talk about with regard to the areas I hope will be covered in a review. For the majority of the five years I have had the good fortune to be here in this House I had the responsibility to speak on behalf of women. Although I have different responsibilities today, one never loses the feeling for work one has done for a long time. As a woman and as a member of Parliament there are certain messages that every one of us knows we must carry as women represent 52 per cent of the population in this country.

• (1545)

Last year under a different government in this House a report was tabled by the then Minister of National Defence, the then member for Vancouver Centre, on elements within the Department of National Defence and activities relating to sexual harassment and gender bias. At the time I and other members of

my party spoke out very strongly on the need for reforms within the Department of National Defence.

I want to state at the beginning of my remarks that when I talk about problems of gender equality, sexual harassment, and discrimination on the basis of gender, by no means do I consider the Department of National Defence to be the only offender or the worst offender.

We live in a society that sadly in 1994 is still basically sexist. We live in a society where women are still generally discriminated against. They deal with a lack of recognition in the value of the work they do. They deal with harassment and glass ceilings which prevent their promotion and prevent their attaining the goals many of them richly deserve.

Consequently it is incumbent upon all of us in this House, men and women alike, to remember when we deal with any matters of national policy that questions relating to fairness and equality in gender must always be on the table.

As the member for Halifax, as all members do, I have office hours every Friday in my riding and when the House is not sitting, throughout the week. Over the past five years I have had a number of young women come to see me. Many of them were DND personnel, either in the services or civilian workers. Many others have come to see me from other federal and provincial government offices and whatever.

However, because this review is taking place I want to make a very special plea. I know that special plea will not go unheard by the minister, his parliamentary secretary, the members of cabinet or indeed by the Prime Minister because I know this is a government of fairness and a government that intends to establish fairness. I want and hope that in this review the report that was tabled last year on gender inequality and sexual harassment within the Department of National Defence will be looked at. I hope that the proper and appropriate systems will be put in place.

Again as the member for Halifax, when these young women would come to see me there was a common thread with regard to the problems particularly of sexual harassment. A number of people who have not dealt with the problem or have not been faced with this particular form of discrimination sometimes find it hard to believe. It has always been my experience in dealing with good men and true—and I find that the vast majority of gentlemen in this Chamber can be classed as good men and true—that there are two problems. I am trying to explain the problems of sexual harassment.

One problem is the vast majority of men that women deal with would never even consider activity of this nature so they cannot believe it actually happens. The other is that for a small number they do not want the light of day shone on it and have themselves found out. Therefore, again they do not want to hear about it. However, I think the former is most generally the case.

Let me assure those who think this kind of activity is unusual or the exception that it is not. It is very difficult for women who are victimized in this way to come forward. All the standard reactions of women are not to rock the boat, not to disturb the status quo, not to anger their superiors. That is because for many of them, the jobs they hold are absolutely crucial to their families, to their standard of living and to maintaining their place in life. Frequently when these matters take place they think: "I imagined it," or worse: "I did something to engender this response".

• (1550)

That is usually not the case. As a matter of fact, empirical research in this area is that it almost never is the case. Along with that equally unacceptable practice, that of racism, it stems from the unconscionable behaviour of the perpetrator and not from the behaviour of the victim.

Consequently I make this plea today. In the review and in the decisions as to where the Department of National Defence is going, as to where we are going as a country on defence policy, I will do something I rarely do in this House and that is to quote an American source.

My American source is one of the first great feminists of North America, Abigail Adams, the wife of the second president of the United States, John Adams. She was the mother of, I think it was the fourth president of the United States, John Quincy Adams. When her husband with his colleagues was crafting the declaration of independence and later the constitution of the United States, she said: "Remember the ladies".

Well, I would paraphrase it for the 1990s. I would say to my colleagues and to those people who will be doing the review in the Department of National Defence, that policies relating to gender equality must be part and parcel of the new armed forces, of the new Department of National Defence.

Women in this country have earned the right and deserve to be full partners in all our endeavours. Women can serve in the armed forces and serve with distinction as they have done over many, many years. However they must be able to enter that milieu as they must be able to enter any milieu, particularly one that is governed by the public policy of this country, with the knowledge that they will not be victimized, that they will not be treated as second class citizens, and that if anyone attempts that kind of behaviour proper systems will be in place to answer and deal with those complaints.

The difficulty we have had with both sexism and racism, not just in this country but in democratic societies generally, is that we have tended to deal with them as individual cases before well–meaning and well–acting human rights commissions. An individual goes to the system with a complaint based on a breach of human rights law. That individual might get redress in one

particular case, but the system that allowed the offence to occur in the first place has not changed. It has not removed the ability for such acts to occur. That is what we must do right through our government, right through our public policy.

The fact is that this review of the Department of National Defence is a golden opportunity. It is an opportunity that must not be missed, that can go forward again—and this is something we are all concerned about in this week before the budget is about to come down—without costing a whole lot of money.

• (1555)

It is my belief that systemic discrimination can be eradicated from federal government agencies generally without costing a whole lot of money. That is not the case for some of the other things that I am very keen on, such as pay equity and a few other things. Those are going to cost money and the piper will have to be paid and he will have to be paid soon as well.

The question of systemic discrimination and the question of setting up within our current institutions, defence and otherwise in this country, can be done and has been shown that it can be done by a variety of reports under human rights commissions, under royal commissions. I refer, for example, to the Abella report on employment equity which shows certain ways that systemic discrimination can be dealt with.

I can remember some 12 years ago when you, Madam Speaker, and I were both present at a meeting here in this building sponsored by what was then known as Employment and Immigration Canada during which we discovered that CIDA Canada marketed a program to other countries across the world that showed them how to eradicate systemic discrimination from private sector companies and government offices at very low cost.

We have the program. It is available. I believe that we can implement it within our own public service, within our own Department of National Defence.

While we permit the evils of racism and sexism, while we permit discrimination in any form in this, one of the most pluralistic and multicultural societies on earth, we have no right to stand proudly as Canadians and claim it as we know it can be and should be the greatest nation on earth.

We tend to be rather quiet as Canadians, but we are also accused from time to time of being rather smug because we are so very fortunate. In spite of the ills that beset us in times of economic downturn, in spite of the difficulties and in spite of the world's worst weather, at least here in Ottawa, we do not deny the fact that we are among the luckiest people in the world.

Until we solve the problems that beset 52 per cent of the population, until we do this, we as Canadians carry a burden that we should not pass on to our children.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Madam Speaker, the previous speaker, the hon. member from the beautiful province of Nova Scotia, is to be commended for introducing into today's debate the subject of discrimination in the Canadian Forces, although she made it clear this was not the only department where major changes were necessary.

The motion before the House today to appoint this special joint committee could, of course, include discrimination, but I wonder whether this would not be duplicate a previous exercise. Perhaps action, not more studies, is what we need. You referred to the Abella report and the report released last year which made it clear that discrimination existed in several sectors at National Defence.

The facts are there, recommendations have been made, the various parties have responded to the reports that were published, and the only one that is not moving at all is the government. I think it would make sense for the government that has been in power since October 25 and whose members has been familiar with the problem for years, and especially considering the report released last year, to immediately table specific measures to deal with this discrimination.

• (1600)

You mentioned this earlier, quite rightly, and it surprised me as well last year, when I heard that the government was giving other countries advice on how to eliminate discrimination in certain agencies, even private agencies, and that it did not consider implementing its own recommendations.

Although I applaud your comments on the subject, I think you were rather soft on this new government by failing to state quite frankly that it was time to do something specific, since the report and the recommendations are known. All it takes is for the parties involved, meaning the government, to make a decision so that, as you pointed out, this kind of discrimination on military bases is abolished.

I do not think a committee, especially not a committee of both Houses, which means a very big committee, which would be asked to discuss conversion, to reflect on the potential need for a new base for training peacekeepers, to consider the advisability of closing certain bases or what Canada's contribution should be as an international force, in multilateral forces, I do not think it could also talk about discrimination. This committee will already have too much on its plate. A debate on this particular issue would not be appropriate in a committee that is supposed to make recommendations for future policy. It seems to me we do not need any further debate on this issue. The public realizes

that changes are necessary. Changes must be made, and the government can make them without a committee, on the basis of existing reports.

In any case, this committee seems to be one committee too many. We already have a National Defence committee, which is supposed to consider future policy and the estimates and hear testimony from the military and civilians. The hon. member for Trois–Rivières said earlier in his speech that he had a petition signed by nearly 7,000 people from Trois–Rivières who objected to the fact that National Defence and the defence sector are so generously funded and said that conversion was necessary. We already have a committee that can hear these witnesses and make recommendations to the government.

I have known the hon. member as an ardent activist for women's rights. I applaud that, and I know she will keep up the good work, but she will realize it is much harder now. A great politician once said that power imposes its own constraints. I want to ask whether she is prepared to rise in caucus and here in the House, not to ask members to think about discrimination but to ask for immediate implementation of the recommendations of the Abella and other reports, which tell us exactly where the discrimination is and how it should be corrected.

If she wants to accomplish anything, it will have to be done through government decisions. I also think that the proposed committee should not be struck. In other words, the committee is unnecessary because we already have a National Defence committee that could examine all the items the minister mentioned this morning and which the red book, which you praised so highly during the election campaign, mentioned as well, although far more clearly than the minister did in his speech this morning.

Would the hon. member agree that it is time to do something about discrimination instead of taking this issue back to committee?

[*English*]

Ms. Clancy: Madam Speaker, I must say I am truly delighted to see the hon. member's conversion on the road to Damascus because as he has kindly recalled my history on the opposition benches as an activist for women's rights, I too recall his original incarnation in this House as a member of a government, indeed as a member of a government that had full access to the Abella report which was tabled in this House in 1984 when the hon. member was part and parcel of that government.

• (1605)

I am sure that his desire for quick action has come since his, shall we say, change in circumstance. I will, however, say that I am a little disappointed at the hon. member's wish to debunk a committee that has not yet been struck. Certainly there is a committee for national defence, a standing committee of this House, and it has a particular mandate.

The joint committee that is being talked about in this resolution has a specific mandate that was promised, I might add, in the red book. We on this side of the House will always keep our promises. That is a promise we made. It is a promise we are going to keep.

What I want to see done and what I know will be done by this committee is that the systemic changes necessary to prevent further discrimination within the armed forces will be dealt with by this joint committee as part and parcel of its long–term mandate. To say that this work can be left to the committee on national defence is to be unrealistic. I know the hon. member would never be so with regard to the duties of the standing committee here in this House.

For example, the standing committee on defence will have to deal with estimates and with various and sundry other matters as they come up in the daily business relating to the minister of defence and his responsibilities.

This joint committee is to do a very special job within a very special period of time. As I said before, it is one that is absolutely necessary to the health and future of the Department of National Defence.

With regard to the need for action, I want to make perfectly clear that in my remarks I was certainly not calling for any more studies, no more studies. We know what the problems are. We know where they are. We know how they exist and we also know how to fix them.

What remains to be done now is for this committee to take as its mandate, which I am quite sure it will, this problem and work it in with the review and its recommendations for changes within the armed forces that the Department of National Defence will carry forward into the next century.

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Madam Speaker, today I would like to join some other members of this House in supporting the motion before us to strike a special joint committee of the House of Commons and the Senate to consider Canada's defence policy.

It is the conviction of many within our country and among our international neighbours that the last decade of this millennium presents an urgent and opportune moment to re–examine defence policy and national security.

The international, regional and internal factors compelling us as Canadians to review our policy are well articulated by people within and out of the defence industry. I am sure they will be thoroughly addressed by the joint committee we are proposing to strike today.

For my part, the issues of fiscal constraint, international political instability and the safety and adequate resourcing of troops we send abroad in service are priorities.

I wish to contribute to the current debate by emphasising the process of review. I want to encourage the proposed joint committee to consult carefully and widely with Canadians during this review process for two basic reasons.

First, the federal government has a unique and special role in educating Canadians about national defence and security. Defence is totally within the constitutional jurisdiction of the federal government. We must discharge our duties in this regard.

This review process is one opportunity to make younger and newer Canadians in particular aware of the role that our armed forces play and of the service they provide for us. I also hope that the joint committee will consider in its deliberations other ways and means for Canadians to be made fully aware of the importance of defence.

Developing educational and training programs will also ensure that we have a secure pool of future personnel for our armed forces service. While a consultative process will no doubt reveal various opinions and philosophies about the role of defence, the open and frank discussion should be of great educational value and should contribute to a national consensus for defence policy, one that would be sufficient to guide us into the next century.

• (1610)

The importance of achieving such a national consensus is the second reason for a broad and careful consultation process among Canadians. The best policy and legislation that governments can bring forward is that which commands lasting public support.

I believe that Canadians not only need to understand but that they want to understand defence policy. I believe that they will support policy that they understand and have had a hand in crafting.

It is with this in mind that I offer some constructive criticism of the timing of this review. It seems to me that the Liberal Party red book makes a number of policy decisions that may prove to be premature. These include increasing the priority of peacekeeping, establishing peacekeeping centres at surplus bases, forcing defence industry conversions, creating a peacekeeping brigade of volunteers and cutting the defence budget by $1.6 billion over four years.

Others have made this point as well. I as well feel that piecemeal change to defence policy before a thorough review is completed is a case of putting the cart before the horse. We cannot be sure of what our requirements will be, for example, in the area of base reorganization before the review process is completed. In other words, I would encourage the government to be as objective and open minded as possible when going through this review process.

The two crucial functions that the joint committee on Canada's defence policy can fulfil by developing a good process of consultation are education and consensus. The government must continue to find ways to accomplish these objectives.

I would also like to present an idea to this House which I have suggested to the minister of defence privately regarding the potential closure of Canadian forces bases. I recommended that the minister strike an ad hoc caucus of members who have CFBs in their ridings to participate fully in the base closure review process.

The benefits of such a process would be as follows. First, the minister may be provided with information from each base and surrounding community that he might not otherwise have had the benefit of receiving. This information, along with expert opinion, would be shared and debated openly in an ad hoc caucus resulting in the best analysis and decisions possible.

Second, it would allow the MP to more ably and effectively represent the views of his or her constituents. Third, it would increase the ownership level of the decision among parliamentarians and, therefore, among Canadians.

It is important for the government to have the respective MPs regardless of the future of any given base as allies rather than adversaries of the decision.

Having been fully informed of all the factors in the decision making process and having had the opportunity to contribute to the discussion on behalf of constituents, an MP would be a great help in communicating, gaining support for, consolidating and monitoring the outcomes of the decision.

In conclusion, a consultative, co–operative approach relating to the whole defence policy or to a subdepartment of it seems to be very much in line with the government's stated agenda for a more open and effective Parliament.

I am sure that we would all admit to some uncertainty about what the next century will bring in terms of internal, regional and international stability. I would argue, however, that the best way to face such an uncertain future is with careful planning. The future will surely come. The question is will we drive into it or will we drift into it?

Canadians will feel most secure with the future if we as leaders involve them, help to educate them, listen to them and together come to the best possible decisions.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I would like to congratulate the Prime Minister and the Minister of National Defence and the government on this long overdue review of our national

defence policies, the way we provide services as well as the role of national defence. I would also like to congratulate the government on involving once and for all national defence staff, the armed forces and all those who have anything to do with national defence policy.

• (1615)

I believe it takes a lot of guts to undertake such an overall review. I am very happy and delighted to see this review taking place. In particular, unlike my colleague on the opposition side, I am encouraged by the fact that our role internationally will be enhanced through this review and also through the fact that some of the bases that we have here in Canada might be used as training bases for other forces around the world that might be interested in peacekeeping roles.

When it comes to the closure of bases, the hon. member is saying that MPs should be consulted in order for them to go back to their constituents and tell them about the issues so that they may bring back the views of their constituents. It goes without saying any MP who tells me that his or her constituents support the closure of a base is mistaken. No constituent would like to see a base in their neighbourhood or their surrounding being closed.

What we have to do is involve those affected by doing a review to ensure that whatever action the government takes would have a minimal or no affect on the surrounding community. The government is doing just that.

I am informed that this member in his home province of Saskatchewan undertook an initiative to have a look at one of the bases that is under consideration, I presume, and invited everybody but the member for the area in which this particular base is involved. I want to ask him why he did not practice what he preached. When he undertook this initiative why did he not involve all of the different partners rather than just picking and choosing the people he wanted to invite to that particular meeting or event?

Would the member not agree that it would really be wrong to prejudge the government decision on an initiative which has just now been launched? Would he not agree that it would be wiser to wait until such a time as the committee is struck and has had a chance to undertake a review? Does he not think that would be the best time and place in order to make any kind of presentation on behalf of his constituents? That would be the proper time for the member to tell the government and the minister the kind of things he would like to see the government do when it comes to national defence issues.

Mr. Kerpan: Madam Speaker, I have two points. First of all, the base that is apparently in question in Saskatchewan happens to be the base which is in my home riding. Second, in any attempts or meetings that we have had as a Saskatchewan caucus we have invited everyone to be present and to take part in those.

The question that the hon. member raises is a good question and one that I talked about in my presentation. There can be no way at this point that we can go out and make piecemeal cuts or changes to any part of the defence without the full review process. We have to give the review process a chance to work.

I look at base closures as one perfect example. If we close or drastically change base *x* in province *y* today and pending the outcome of the review this fall we may say that base *x* in province *y* should have been kept. One cannot make a judgment as to what the long–term mission or the long–term goal of our defence should be without giving the process a chance to work.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, I was in the lobby but I was listening to the speech by the member. I fully understand the angst that he must feel knowing that with the base and with cuts pending he may have to deal with that in his riding. I certainly wish him well. I certainly hope that he does not have to deal with that at this point.

I have a fundamental question. During the election campaign the Reform Party in my riding—I have one of the largest military ridings in the country—would go around and say that it was its party's platform to eliminate the deficit in three years. However, at every all–candidates meeting on my side of the harbour and on the side of the harbour of my colleague from Halifax, whenever asked about defence policy we never received an answer.

The hon. member is now speaking for his constituents and I think that is the right thing to do. I want to know what the party's position is? The Reform Party platform said that in three years it would eliminate the deficit. With 37 cents of every discretionary dollar left in the budget going to defence, how would his party approach cutting the deficit to zero without going around and laying waste to most of the national defence infrastructure?

• (1620)

What I am saying is maybe he cannot have it both ways. I have never seen it like that. Maybe he can explain how it is done.

Mr. Kerpan: Madam Speaker, first of all if anyone would take the time to look at our famous blue book they would see that we have not advocated any major cuts to defence from the $12 billion budget it is currently working under.

Having said that, we also believe that sooner or later we have to make infrastructure cuts. I am not opposed to cutting back or to making changes in defence. What I am saying in the whole gist of what I did say was that we have to get the process finished. I agree with the member's side of the House to have this review process but let us not make any changes until we have a look at it.

There may be a situation in which something very close to me is necessary to be cut. I would not like that. My constituents would not like that but that is part of the tough talk and the tough things that have to happen over the next few years.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Madam Speaker, I would like to compliment the hon. member on his speech.

I listened with a lot of interest because obviously something we are going to have to do is revise the role of the military for the 21st century. Things have changed. The cold war is over.

What I am interested in here and now is process of review. I would like to know what the hon. member's vision is of how this process of review is going to work, how this committee is going to be put together. Obviously one of the things we will be looking at is the cost part of it and the Reform is definitely looking at the cost of operating government.

I would like to know how the member is going to put together this committee.

Mr. Kerpan: Madam Speaker, I want to thank the hon. member for his question. It is a good question.

The vision I probably have for this review is that there would be a committee of members who have CFBs in their ridings. That would give all of us, and I have a CFB in my riding, a chance to sit down and make the case or tell the minister or tell the committee of people that this is what makes Moose Jaw wing 15 very good, very important.

I would talk about things like the low cost of operating this service in Saskatchewan, for instance. We would do this in conjunction with expert opinion, people who are in our defence industry at this time. There has to be some give and take so that we can look at what is best for the industry and for the country as a whole and not necessarily what is best for my riding or any particular riding.

Having said all that, I do know, as I mentioned before, that there are going to be some tough choices. If an MP were asked to be part of that committee he or she could go back to his or her riding and indicate the reasons that base *x* was changed or base *y* was closed.

I was part of that and it may make sense. We have to change it based on what we talked about.

Mr. George Proud (Hillsborough): Madam Speaker, as with many aspects of Canadian life, the time has come for a long and hard look at our military policy, where we want it to go and how we want it to be an instrument of our national policy.

I would like to begin by saying how much I appreciate the opportunity to participate in this important debate and I believe it is important because it affects everyone in this country.

After all, Canadians, no matter what their age, their occupation, or where they live, have a stake in defence. For that reason I am especially pleased that the government has formally launched a defence review in the House of Commons. In so doing, the government is once again showing its commitment to consult with Canadians and take account of their opinions in determining the future of defence policy.

• (1625)

The opinions of concerned Canadians will be given voice here today, as they have been already, and they will no doubt influence the structure and the purpose of our military forces in the future.

As the minister noted in his speech earlier today, the aim of the review is to develop a new defence policy for Canada, one that reflects not only an uncertain environment abroad, but our needs here at home and the values we hold as Canadians.

The government hopes that the special joint committee on defence policy will hear the widest possible range of views on the future of Canadian defence.

Once the committee is established I expect that it will make plans to solicit the widest range of opinion on these issues. But before consultations begin we need an answer to a basic question: Is there a need for armed forces in the world today? Many people are asking this question.

In my view, the answer is yes. A glance at the front page of any major daily newspaper on practically any given day will enforce this view. Regrettably, the potential for conflict still persists, both between states and within states.

Armed forces are designed to play many roles in the world today. During the next few minutes I would like to discuss those roles in general and I will describe how the Canadian forces could help Canada meet its domestic and foreign policy objectives.

In doing so I will identify the specific roles that the Canadian forces carry out. They exist as security at home and they exist to contribute to international security and defence through multilateral operations abroad.

Finally, I will describe some of the activities undertaken by the Canadian forces. Those activities stand as solid proof of the asset our military represents due to its great ability to carry out many necessary tasks at home and abroad.

The most basic reason that any country fields armed forces is to protect its people, its territory and its political independence. To provide that protection, armed forces must guard against threats to sovereignty from without and answer threats to law and order from within whenever those threats outstrip the availability of civil authorities to respond.

Democratic governments prefer to avoid using the military to maintain public order but having the ability to do so provides a form of insurance against unacceptable risks.

The Canadian forces have been called upon to respond to threats to public order. We all recall the calm and disciplined performance with which the Canadian forces helped to diffuse a potentially explosive situation at Oka a few summers ago. Providing protection is an important military role, but it is not the sole raison d'ètre for the military.

Most armed forces are also capable of carrying out a variety of civil roles like search and rescue and disaster relief. We do not have to look beyond our own borders for examples of this.

The national roles played by the Canadian forces can be invaluable. One of the most important and most dramatic roles is search and rescue. It is a task that demands professionalism and determination, often under daunting conditions. The crews that fly search and rescue missions enjoy their triumphs such as when a Sea King helicopter lifted two stranded hunters from an island off Nova Scotia or plucked nine Honduran seamen from a sinking ship off the coast of Haiti.

Sometimes, of course, the end result can be far from rewarding, as we saw in the futile search for the missing crew of a cargo carrier lost in the Atlantic last month or the grim discovery last summer of a wrecked plane that ended a 12–day search of the Quebec wilderness. But the point is that our forces are there, they are trained, they are equipped and they are ready to meet Canada's search and rescue needs.

Our forces are also ready to respond to calls for disaster relief. Canadian soldiers, sailors and air crew have fought floods, battled forest fires and evacuated isolated communities standing in the way. For more than 50 years Canadian forces have also played a role in protecting our marine resources. Today Aurora and Arcturus surveillance aircraft conduct fisheries patrols over huge expanses of ocean, taking over where the Argus, the Tracker and the Lancaster left off.

• (1630)

The proficiency of the Canadian forces is the product of their training and equipment. The dedication of our service men and service women in carrying out those domestic roles attest to their status as a national asset. Based on the contribution they make to our national, domestic interests alone, there can be no doubt that the Canadian forces should continue to play a significant role in our collective future.

I have described the role of the armed forces within the nation state. Of course, armed forces also are maintained to respond to serious breaches of international security. Few of us would have to search our memories to think of these examples. The two world wars come to mind immediately, as does the Korean conflict and the most recent war in the Persian gulf.

When the cold war ended, we had hoped this type of threat would recede, but as Iraq's invasion of Kuwait illustrated so forcefully, aggression and conflict are not yet things of the past.

In addition to the many civil wars currently under way, tensions between nations are high and could easily lead to conflict. Think of the uneasy truce that exists between North and South Korea or the apprehension among the states bordering the civil war in the Balkans. Obviously there is no substitute for armed forces to respond to situations where diplomacy and negotiations have failed leading nations to resort to force.

Indeed even the authors of a document as hopeful as the United Nations charter acknowledge that these types of situations would continue to exist and in response they called upon states to maintain armed forces that can be used to defend the principles contained in the charter.

Canada's armed forces are no strangers to operations of this type. We were a major allied power during the second world war. We sent forces to Korea under UN command. In 1990 we were among the first countries to commit forces to the multinational coalition that operated in support of the United Nations and reversed Iraq's invasion of Kuwait.

Collective defence is another form of multilateral military co–operation in which security minded nations choose to participate. While sovereign states join organizations like the United Nations, helping to ensure international security on a global basis, collective defence arrangements are more limited and more focused. Essentially collective defence arrangements result when like–minded nations promise to co–operate to guarantee each other's defence.

The North Atlantic Treaty Organization or NATO is a classic example of that co–operation. Since it was founded in 1949 the alliance has grown to include 16 nations, all of which have pledged to pool resources for the common defence. NATO's primary purpose has been to prevent a major war through the deterrence of aggression and in this it has been very successful.

Considering that the cold war could easily have ended with a nuclear confrontation, we are very fortunate that NATO never had to use its military capabilities. That does not mean however that other than preventing an east–west conflict there were no benefits to collective defence through NATO. Far from it. At a basic level NATO reduced the expense and increased the efficiency of providing for defence within the Atlantic community

and from a political perspective NATO contributed greatly to the reconciliation of countries that only quite recently had been at war with each other.

NATO has also served as a meeting place where nations could discuss security issues and as a catalyst for military standardization and interoperability. In fact the familiarity NATO bred was put to very good use during the gulf war. Many of the allied countries were well acquainted with one another's equipment and procedures, factors that enhance the success of joint operations.

Canadians have been strong supporters of collective defence, not only through NATO but through a longstanding bilateral defence relationship with the United States. We have placed our armed forces at the service of NATO and NORAD and we have actively participated in shaping allied positions. I hope that Canada will continue to play this constructive role.

• (1635)

A third international role for the armed forces and for Canadian forces in particular is the involvement in peacekeeping operations. Most Canadians today are familiar with the contribution we are making to a concept first introduced in the years following World War II. Back then peacekeeping and observer missions were seen as something of an exotic innovation, but today they are widely accepted.

The review will provide Canadians with an excellent opportunity to reflect on the complex and evolving state of peacekeeping. The reality is that many current operations bear little resemblance to the original concept.

Within the last five years alone military forces have stepped into the breach to carry out an ever increasing and changing variety of tasks. Let us consider some of them for a moment.

Peacekeepers have helped to monitor elections in Africa and Central America. They have trained local populations to recognize and disarm land mines in Afghanistan. In Cambodia they helped provide administration on a nation–wide scale. In the war torn remnants of the former Yugoslavia they have ensured the delivery of humanitarian aid and created safe havens for refugees.

In only a few years peacekeeping tasks have expanded exponentially and the demand for qualified personnel to serve as peacekeepers has risen to new heights. No one is more aware of these developments than Canadians. In the past few years we have listened to reports about the activities of our forces in troubled spots around the world. We felt pride when Canadian forces air crews flew humanitarian aid to Sarajevo. We watched on television one hot summer day as a young Canadian soldier risked his life in the same city to save two women wounded by sniper fire. We have read about the difference our peacekeepers have made in Cambodia, in Central America and the Middle East.

There are many other worthy stories that have never, ever received wide circulation. Take for instance the military engineers in Bosnia who lowered the road through a mountain tunnel and straightened hairpin curves to improve a critical route used to deliver humanitarian aid. The Canadian soldiers in Somalia, we hear a lot about them but we did not hear about the ones who improved schools, reopened a hospital and got public utilities up and running in this area.

In essence, the defence review will chart a new direction for the Canadian forces as we enter the 21st century. That role has changed dramatically, even since the end of the cold war. Although sovereignty protection and collective defence remain important priorities, peacekeeping has become a focal point for the Canadian forces. We need to ask ourselves how best to strike a balance between these activities.

In conclusion, the end of the cold war has brought about dramatic reorderings and turbulence throughout much of the world. To meet the challenges of today and those we expect to encounter in the future we must field flexible, capable military forces.

If Canada seeks peace in a time of great transition and upheaval then it follows that we must retain armed forces capable of meeting the challenges to our defence and security at home and abroad.

[*Translation*]

Mr. Gaston Péloquin (Brome—Missisquoi): Madam Speaker, I listened very closely to the speech by my hon. colleague for Hillsborough and I agree with him that the Depatment of National Defence does many things very well and that it plays an important role.

However, if we examine each of the services in detail, it is clear that each one is important and has a role to play. My question is the following: Since we already have a national defence committee and given that we are asking the middle class and the poor to tighten their belts, what more can a special sixteen–member joint committee accomplish that existing committees cannot?

I would also like to ask my hon. colleague why the sixteen committee members should be authorized to travel from place to place within Canada and abroad to receive evidence?

Would it not be more logical to have witnesses come here to give evidence?

• (1640)

[*English*]

Mr. Proud: Madam Speaker, I thank the hon. member for his comments and his questions. I suppose I could use the saying six of one, half a dozen of another. I assume one of the reasons for the joint committee is to have the two Houses involved and the

16 people. It does not matter to me whether it is 11 or 16 or whatever the case may be. However it is going to be a joint committee of both Houses. There will be expertise on that joint committee from both Houses of Parliament.

We have talked over the years of the other place being an instrument that is not of much use to the country. One of the reasons that has come about is that the other place has not been used enough when we are starting out on such things as this investigation of our armed forces.

The people from the other place will contribute to this committee as well as we will contribute to it. So far as the 16 members going across the country is concerned, why not bring the people here? The hon. member will find in a lot of instances that people will be brought here. The most viable thing to do would be to bring people here.

We remember what happened when other committees went across the country in the last number of years. People were very concerned when the committee did not go to their areas. We have to be cognizant of that. We should visit as many of these areas as we find necessary. With that number of people, we can also split into different committees that can visit at different times in different areas of the country. That would help to speed up the process and not miss anybody in the overall scheme of things.

I do agree that in many instances it would be much more expedient, much more economical, to bring the people to Ottawa to listen to them here.

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, the hon. member who has just spoken has broad experience in government. He has been in provincial government and he has been in Ottawa for a while.

Does he not feel it is very important to have a number of members like 16 on a committee including senators and to have breadth and depth from across the country on matters as important as the future defence policy of our large country, a country that has a great name around the world in peacekeeping and in doing more than our share during wartime in the past?

We will have many people with expertise in foreign affairs. We will have people with expertise in the military field. We will have other people with expertise in the industrial and training fields. The Canadian forces is the largest training school in Canada.

Does the hon. member not feel it is important to have breadth and depth from across Canada on the committee, to have the committee going to meet Canadians who cannot afford to come to Ottawa because this is a huge country, and to let Canadians have their say on such matters as defence policy and foreign policy? If we do not have that breadth and depth, will we not have an inward looking attitude instead of a broad, outward looking attitude at the world and nationally in our own country?

Mr. Proud: Madam Speaker, I thank my colleague for his intervention and his questions. I think they are very relevant.

• (1645)

I spoke just a moment ago about this very thing. This is certainly one of the most important committees I have been on in my time here. It is going to take an in depth look at our defence policy as to where we are going into the next millennium. I believe we have to be committed to it. As I look at the make–up of the committee thus far I am very pleased. We have many good people on it from every party in the House. I think that spells good for the future. I am sure the people who will be chosen from the Senate will add their expertise to it at their own level.

As I said a moment ago, we have to go out to various parts of the country, and probably other places around the globe, to get the whole input of people who have a great interest in our country and in our military as to what we should have in upcoming years.

This is not something that will be a hodge–podge, band–aid situation. I think we have had some of that in the past. I believe the time has come. Canadians have told us that we have to change. Our economics tell us we have to change. I can see the make–up of this 16–member committee. It will split into subcommittees to go across the land and across the world to see what will be necessary for the next number of years. This is very important to the future of the country.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne): Unfortunately, there are only a couple of minutes left, Madam Speaker, and I think I could do a 20–minute speech because I am so frustrated from hearing what I just heard. I will try to be calm and precise and to ask the hon. member opposite for a precise answer.

On the first opposition day, we had a debate on a special committee to review every item of government spending and to save not millions but billions of dollars. The Liberals were against that committee to save money and to avoid duplication in the mandates of committees, as they said at the time. They are now offering us the same thing in a defence committee, not the same thing but a real duplication with enormous costs on reports we already have and answers we already know, with senators, probably to assess the relevance of their duties and to occupy them to a certain extent, since they have nothing to do, with 16 members, 14 on this committee. I am sorry but I would like some clarifications on the relevance of this committee, an approximation of costs, and I would like to know why you were opposed to a committee to save not millions but billions of dollars where now you are proposing to spend money.

In conclusion, I would suggest that you keep your red book introduction for the next campaign, if there is one, to the effect that voters no longer trust politicians because, with behaviour such as this, they will continue to distrust them.

[*English*]

The Acting Speaker (Mrs. Maheu): I can give the hon. member for Hillsborough about 30 seconds if he thinks he can give an answer in that time.

Mr. Proud: Madam Speaker, this committee was struck by the House. The committee is in place, the Standing Committee on National Defence and Veterans Affairs to study the policy. It is a joint committee of both Houses.

The idea that we are going to spend more money on it is ridiculous. We are given a budget to go forward as a committee and that is what we are going to do. We are going to determine the future defence policy of the country for some time to come.

[*Translation*]

Mr. Laurent Lavigne (Beauharnois—Salaberry): Madam Speaker, today the government, in a somewhat hasty move, has introduced a motion calling for the establishment of a joint committee which would duplicate the work of the Standing Committee on National Defence. I do not want to expand on the substance of the motion at this time since several of my colleagues have argued against it and stressed that there is no justification whatsoever for setting up a joint committee which would cover the same ground as the Standing Committee on National Defence, increase costs and delay the implementation of a defence program. Therefore, not suprisingly, I join with my Bloc Quebecois colleagues in denouncing the striking of this joint committee, as proposed by the government in its motion.

• (1650)

Instead, I would rather spend my time focusing on the issue of industrial conversion. As we know, defence industries employ a considerable number of people and since the end of the cold war, these factories are getting fewer and fewer orders. They have already begun laying off workers. Therefore, steps must be taken quickly to convert military factories for civilian purposes.

What I do not understand is that the Liberal Party of Canada appears to be saying two different things. When it formed the Official Opposition, it said one thing, but now that it is in power, it seems to be singing an entirely different tune. To confirm my suspicions, I would like to read to you a short excerpt from a March 26, 1993 press release prepared for immediate publication by the office of the then Leader of the Opposition. Therefore the current Prime Minister was Leader of the Official Opposition at the time. He was in Quebec City where he announced to reporters a policy to convert the defence industry for civilian purposes. That announcement appeared on the following day's papers. Three opposition members were also making a similar announcement here in Ottawa at the same time and virtually all of the media in Canada covered the story.

Right now, the Liberal government has all the data it had back when it was in opposition. Why authorize another joint super-committee to conduct further studies and analyses and undertake more trips when we already have a committee, the Standing Committee on National Defence, to do the job? It makes no sense!

I would like to read part of the statement issued by the then Leader of the Opposition at the press conference held on March 26, 1993. "Today, Liberal leader Jean Chrétien, speaking in Quebec City, and three Liberal MPs, speaking in Ottawa, unveiled the defence conversion policy that would adopted by a Liberal government to bring our high-tech military industry into the post cold war era, while creating at the same time new economic development opportunities".

Here are the highlights of the announcement made in Quebec City by Mr. Chrétien and in Ottawa by Mr. Axworthy, the External Affairs critic, by Mr. Bill Rompkey, the Defence critic and by Mr. Jim Peterson, the Industry critic.

They proposed to expand the mandate of Industry, Science and Technology Canada's $200 million Defence Industry Productivity Program, known as DIPP, from developing defence technology to helping the industry convert and diversify into areas such as environmental technologies and high-tech peacekeeping technologies. They also proposed the establishment of an Economic Conversion Commission, with the participation of industry and labour, to facilitate and coordinate the process of conversion in the 100,000-job defence industry. Quite a few people work in the defence sector, 100,000 to be exact.

The Liberals urged the opposition and suggested to the Conservatives, then in office, to develop joint conversion arrangements with the United States, the market for 80 per cent of Canada's defence exports. Under the Clinton administration, the United States have embarked on a major defence conversion effort, thus reducing demand for Canadian-built defence products.

"The cold war is over, and Canada must adapt to a changing world", said Mr. Chrétien at that press conference. He went on to say that "the Tory government has no defence conversion policy and has been content to let the market dictate diversification".

• (1655)

Mr. Chrétien noted at that press conference that he had been calling for government action on defence conversion since March 1990. The Liberal leader called the international arms trade, which has shrunk by 25 per cent in the last few years, an industry of the past. He said, "We need to invest in the economic winners—and the job creators—of tomorrow". He wanted to invest and suggested to the then Conservative government to invest $5.8 billion in helicopters. He said that it was a cold war policy and that it was no way to develop Canada's high-tech potential. The Liberals believed instead in gearing this shrink-

ing industry towards more competitive military and civilian goods. Government can and must show leadership in shaping change. It was still Mr. Chrétien talking.

He then concluded by saying, "Canadians are entitled to a government that is prepared to lead, a government that has new ideas and new strategies and which helps them adapt to changing times. Our policy on defence conversion is a clear example of how a Liberal government will respond to the needs of Canadians in the 1990s".

When we look at, listen to and read what the Liberals were saying when they were the Official Opposition as opposed to what they are not doing now that they are in power, it is clear that they have two languages: one for the left side of their mouths and another for the right side.

The Bloc Quebecois's policy on conversion takes into account the importance of the armament industry and its structural impact on the economy. The Bloc Quebecois proposed during the last election campaign and fervently hopes that the federal government will take steps to facilitate the defence industry conversion process. Such a program is necessary and must be implemented as soon as possible.

The Bloc Quebecois doubts that the Liberal government will pursue a wide–ranging conversion policy. The EH–101 helicopter episode is revealing in this regard and clearly shows that the Liberal government does not intend to pursue a comprehensive strategy on this. It was a perfect opportunity for this government to show its true intentions in this area, but it preferred to single out the helicopter program, without a conversion program in return.

Then how can we launch such a program? Professors Bélanger, Fournier and Desbiens, of the defence industry conversion research group at the Université du Québec in Montreal, did some research and came to the conclusion that a very large number of defence workers live in Montreal, a region where they conducted a more in–depth study on the effects of non–conversion.

The Montreal region is the main defence industry centre in Quebec. More than 500 defence companies are located there and the total value of goods and equipment delivered amounts to a little over $2.1 billion. The region alone generates 63 per cent of defence economic activity in Quebec and accounts for 26 per cent of the Canadian market. The employment picture shows what is happening.

My time has expired, even though I would have liked to go on. I will continue at the next opportunity. I would just like to say that, on this whole issue of industry conversion, many jobs are at stake and there is an urgent need to intervene.

The Acting Speaker (Mrs. Maheu): Order! It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Ottawa—Vanier—Public Works; the hon. member for Louis–Hébert—Quebec City Airport; the hon. member for MacKenzie—Grain Transportation.

Are there questions or comments?

• (1700)

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, I listened with great interest to what the hon. member for Beauharnois—Salaberry had to say. He actually said a lot that I agree with. He gave us some good figures on conversion.

This is a legitimate question, it is not posturing but I am not precisely sure whether he meant that the defence review should look at conversion or whether he felt we had precluded conversion from being considered. I can assure him that is not the case. Nothing is being left out of the review. Nothing is sacred and nothing is to be left untouched with respect to considerations.

Also, I gather more from the tone than the statement of what the hon. member said about the decision on the EH–101 helicopters, and of course I am making an oblique reference to the decision of the government to cancel the project, but my understanding was that his party was in favour of cancelling the project as well.

If the hon. member could clarify these two points I would be delighted.

[*Translation*]

Mr. Lavigne (Beauharnois—Salaberry): Madam Speaker, I am pleased to answer the question raised by my colleague. Of course, the Bloc Quebecois agreed 100 per cent with the cancellation of the helicopter contract, except that it was only half done. Not only should they have cancelled the helicopter contract but they also should have recovered the money that was to be invested in it and put it in an industrial conversion fund. I blame the government for not doing that part of the job. It was only half done.

This second part could have redirected all the money to be saved on the manufacture and purchase of the helicopters—over $5 billion. If this $5 or $6 billion had been invested in converting military companies, we could have stopped the hemorrhage that is going on right now.

I take the example of the Expro plant in my riding. It makes powder and shells. Not so long ago, the Expro plant had over a thousand workers, but with the end of the cold war, Expro's orders from the defence department dropped drastically. Now this plant has only 400 employees. I give you this example because I know that plant particularly well, since it is in my riding, but the same danger threatens some 60,000 workers in these military plants throughout Quebec, over 60,000 if we consider all of Canada.

The Liberals only did half the job when they cancelled the helicopter contract because they did not take the money that should have come back to them and invest it in industrial conversion.

There was a second part to the question, but I spent so much time on the first that I forgot the second. I do not know if my colleague—Oh yes! It has come back to me, Madam Speaker.

The whole issue of industrial conversion should probably be discussed by the defence committee and I hope that we will not have to discuss it as well in the joint committee that you want to set up, because that would further prolong the debate—there would be no end to it. Workers in our factories are now waiting for a conversion program before they are unemployed. That is the threat hanging over us.

Some hon. members: Hear, hear.

Mr. Lavigne (Beauharnois—Salaberry): Workers in military plants who are in danger of losing their jobs tomorrow morning do not want to hear about setting up a joint committee that will report in six months or a year or two. The government should take a position before then. It is urgent. Enough discussion—let us act.

• (1705)

Mr. Jean H. Leroux (Shefford): Madam Speaker, my remarks will deal with disparities between Quebec and other parts of Canada.

Quebec is one of the most disadvantaged areas in terms of economic benefits from National Defence contracts. Quebec's per capita share of defence spending is clearly below average. The following figures speak for themselves. An internal document from the Department of National Defence indicates that per capita spending for 1990–91 was $1,217 in Nova Scotia, this province ranking first, followed by New Brunswick in second place with $1,050, while Quebec ranked sixth, with a per capita share of defence spending of only $316.

Updated data for fiscal year 1992–93 indicate that the trends observed with regard to inequities experienced by Quebec in terms of economic distribution have worsened. The latest figures from National Defence, provided by the Minister of National Defence himself when he met with parliamentarians on February 10, confirm that Quebec's share of benefits has shrunk considerably. Actually, 16 per cent of the benefits go to Quebec, while Ontario gets 36 per cent, the Atlantic provinces, 16 per cent like Quebec, and Western provinces, 20 per cent.

Defence spending includes various expenditures. There are infrastructure expenditures, personnel expenditures, equipment expenditures as well as procurement and services expenditures. In terms of personnel expenditures alone, with 25.4 per cent of the population of Canada living on its territory, Quebec received only $773 million in benefits in 1990–91, as compared to $1,821 million for Ontario with 36.6 per cent of the population. Even Nova Scotia got more than Quebec, namely $793 million.

In 1992, the Department of National Defence conducted an in–house assessment of the extent to which Quebec was receiving its fair share of certain types of defence expenditures. This assessment demonstrated how unfairly Quebec was treated by the federal government with regard to defence spending as a percentage of Canada's GDP. Inequities were found under the following budget items: construction, research and development, operations and maintenance, Reserves and Cadets—to supply and equip the cadets—overall defence spending, personnel costs, Regular Force, civilian personnel. In all these areas, Quebec was clearly at a disadvantage.

As far as defence infrastructure in Canada is concerned, it should be pointed out that Quebec's share represents only 13 per cent of the value of the federal government's defence installations, as compared to 34 per cent for the Western provinces, 27 per cent for the Maritime provinces and 26 per cent for Ontario. To remedy the situation, the Canadian government and the Department of National Defence, under Marcel Masse, former Conservative Minister of National Defence, had developed a major infrastructure modernization program for Quebec, building drill halls here and these at great cost. Capital expenditures apparently exceeded $100 million.

These projects have raised Quebec's share of funds allocated to construction up to 19.2 per cent of the total amount of this budget item. However, they are now put in jeopardy in the short term by the upcoming budget, which will be tabled on February 22 as we all know. It is important that Quebec remain a priority because it is clearly disadvantaged with regard to government expenditures in those areas.

• (1710)

Technically, Quebec has four large military bases, which provide jobs for thousands of people: Valcartier, 6,085 employees; Montreal, 3,922; Saint–Jean, 2,031; and Bagotville, 1,782.

The Department of National Defence remains a major employer in Quebec with more than 13,820 employees listed on these four bases. Though the numbers are substantial, we must not forget that comparatively speaking, Quebec is not getting its

fair share, and we object to any cuts at the expense of Quebec's economy.

Another aspect of the regional economic impact of defence procurement contracts is the issue of interprovincial trade in the arms production sector in Canada.

John Treddenick, an economist with the Royal Military College in Kingston, looked into this subject and according to his study, Quebec performed well on direct contracts with the Department of National Defence but was getting less than its share of economic spin–offs, increasingly.

The potential for absorbing defence contracts into the economy in Quebec is not the same as in Ontario. The big winner in interprovincial sub–contracting is Ontario, because it is able to get major sub–contracts from projects managed in other provinces. In this respect, it occupies a unique position compared with all Canadian provinces, with a defence complex that far outweighs the size of its direct contracts from the Department of National Defence.

However, Quebec's defence production is still substantial. The Quebec economy, and especially the economy of the Montreal area, is very dependent on National Defence contracts, as was pointed out repeatedly by Professor Yves Bélanger at the University of Quebec in Montreal, who is an expert on these issues. Consequently, an industrial conversion strategy must be prepared as soon as possible.

At this stage, we should not have a special debate on National Defence policy until the government has released its white paper. This position applies both to the issue of downsizing in military bases and training centres for peacekeepers. In fact, there are several reasons why the latter initiative should not be supported by the Bloc Quebecois.

First, it is unrealistic to believe that countries from all over the world would come to train in these centres. Who is going to pay the cost of bringing international troops and their equipment over here? The UN does not have the resources to pay for all that.

Second, it is a fact that Canadian peacekeepers are among the best trained in the world. Why bother setting up a training centre, when our troops already receive excellent training at existing bases.

Third, it would be dishonest and hypocritical to let the public think that creating training centres would not generate additional costs for the Canadian government. How can we tell people we are cutting back on defence spending, and at the same time keep military bases open to train peacekeepers? This does not make sense, it is misleading and the Bloc Quebec cannot support such proposals.

What is my party's position? We received a mandate from the people of Quebec to fight existing inequities and ensure that Quebec gets its fair share.

• (1715)

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, I listened attentively to what my colleague had to say. Although I was not in the House all the time because I had to take a telephone call, I was listening in the lobby. I agree with a lot of things he had to say; he made some very good points.

Looking at the aspect of the defence policy review to which he made reference, I am assuming he would be interested in the conversion policy. One thing the defence policy review will more than likely look at is the subject of conversion because it is an ongoing matter at the end of the cold war. The U.K. is doing it. The United States is doing it. No matter what happens we have to look at that opinion. The policy review is an excellent time to do it with expert witnesses.

If the hon. member's party is so big on conversion surely it would not want to stand in the way of a policy review taking place purely because of the mechanism of the standing committee. That is almost a technicality in a way. Surely he would look at the bigger subject and have a policy review so that policies that would be beneficial to his constituency could be looked at in a very positive sense.

[*Translation*]

Mr. Leroux (Shefford): Madam Speaker, I would like to thank my colleague for his words. I think that we do not need to set up a joint committee to decide on conversion policy. I remember very well during the election seeing programs of different political parties which already dealt with the subject. As my fellow member of the Bloc Quebecois just said, I think that at some point the government will have to act and shoulder its responsibilities.

Now they seem to want to have us discuss all sorts of subjects in the name of a so–called democratization of the House, but one thing is certain: the government was elected to govern and not only to consult.

I think that at this stage it would be advisable for our duly elected government to get to work and make the decisions it must make so that Canada can finally have a policy which reflects the needs of the people.

Mr. Louis Plamondon (Richelieu): Madam Speaker, I would like to congratulate my hon. colleague who just spoke. I think he brought up a very important point, namely the distribution of funds and Quebec's share of DND funding. The perception is that Quebec is very well served in this regard. Of course, we want to hold on to the jobs we have and of course, we willingly

accept the benefits that come with these jobs. This debate gives us an opportunity to demonstrate once again how Quebec is not getting its fair share.

I believe my hon. colleague said that Quebec has only about 15 per cent of the jobs in the industry, whereas we account for 23 or 24 per cent of the country's population. He mentioned that the province has only 13 per cent of all military infrastructures and is allocated only 15.8 per cent of DND's overall budget. This is a very important consideration for us.

Disregarding for the moment the historic injustice of which we are the victims, I think the hon. member put his finger squarely on the problem, namely that the government is trying to gain some time by holding debates—and this one is particularly untimely and premature since the Department of Foreign Affairs has not yet decided what role the Department of National Defence will be called on to play in international policy.

• (1720)

In closing, I would just like to say that I agree completely with my hon. colleague about the proposed committee. We already have a perfectly adequate national defence committee. To set up a joint committee with senators would be a waste of time. The time has come to take action. The government must make some decisions. That is what it was elected to do. So, it should act and stop setting up committees.

The Acting Speaker (Mrs. Maheu): The Chair recognizes the hon. member for Shefford, but very briefly, please.

Mr. Leroux (Shefford): Thank you for your courtesy, Madam Speaker. At the risk of repeating myself, I would simply like to add that we, the members of the Bloc Quebecois, were elected to ensure that Quebec is not merely a province on the receiving end of social assistance and unemployment insurance. On every issue and in every area of federal jurisdiction, we will ensure that Quebec gets everything it has coming to it. Finally, I would just like to say that in the past, Quebec did not get its fair share and the time has come to put things right.

[*English*]

Mr. Andy Scott (Fredericton—York—Sunbury): Madam Speaker, I am pleased to have the opportunity to participate in this important debate examining the future of Canada's defence policy both in Canada and abroad. The proposed review is most timely because Canada, along with other nations, has come to recognize that the end of the cold war requires us to rethink the nature and purpose of our military forces.

I add that the timeliness of the debate is significant for another more broadly defined reason. The end of the cold war is not only significant for bringing about change in the defence agenda but in our political agenda as well. Not only is the military's role a broad issue, but as I said it has a role at home. We need to protect the perimeters of our country, but we must consider the military in terms of helping those in need at home.

Having said that, the end of the cold war has not brought a sudden end to the need of our military; quite the contrary. However our focus and priorities must shift in a number of policy areas. In other places, in other committees, we are in the process of redefining how government will better assist the citizens it has been elected to serve. In terms of our military we are redefining how we can better serve the people of our own country, as well as the people of other nations who are in need of its services.

Internationally the focus on peacekeeping training befits changes now occurring at the global level. Emphasis has shifted from one of conflict to conflict resolution. Such change is both welcome and necessary in light of changes happening within society at large.

Citizens both within and beyond Canada's borders now call for greater peace and justice. Greater emphasis is placed on democracy and human rights. When the cold war ceased to dominate the focus of international relations that change brought great hope that our nation would achieve a strengthened spirit built on international co–operation and collaboration.

While we have seen a relaxing of political tensions in some parts of the globe, there are still far too many regions where military conflict is intrinsic, a way of life for people in far too many regions. We still see countries attempting to meet political agendas with military force. This government's plan to strengthen our leadership role in peacekeeping and to commit to Canadian efforts to improve the UN's policies on peacekeeping could not come at a more necessary stage in our history.

It is right for Canada to fulfil the roles of peace enforcement, peace establishment, peace restoration and peace building. I would add to this list the more recent dimension of humanitarian aid protection. Such humanitarian intervention enables aid convoys to reach those people in dire need of assistance. Few can argue about the benefit of such intervention given the number of lives saved by this action.

It is time to reach consensus on the debate surrounding our military and restore our focus to the original UN mandate penned in its charter in 1945 to be a major force for international order and stability.

I would add that it is not only important for us to examine the changing role of our military on the national and international levels. We must also determine how such change should be reflected domestically.

• (1725)

We must continue to train troops to be prepared for any kind of military encounter along with training for peacekeeping initiatives. We need to strike a balance between maintaining armed forces to protect ourselves and participating in international peace operations. I believe the time has come for us to put forward an expanded role for our Department of National Defence, one that is not restricted to military operations alone

since this focus fails to reflect the new reality of the interdependence of foreign and domestic affairs.

Canada has one of the best regarded military forces in the world in no small part because of the training we provide our troops. We need to capitalize on this capability more often and deliver this training to the international community. While we do much of this now, we have the capacity to do more.

CFB Gagetown is the largest military base in Canada by land mass and is situated in my riding of Fredericton—York—Sunbury. As a combat training centre, Gagetown is a land force centre for excellence dedicated to the training of world class soldiers and leaders. Training is conducted within the framework of combined arms operations up to the battle group level. The base provides a most sophisticated and realistic simulation training environment and employs some of the most expert instructors in this field.

The base is responsible for conducting the most advanced courses for the infantry, artillery and armour elements of land force command and the training of troops that have served in one or more peacekeeping missions. The Royal Canadian Regiment stationed at CFB Gagetown participated in two missions within a two year period: Cyprus from October 1991 until April 1992; and the former Yugoslavia from November 1992 to May 1993. In addition there are always a number of soldiers from CFB Gagetown serving with the UN in a variety of peacekeeping missions. The experience and leadership gained while training at CFB Gagetown has had a significant impact on the success of Canadian troops during peacekeeping missions over past decades.

Further members of the reserve force totalling some 2,000 for the Atlantic region and trained at Gagetown have served in peacekeeping missions. As well reserve soldiers provide a valuable resource for emergencies because they are able to work along with the regular force personnel in various situations. The nature of reserve training is an area we may wish to explore in order to further evolve the role of our military in training on the international stage.

We also need to explore options for using our military personnel and military facilities for non–military purposes. Too often we hear of the need for better equipment and increased personnel in search and rescue. Were military resources more easily available to assist organizations like the RCMP and EMO the trauma and agony suffered by individuals and in many cases entire families and communities would be greatly reduced.

We also need to explore what roles military personnel and their facilities can play in non–military employment and training programs. As I mentioned in a statement earlier this week during members statements, the Department of National Defence has recently engaged in a co–operative initiative with New Brunswick's Department of Advanced Education and Labour to pilot an occupational and lifeskills training project.

Just Monday of this week 30 unemployed New Brunswickers between the ages of 17 and 24 began a 20 week program of military lifeskills and occupational training and job experience at CFB Gagetown. For the participants selected from youth strategy, aboriginal peoples and social assistance programs, the combination of occupational and lifeskills training will help young unemployed New Brunswickers build new futures.

There is more at stake in such an initiative than just training and employing 30 individuals. Although I do not mean to diminish the significance of that, in this period of fiscal restraint it is important to consider the financial benefits of providing training programs in this manner. Since the Canadian forces provide the training facilities and instructors for the project in New Brunswick, the people, space, materials and facilities are readily available. It strikes me that this amounts to a creative arrangement for both federal and provincial governments.

We must also consider how our military can contribute to environmental protection and clean–up and to border patrol, particularly as it relates to the north and the sea. This places new and increased demands on our military such that it moves the forces' agenda beyond just that of defending the country.

As we consider our nation's place in the global community we must remind ourselves that Canada has had a positive and well established international reputation for decades. We have been admired and emulated by countries around the globe. We want to continue to set examples for other nations. We can do this by redefining our military role to better reflect the social changes occurring at the international level. In many respects we are not only just capable of setting such examples, we are also obliged to do so.

• (1730)

When I first arrived in Ottawa to represent the people of Fredericton—York—Sunbury I was immediately struck by the cultural diversity represented in this House. I have always been proud of Canada's efforts to give equal recognition to all cultures living within our borders. This pride was reinforced when I realized the reality of the vision.

We are citizens of the world living in one country. Within our very own borders we know and represent a multitude of cultures found around the world. Unlike the United States we do not ascribe to a melting pot approach where people must give up their culture; we encourage individuality and uniqueness. Such

a philosophy and approach puts us in the unique position to understand the various interests and cultures of the world.

In our understanding of just how wonderful such diversity truly is, we are in the best of all positions to help others when they are faced with some form or level of forceful conflict. The diversity within our borders has not only taught us to be a compassionate and caring society; it has taught us about the many ways of life embraced by many people. We can use our own enlightenment not only as an advantage to ourselves, but also as an advantage for helping others in need of conflict resolution.

I am fully aware that our desire to accommodate a variety of cultures may be controversial and may need government support from time to time. However that should not mean that we do not want that diversity.

We can use this knowledge and respect. In fact I believe we owe it to the international community to assist the United Nations in its mission for promoting world peace. Our knowledge of ethnic diversity combined with our excellent military training and knowledge places us in an enviable and more than capable position to help achieve global stability.

In closing, I would like to add that the people of Fredericton—York—Sunbury are peaceful people who are proud New Brunswickers and Canadians. This pride is not just defined by the integrity and quality of life at the community level, but is further defined by the international reputation we know ourselves to possess around the world.

People recognize that this positive image carries with it certain obligations and responsibilities we must be willing to extend to those in need. As a country we cannot make excuses for ourselves and stay away from the fray. We are far too socially aware to bury our heads in the sand and hope that volatile situations will somehow resolve themselves, preferably in a quiet fashion.

In light of the need for us to examine and redefine Canada's military, I support the call for the appointment of a special joint committee comprised of members of the Senate and of the House of Commons to review Canada's defence policy.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes): Madam Speaker, I listened with great interest to my colleague and I totally agree that changing international circumstances demand that we diversify the role of our armed forces and, hence, that we expand the types of training of our military personnel.

My colleague was right in pointing out the role played by the Canadian Forces in humanitarian aid. As a Quebecer, I could also point out that they had an opportunity to show a total control of the situation during the Oka crisis.

I would like to stress the fact that during the two first wars, our forces were able to show their real capability and, in the last few years, they have won the admiration of the world in peace missions.

I would like to give my personal testimony to my colleague. I was in Belgium during the liberation of some Belgium cities by the Canadian army. I was also in Katanga, now Zaire, in 1963, when the Canadian Forces took part in a UN mission of transition that is quite forgotten now in Katanga. So I had the opportunity to admire the Canadian Forces both in their military role and their humanitarian role.

• (1735)

What I would like to stress is that we should not forget in this diversification that eternal peace is not guaranteed. Nothing proves that our role will ever be limited to separating warring parties or bringing humanitarian aid. Nothing proves that we will not be dragged into conflicts of direct concern to us.

The end of the cold war is certainly a good thing, but, though I am neither a soldier nor a strategist, I do not feel that the present situation in Russia is more reassuring than the situation that existed in the former USSR. There are other potential conflicts in which we could be directly involved. The role we should assign to the bases, in order not to close them, should continue to be partly military in addition to the new responsibility, with which I fully agree, of diversified humanitarian help that they should be taking over.

My question to the hon. member is this: Does he not agree with me that we should continue to consider the strictly military role of defence of the territory and participation in democratic alliances involved in possible conflicts, besides this new and purely humanitarian role?

[*English*]

Mr. Scott (Fredericton—York—Sunbury): Madam Speaker, I thank my colleague and appreciate his intervention. The many issues brought forward merely point to the need for a review.

We mentioned our traditional defence role in terms of international conflict. We also mentioned humanitarian aid and the need to broaden training to include other kinds of activities. I concur on all those points and in fact use that as a strong argument for having this review and striking this joint committee.

I also welcome the opportunity to respond by saying we have to be more focused. We have to be more strategic in where we task troops to participate by virtue of the changing nature of our own military force and the department.

I would also like to speak for a second on the broadening of training. I did not mean to suggest it would just be a broadening

of military training that would be available, but rather a general broadening of training including other kinds of training. We all recognize there is a task force on human resources development that is looking for places for training. It strikes me that these facilities are one.

Mr. George Proud (Hillsborough): Madam Speaker, I want to commend my colleague for his remarks and his interest in this very specific task we are taking on.

We have heard many interventions here in the last number of weeks regarding our defence policy as it stands, our peacekeeping role and the costs that of course are always involved in any major undertaking we get into in this country, be it military or anything else.

I have my views, as does everyone else, on what the role of the military is in the future of our country. There are those in society as I said in my speech who perhaps do not believe we need any participation. Then there are those who believe we should spend the whole budget on it.

I assume somewhere down the line we are going to have to make a decision as to what our future is going to be in this area. There are many situations out there. In the peacekeeping roles we are involved in today the majority of our troops are land forces. We have a navy and an air force. I just want to ask the hon. member his view on what he sees coming out of the machine at the end of the day when we have completed this study and the government makes its decisions. What does he see from his constituency and from his national perspective as to where we should be going.

• (1740)

Mr. Scott (Fredericton—York—Sunbury): Madam Speaker, I think the important feature in terms of this review may very well be the review itself in that in the nature that it is proposed, there was I assume broad consultation. I heard some debate as to the nature of that broad consultation but I really believe, perhaps more than with other programs, that the national defence policy of a nation requires significant public support, public understanding, sympathy and so on.

I believe that support depends on a sense among Canadians that they have the opportunity to have a say as to what the country is doing in those terms.

More than anything else I think what we will have at the end of the day is a concise, thoughtful, national policy that Canadians can understand with clarity, that Canadians can help in fact create through the broad consultation that will take place in the joint committee.

There has been, particularly in the international tasks that have been engaged in, some confusion as to objectives and the nature of missions and so on. I really believe if nothing else at the end of the day we will have a larger understanding of what it is that our troops are sent out to do.

I think that is vitally important.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, I will be very fast with this. The hon. member for Fredericton—York—Sunbury spoke about the training program at Gagetown with the government of New Brunswick.

Could he elaborate for a couple of minutes on that because that is a very interesting program.

Mr. Scott (Fredericton—York—Sunbury): Madam Speaker, this program is a co–operative initiative between national defence and the department of advanced education and labour in Fredericton, essentially using the facilities, the trained personnel, instructors at CFB Gagetown, material, equipment and various people. There was a province–wide advertisement placed and a number of applications sent in. Because it is a pilot project this one is limited to 30 but the intention is to see this program grow.

There is a potential at the end of a 20–week program to become engaged in national defence itself. Also, because of the nature of some of the training available through the Department of National Defence, these individuals are trained in life skills, employment seeking skills, basic self–confidence objectives. Either way it is a win–win situation for both national defence and the provincial government in Fredericton.

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I have not had the opportunity to congratulate you on your appointment to the chair. We wish you well. I know you will do a very fine job.

I want to take this opportunity in this debate to thank my constituents for my re–election and for supporting me over the years the way they have. We have the largest county in the province of Ontario. In addition to that in my riding we have a large part of the district of Nipissing.

I live three miles from the base gate in Petawawa township. That base has been in the forefront of peacekeeping activities since day one. The families of the military and the civilian community have been rubbing shoulders. They get along well together. They play together. They work together. They study together and they plan together.

There is a very good civilian–military relationship throughout the entire community. That is very important. It is very important that our civilian community support our Canadian Armed Forces. This defence policy we are talking about today is undoubtedly in the long run going to mean they will be facing challenges of great cultural differences wherever they go in the

world. They will be facing great differences in religious beliefs and customs wherever they go.

• (1745)

It is not easy for personnel in the Canadian forces to be sent to any trouble spot on the face of the earth. They are ready to go, they are professionals, but there will be accidents along the way. When there are accidents we have to support them and when they do an excellent job we support them. If we do not do that then I would suggest to everybody that we are not really living up to that great promise we make on November 11 as we stand around the cenotaphs and say: "We will remember them".

Every soldier who goes abroad to do work on behalf of Canada, every soldier who works for this country has the same dedication to this nation and to his or her duty as those who have gone before them. We wish them well.

As we talk about Canada's defence policy in the few months ahead it is going to be very important that we consult those people as well as the Canadian public at large.

You cannot have a debate such as this on Canada's defence policy and have an inward look at it. Defence policy and foreign affairs policy automatically mean that we are not only looking at things in a national perspective here at home but we are looking at the world as an international community and we are going to work with them.

We must be humanitarian in our view of the world. We must be realistic. There is no way we can face the situations in this world today without being professional. Our Canadian Armed Forces are professional. There is a great visiting back and forth between Gagetown and Petawawa. I want to thank my hon. colleague from the Gagetown area for the speech he delivered this afternoon. He obviously has a very good feel for his constituents in the military community. It is very important to have that feeling on the floor of this House as we talk about defence policy and foreign policy for this great nation of ours.

There was a great deal of comment this afternoon about the defence committee. I cannot believe some of the comments I have heard. One would almost think that a standing committee around this place was something new. Standing committees have been going for decades. Standing committees have been meeting some of the best professional witnesses, the professional community and organizations anywhere in the world to come before a parliamentary committee. What is democracy all about? When a government is elected, does that government make decisions without consulting people along the way?

We just finished nine years of a government of that kind. It said it was consulting people all the time but it very seldom did. I ask the question: Where is it today? The leader of the Bloc Quebecois sat right here in the front row on this side of the House under the previous government. It is probably a good thing that he changed parties or he would not be in the House today.

We talk about standing committees of the House of Commons. My goodness, my own county council back home has about 35 or 36 very respected people on it. They have their committees for local government and they do a fantastic job. You save yourself a lot of heartache and trouble in the future. At least you have a feel for what is out there. You have some expert advice.

• (1750)

We in our capacity as individual members in this House of Commons are not all experts. We cannot stand in our place, and I defy any members of the opposition parties to stand in their place, and say that we know it all, we do not have to talk to anybody. That is not the way a good government operates.

A good government works with the people of the nation. It takes advice from the people of the nation. There are cases where you have to stand up and be counted because there is no real consensus of opinion. It is called leadership.

You cannot have a democracy if you do not have leadership. Sometimes you have to make those tough decisions but make them we must. That is why we are here. That is why people are paying us to be here.

We have played a great role in peacekeeping in support of the UN and we have heard a great deal about that today. However let us remember that when we are talking about those two things and when we are talking about a defence policy, what we have been doing in recent years in the international community as well as at home has been born out of our participation in two major world wars and the League of Nations in between those two world wars.

The Korean war came as the really first test of the United Nations. Was it going to stand up and be counted? Were the nations that belonged to the UN going to stand up and be counted or were they going to take the side step as happened to many nations that were members of the League of Nations between the two world wars?

It is very important that we continue as a nation to be good negotiators. It is important in this community that we have a good Canadian Armed Forces that has the ability and the capacity to operate in the international scene and to face all kinds of disasters and challenges. People who are in the forces joined because they know that is what their challenge is. They love the life they are in.

Canada played a major role in the founding of the United Nations after World War II. In that respect, I suppose we built some of our defence policy at that time. If we were going to promote the United Nations and be a member of the United Nations from its founding day onward, we had to support it. That

meant at times that we had to support them in settling international conflicts.

If we do not take that attitude then we not only let ourselves down, we let the United Nations down and we let the international community down. Worst of all, we let the peace forces throughout the world down and we are going to run into a major conflict. There are all kinds of people out there looking for a scrap these days.

Canada played a major role in the founding of NATO, the North Atlantic Treaty Organization. Lester B. Pearson, St. Laurent and King before him played a major role in the NATO organization. We know very well that if it had not been for the NATO forces sitting there ready to do battle, ready to face the Warsaw pact head on, if it had not been for trying to promote a balance of power in the world in those days, and there is no question in my mind as a student of history, we would have run into another major conflict in the world.

What would have happened in a nuclear arms war? We know the answer to that. I suppose we do not want to believe the reality of it but the potential was there. If we do not meet those challenges of today, if we do not have a good foreign policy for Canada and if we do not have a good defence policy for this country, I maintain that we will not be doing our responsible job as a nation in the international community nor will we be doing a good job for our own people right here in our beloved nation of Canada.

• (1755)

The Ogdensburg agreement of 1940 signed by Mackenzie King and President Roosevelt is a good example of the kind of international responsibility that we participated in during the second world war.

The North American air defence was another example of protecting Canada at the same time as helping to protect other nations.

Canada has always believed very strongly in multinational defence operations. Here with a population of 26.5 million or whatever we have today we could not begin to defend our borders, our coastal waters and our far north if we were not members of an international defence alliance. That was the real basis of NATO. That is where we must maintain our relations with other countries in the world.

Canada is a respected country around the world and that is why we can work with other countries in keeping the peace and keeping small battles down to a small roar instead of a big roar.

We were very influential in the founding and the ongoing activities of the Conference on Security and Co–operation in Europe. That too is part of our defence organization because if we did not promote it we would not be promoting the well–being in the international community of those involved in that organization.

During the cold war what happened? The cold war was almost a battle to see who would go broke first. Military equipment and new technology cost so much and so dearly that it was a matter of who put the most into it, who had the best tax base and not who could win a war but who could sustain the cold war the longest. We know that the Soviet Union went broke first, but in doing so it certainly put the United States into a healthy debt situation today. We know what our own situation is like here in Canada.

The real basis of a defence policy is not just to get together at home and form a defence policy, but to get along with our neighbours and get along with the world community at large. That demands some expertise and some professionalism.

I would stack the members of our Canadian forces up against any diplomatic organization in the world. We think about them as fighting people. They are ready to do that. They are good soldiers but they are also good negotiators because sometimes they find themselves in the middle of things when they have to negotiate or talk to the enemy or to try to bring parties together under peaceful conditions.

I always say to members of our Canadian forces that not only are they good soldiers, they are good diplomats. They may not like my third definition for them but they are also good politicians because it takes that kind of leadership, that kind of negotiating skills that one requires in politics. We need that in the international community today. Our soldiers need that and our professionals need it when they go abroad.

World problems did not go away with the ending of the cold war. There are some people who think they did. We are only kidding ourselves if we believe that. Look at what has happened in the former Yugoslavia. We call it a humane world. We think that parts of the world have been here so long that today they are very human and realistic in their outlook. What we have seen in the former Yugoslavia is a good example of what took place in the dark ages when there were wars among tribes, et cetera.

Somalia is another good example of a nation divided within itself, fighting within itself and starving its people into doing what the military leaders wanted them to do or the local leaders wanted them to do. It is just a terrible situation.

• (1800)

Our defence policy is going to have to be—and I state this in the strongest, sincerest terms—such that our numbers in our Canadian forces are going to have to stay at a healthy level at which we can carry out our foreign policy.

If our forces are reduced to levels at which we really cannot have an effect on the international community, if we really cannot carry out our duties as effective peacekeepers, if we cannot really carry out our duties to help the United Nations in major challenges that come along, then we will not be playing our role and our foreign policy will not be in place. Our Canadian forces are a large part of the foreign policy of Canada.

Questions have been asked across the floor of the House today of why we do not bring in a white paper now, why do we go to all this trouble of interviewing people and having hearings from experts, specialists and our Canadian forces personnel, and why do we not just bring in a white paper and table it and then have a debate.

The last government, the Tory government that we had between 1984 and 1993, tried that out for size. The Tories brought in a white paper. Where is it today? What part of that white paper is valid today? Where would our nuclear submarines be today? We would have spent billions of dollars under that white paper that was not properly thought out before it was tabled in this House of Commons.

That is not the way this government is going to operate. This government is going to operate in a responsible manner in which we know what we are talking about before we take off on the run with some white paper. That is going to be a very important document.

We write our white paper after we put our policy together. Our policy means that we understand what the challenges out there really are. Our white paper should tell us that we are ready to face those challenges. It should provide for the changing conditions out there.

I want to go back to my home base of Petawawa. On many occasions when peacekeeping groups were put together they were brought into base Petawawa and there we had paint shops set up. Vehicles that were going to serve the UN were all painted white. Then they went through another shop and the big initials UN were painted on them. Then they were loaded on to Hercules, on to flat cars and were taken by ship and by plane to the problem area, wherever it was in the world. That is a great operation. It is run from square one.

We can bring an element of troops in from Calgary, others from Gagetown, others from base Kingston and others from Chilliwack if they are needed. It is a national operation. They are brought all together. The professionalism of our forces, which is going to be very important to promote in our defence policy review, is that they can work together. They train together and they are training together with our allies. Certainly that is going to be part of a defence policy. We have to continue to train with the Americans, with the British, with the Germans and have them over here, people from the international community.

As we know, we have the international community already training in Canada in places like Goose Bay and Shilo, Manitoba and in Alberta. It is a very good operation.

The Acting Speaker (Mrs. Maheu): I am sorry, the hon. member's time has more than expired.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Madam Speaker, I would like to congratulate the member on his speech.

In 1988 I ran against the nuclear powered submarine issue because it was an issue that Canada was looking at Cadillacs when we did not need them. The helicopter deal that we had during this election campaign was again Canada looking at Cadillacs.

The member stated that the Department of National Defence is going to undergo review. I applaud that because basically we have to look at what the role of the Department of National Defence is going to be in the 21st century.

• (1805)

Canada has been called a boy scout in the international arena in which we have been solving problems and helping countries that need help. I am watching right now Russia, which went broke in the arms race, selling off at bargain basement prices all its arsenal to different countries that are willing to buy it. This obviously is going to be a problem in the future.

If the hon. member could polish off his crystal ball a bit, after the review in this country where does he see our position on the UN and NATO in the international arena?

Mr. Hopkins: Madam Speaker, I thank the hon. member for his question. In response, I have heard the term boy scout used a great deal when talking about our Canadian forces. All I can say is that if we had more boy scouts like them, we would have a lot less trouble in this world. The term is used in a friendly way, but Canadian forces have always proven themselves, proven that they have metal, that they have courage and that they do their jobs well.

If it were not for the qualities of our Canadian forces to bring people together we would be in a lot worse position in this world today than we are. I applaud the forces for that.

Where do we stand after the review? I know that the hon. member would not want me to upstage the committee that is carrying out the review of the forces, nor would I try to prejudge it at this stage of the hearings which just got under way this morning as we went on with the defence committee.

I would like to say a word, though, about the UN. Not only is Canada having a defence review, but the time is long overdue when we should have a United Nations review. There is no better country in the world to lead up that review and to promote it than Canada because of the role that we played and the support we have given to the United Nations over the years, plus the fact

that Canada had such a major role in the founding of the United Nations to begin with.

We have to watch its operations now and upgrade it as well because that will mean that however the United Nations is upgraded will have an effect on our own defence policy in the future. We want to get better decision making powers out there.

Where do we see NATO? I can give my views on that at this stage. If we are going to continue to have major problems in the world and fires such as we have, then we are going to have to have a good alliance.

It is very important that we keep up the NATO alliance and keep our relationships together in the event that we have to pull that organization together for a major crisis some day. We do not have to be out there flaunting great forces every day of the week, but we have to keep it together and keep a good base for strength there in the future.

I read something the other day that I think is a good example as we start this defence review. It said that we should build on our fires, not on the ashes of our past.

Some of the fires of the past are what we used to organize the United Nations. What this country had was statesmanship in those days to organize the North Atlantic Treaty Organization. Let us not lose it, let us build on those fires of the past and keep them there for many years to come. That is the only way we are going to retain any level of peace in this old world that we live in today.

Mr. Geoff Regan (Halifax West): Madam Speaker, I also want to congratulate the hon. member for his speech this evening. I certainly can appreciate, as he does very well, the history and the role of our armed forces, coming as I do from an area in which there is certainly a very strong military component. Although I have no bases in the riding of Halifax West, many people who live in the riding work either at the Shearwater base or CFB Halifax or the dockyard or on the ships themselves.

• (1810)

I am certainly very pleased the government will be reviewing the defence policy of our country. It is certainly long overdue. We do have a strong role to play in peacekeeping. In terms of our foreign policy it is very important that we play a role in the world and continue to do so because the world is facing many strains. The pressures on the world are intensifying in many ways because of poverty growth, population growth and environmental problems world–wide.

How does hon. member see these intensifying pressures affecting the role of the military in future?

Mr. Hopkins: Madam Speaker, the hon. member mentioned lastly the environmental problems. If we could prevent wars such as the one that occurred in the Persian gulf we would be doing that entire part of the world a great favour. The fallout on the environment as a result of the Persian gulf war has been horrendous in that region of the world.

This is why I want to emphasize today that our new defence policy and our foreign policy have to put great emphasis on keeping those types of battles down to a minimum and trying to settle them peacefully before they blow wide open. This is where I think the United Nations comes in. If the United Nations had had more power to move quickly and to act, maybe we could have prevented some of those disasters from happening in the manner in which they did.

I agree with the hon. member that wherever our forces bases are located, the people tend to live in the surrounding communities. That is good because they get to know one another very well. They get to know some of their problems and they have a feel for the civilian community. As we go on with this defence review it is going to be very important to emphasize civilian military relations in those communities and in communities where we do not have a military presence at all.

The hon. member and myself have a feel for it. Other members who spoke today have a feel for it, but those who live in communities that never see the military from one day to the next do not have the same feel for it. That is why this defence review is very important. That is why it is important the defence committee travel Canada to have an impact on those areas and to let them know what is going in the military community.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Pursuant to order made Tuesday, February 15, 1994, the recorded division stands deferred until three o'clock on Tuesday, February 22, 1994.

The Acting Speaker (Mrs. Maheu): Shall I call it 6.30?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

• (1815)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

PUBLIC WORKS

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Madam Speaker, in late January media reports informed us that Public Works Canada had completed a preliminary study which proposed that the public service in Ottawa vacate up to 25 per cent of its downtown office space and move to outlying areas. This study was part, I am told, of a Tory legacy following a last minute, poorly thought out public service restructuring plan announced in June 1993.

These media reports told us that the cost of the proposal would be approximately $175 million over 10 years, while the annual savings for moving to the suburbs are estimated at about $20 million a year. One does not have to be an engineer or an atomic specialist to figure out that it will cost quite a bit. Over a matter of 10 years we will not even recover the cost of the moves.

I am not saying the proposal is being implemented. I have been trying to get some information from the department on it and as of today I have not received any. That is why I am rising in my place today to bring this matter to public attention again. If the proposal were implemented, the equivalent of three buildings the size of L'Esplanade Laurier could be vacated in downtown Ottawa. Obviously this is a large office space component and could have a very detrimental effect on the downtown core of the national capital city.

Media reports also suggest that the implementation of the proposal would involve the departure of 11,000 to 14,000 public servants from downtown Ottawa. I want to address the impact this could have and I want to talk about the spinoff effects the policy could have.

For example, we all know a public service job generates about two or three other jobs in the service sector. This will have a damaging effect on small businesses in the area; it will make it very difficult for them to survive. The downtown core will suffer significantly because of the disparity between the actual requirements of businesses now and the possibility of them not being able to survive in the downtown area depleted of public servants.

The current state of the real estate in my capital, the Ottawa community, is not that great that we want to make a proposal that would make it more difficult to exist. Local taxpayers have invested heavily in transportation infrastructure, including the OC Transpo transit way. It was built on the assumption that there would be and would continue to be a high level of employment in the centre of the city.

Finally there is the green government concept, the environmental impact this would have if thousands of public servants begin to work in the outlying regions but live inside the Ottawa community. I wonder how many will switch to public transportation rather than use their cars and private means of transit. This will mean more vehicles on the road. It has been recognized that exhaust is the main source of air pollution in Ottawa. Therefore it would have a detrimental effect on our environment.

When I first raised this matter in the House in my question on February 1, the minister of public works indicated that no decisions would be made on the matter—and I believe him—until there are wide consultations with members of Parliament as well as with the ministries of industry and of intergovernmental affairs.

The minister's office also offered a briefing to me and my colleagues from the region on February 1. I indicated that in my mind a briefing should be given no later than February 15. Unfortunately as of today I must report that no date, in fact not even a timeframe, has been provided by the minister's office for this briefing.

I raise this out of frustration at trying to understand what is going on in terms of this supposed interim study which would affect seriously the downtown core of my city.

• (1820)

[*Translation*]

Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Madam Speaker, I will gladly answer my colleague's question and explain what the situation is. He raised a few points when he talked about his concern for the economic well–being of downtown Ottawa.

[*English*]

As the Minister of Public Works and Government Services assured him in the House in response to his question on February 1, it is the intention of the minister to listen to the points raised by the hon. member and those of our national capital region colleagues.

The process of consultation is part of the openness we intend to pursue. With regard to recent media reports on government plans for office occupancy related to the national capital region, I would like to reiterate what the minister has said on the subject. The review is preliminary only. It was developed for strategic planning purposes and allows for all options to be considered.

The government restructuring initiative involved the combining of some 16 departments into 8. This resulted in a need to review their space holdings. It is only part of a normal planning process. It is within the mandate of Public Works and Government Services to provide productive and affordable work places for the federal government. Given the magnitude of inventory of crown controlled space in the national capital region, some 2

million square feet of office space, this can only be achieved through long-term planning, the study of various options, and their impact on not only the departments concerned but on other departments, other governments, the economy, the environment, and the private sector.

We recognize the impact that changes in government have on the economy in general and the real estate market in particular.

[*Translation*]

After salaries, facilities management is the major public service expenditure. The federal government, just like the private sector, seeks the most cost effective accommodations for its employees but also wants their work environment to be conducive to their productivity.

[*English*]

I can only reiterate what the minister has said. It is a preliminary study. All options are on the table. No decisions will be made until full consultations have taken place.

[*Translation*]

QUEBEC CITY AIRPORT

Mr. Philippe Paré (Louis-Hébert): Madam Speaker, last Friday, I asked the transport minister the following question:

> Is the minister aware that the new radar facility of Bernières. . . does not work between the 241st and the 247th degrees, although all of the air traffic between Quebec City and Montreal uses that corridor?

What was the minister's answer? The decision was made a while ago, and other cities have lost their radar control terminal and safety was the basic criterion.

My question had nothing to do with the timing of the decision, nor the name of other cities that might be subjected to the same fate, or even the criteria that led to this decision.

I know for a fact that on November 27, 28 and 29, 1993 calibration flights were undertaken to test the Bernières radar facility. I do not have the report in hand, but I am aware of some of the conclusions: first, the area between 241 and 247 degrees does not come under primary coverage; second, the primary north-east coverage of the airport is poor.

Clearly, what it means is that between 241 and 247 degrees, the Bernières radar, which will take over after the Quebec airport radar control terminal has moved, at the latest on September 1st, will automatically be disconnected to avoid ground interference. Planes between Quebec City and Montreal all use this corridor. That means that for a few minutes these planes disappear. How can the minister believe that I can be satisfied with his answer when he says, and I quote:

> There is no doubt in my mind that the transfer of the control terminal from Quebec City to Montreal will not jeopardize safety.

The fact that he did not answer my question, even though it dealt with public safety, gives rise to all kind of speculations, including the notion that this could be revenge against French-speaking air controllers who fought for language rights 15 years ago.

• (1825)

My supplementary related to the fact that, in his letter to the Official Opposition critic for Transport, the minister claimed that his civil servants' decision was based on a recommendation of the U.S. Federal Aviation Administration. In my supplementary, I reminded the minister that a report prepared for his department by an American group of experts, the Sypher-Mueller group, recommended not only that the Quebec City and North Bay facilities remain open, but that they be expanded.

Again, the question is quite simple: Which American experts are we to believe? Those from the U.S. Federal Aviation Administration whom the minister vaguely alluded to, totally out of context, or those hired by his department to carry out a specific study on the specific project to centralize the terminal control units of Regina, Halifax, Saskatoon, Quebec City, North Bay and Thunder Bay. The latter group unanimously recommended that the facilities in Quebec City and North Bay not be closed.

I am not satisfied with the minister's answer when he keeps arguing that the same criteria apply to all units and emphasizing the fair and equitable way in which all decisions are made.

My question was an important one. It questioned the very basis of the Department of Transport's decision to close down the control terminal in Quebec City.

I deduce from the answers to these two questions that the minister cannot give the people of Quebec, the Association des gens de l'air, the aircrews, the flight attendants and the members of this House the assurance that the new radar facility in Bernières is capable of taking over from the unit in Quebec City. The minister also failed to demonstrate to the people of the Quebec region that the decision to close this unit is based on hard facts provided by the experts. This leaves the door open for all manner of interpretation.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Madam Speaker, the Minister of Transport answered the questions and sent a letter including a briefing note and also held a briefing session.

What concerns me in this affair is that my colleague simply does not want to hear the answer.

The member knows that the priority of the Minister of Transport is to provide safe and efficient service to pilots and their customers, Canadian passengers and freight carriers. To do so, we count on a considerable number of sophisticated aviation systems and on highly skilled personnel.

Once again, the air traffic control system has some basic elements. One of these is the control tower at individual airports, as is the case for Quebec City.

Another basic element is the regional control centre, like the one in Montreal.

The member is well aware that the radar in Bernières will be fully operational when the transfer takes place.

The technology exists to give pilots safe and efficient service.

He is trying to convince us that Quebec City was treated differently. That is certainly not the case.

The terminal control units in Halifax and North Bay, which had more traffic than the TCU in Quebec City, were also relocated, as were the terminal control units in Regina, Thunder Bay and Saskatoon.

I hope that the member and his colleagues will take note of the invitation from the Minister of Transport to visit the regional control centre in Montreal so that they can all understand that their constituents will continue to receive safe and efficient service, in French, from a very sophisticated centre equipped with the most modern technology.

[*English*]

GRAIN TRANSPORTATION

Mr. Vic Althouse (Mackenzie): Madam Speaker, yesterday I rose in my place and put a question to the government which was answered by the Minister of Transport. However I believe he failed to catch the full impact of the question. He treated it as a pre–budget question which it was not.

Essentially the question concerned the government's intention with regard to the Crow benefit under the Western Grain Transportation Act, something that the red book forgot and which the Liberal Party ignored during the election. It is time the government became more clear as to what its intentions are with that Crow benefit because it is very important to the continued development of the economy of western Canada.

For those who do not know, the Crow rate was established to encourage settlement of western Canada. Settlement would not have occurred at the levels it did at the turn of the century without the Crow rate. In 1982 a previous Liberal government decided to kill the Crow and put in its place a Crow benefit which was supposed to continue into perpetuity.

The previous Conservative government under Brian Mulroney decided to begin dismantling that Crow benefit 10 per cent starting August 1 of this crop year and tabled a bill from the Ministry of Transport which would have the effect of doing away with that financial benefit entirely in four years.

That means the government will save somewhere between $650 million and $730 million annually. I suppose that is why it causes great fear in my heart to think the Minister of Transport would only see it that far.

Essentially this Crow benefit and the Crow rate that preceded it have been the underpinning of land values in western Canada. At the moment farmland values amount to something in the area of $35 billion. Doing away with this benefit will essentially make that land worthless.

If the government wishes to do away with the benefit, it will be taking away about $35 billion of equity in western Canada's economy which cannot be easily replaced and is being used now to finance the restructuring of that western economy. People borrow against farmland to build small and large plants in their own communities to diversify the economy of that part of the country.

If the Department of Transport has its way this opportunity for diversification will be cut off right at the knees. Not only will it be cut off but government will be cutting off all hope of future diversity financed from within the region. It will be killing the hopes and dreams of people and sometimes four generations of work of the people whose businesses will go bankrupt as a result of this policy.

If the government does not understand how the economics of this work, it should simply take a quick look at my own community where the Crow benefit amounts to something like $29 a tonne. We produce about one tonne per acre and the cash rents in that area are about $25 a tonne. Doing away with the Crow benefit means that cash rents have a market value of minus $4 per acre. I can assure the spokesman for the government that minus $4 an acre return means that the land is not worth very much.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Madam Speaker, the member for Mackenzie has again raised the issue of the Western Grain Transportation Act.

Yesterday he noted that the previous government had implemented a 10 per cent reduction in the government subsidy effective last August and that proposals for further changes had been tabled. Last year's reduction in the WGTA subsidy was a consequence of the previous government's December 1992 economic statement.

The Minister of Transport yesterday advised the hon. member to wait until next Tuesday when our colleague, the hon. Minister of Finance, will have the pleasure of tabling the first budget on behalf of our government.

This budget will reflect one of the most extensive and open consultative processes that has ever preceded the tabling of budgets in this House. Canadians have reason to be confident that this budget will be seen as a major initiative toward getting people back to work and addressing the financial challenges facing the country.

Last summer the previous government tabled a draft bill on reforming the Western Grain Transportation Act. It set in motion certain processes for consultation with interested parties on two key issues: method of payment as well as grain transportation and handling efficiencies.

My colleague, the hon. Minister of Agriculture, has stated that our government has no entrenched commitment to the draft reform legislation. We recognize that the WGTA is an extremely important issue to all Canadians. We also acknowledge that many people have devoted considerable time and energy to the consultative processes that were under way when we took office.

For those reasons we have decided to complete processes and then determine our next course of action. I understand the ministers involved hope that by the summer they will be in a position to give a more definitive response concerning the government's plans for the Western Grain Transportation Act.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to be adopted. The House therefore stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.33 p.m.)

HOUSE OF COMMONS

Friday, February 18, 1994

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

Hon. Douglas Peters (for the Minister of Finance) moved that Bill C–5, an act to amend the customs tariff, be read the second time and referred to a committee.

He said: Mr. Speaker, I am pleased to introduce for consideration by the House Bill C–5, an act to amend the customs tariff.

The legislation I am introducing today seeks to extend the general preferential tariff, commonly referred to as the GPT, for another 10 years. The GPT is a tariff preference granted to developing countries for goods originating in those countries.

Let me give some of the history of this preferential tariff. In the mid–1960s there was widespread recognition that special and differential tariff treatment for developing countries was a means of fostering growth and well–being of those nations. Consequently in 1968 it was agreed at the United Nations conference on trade and development that a system of trade preferences should be implemented for developing countries.

In June 1971 this decision was accepted by Canada and other signatories to the General Agreement on Tariffs and Trade. Members of the GATT agreed that developing countries would be permitted to award more favourable treatment to products imported from developing countries than to similar products from developed countries. It was also agreed that the preferential tariff would be generalized, non–discriminatory and non–reciprocal.

Canada introduced its general preferential tariff scheme on July 1, 1974 for a 10–year period. The GPT was subsequently extended for another 10 years until June 30, 1994.

With this history in mind I would like to outline for the benefit of the House some of the essential features of the GPT. The GPT provides for a reduction in tariffs of up to one–third of the most favoured nation rates on certain types of goods from developing countries.

• (1005)

In the case of the least developed developing countries, that is the poorest countries known as the LDDCs, the tariff reduction is even larger. These countries are entitled to duty free treatment on all of their GPT eligible exports to Canada.

In all, more than 180 countries and territories are entitled to zero or low tariffs on a wide range of products, primarily manufactured and semi–manufactured goods.

In order for particular items to qualify for GPT they must comply with the rules of origin and other regulations. More particularly goods would only qualify for the GPT if at least 60 per cent of the factory price of the goods exported to Canada originated from one or more GPT countries. In the case of the LDDCs, the poorest countries, the content requirement is 40 per cent.

In order to ensure that GPT products do not have an adverse impact on Canadian producers, a safeguard system is authorized by the Minister of Finance to withdraw GPT treatment for particular goods.

The question before us is simple: Should the GPT be extended? It is the government's view that the GPT should be continued. The legislation I have tabled proposes to extend the GPT for another 10 years to the year 2004. The government's decision to extend the GPT is being made at a time when most developed nations have already extended their preferential tariff schemes. In other words we are in the mainstream.

The reasons which justified the introduction of the GPT 20 years ago still remain. While the GPT has supported growth in the export sectors of many developing countries, they still have a long way to go. Indeed many developing countries still need preferential access to the markets of the developed world in order to improve their economic status. By allowing developing countries preferential access we continue Canada's tradition of assisting the developing world. Moreover, the massive weight of evidence from 50 years of trade liberalization supports the principle that export expansion contributes to general economic growth.

The GPT does not only benefit developing countries. As a result of lower tariffs on goods from the developing world, Canadian consumers enjoy access to imported goods at competitive prices. Also Canadian producers who rely on goods from GPT countries as inputs also benefit from the reduced tariff. Accordingly the GPT contributed to the economic development

of the beneficiary countries while allowing Canadians to benefit as well.

At the same time, and as noted earlier, in order to ensure that goods from GPT countries do not injure domestic producers, there exist legislative and quasi–judicial mechanisms for withdrawing GPT status to goods that are injurious to domestic producers. I wish to assure the House that where a reduced tariff injures Canadian producers, the government can move to disqualify such goods from the lower tariff. For example, rubber footwear and rubber inner tubes have for a number of years been excluded from the GPT scheme under temporary safeguard measures recommended by the Canadian International Trade Tribunal. The government has now decided to remove these products permanently from the scheme.

Finally, in recent years we have seen considerable change in the international economic and trade situation. Many developing countries are now enjoying significant economic growth while others need more assistance because their economic situation has deteriorated over the past several years. We have recently ratified NAFTA and the Uruguay round of the GATT has just recently concluded. These trade arrangements will result in reduced tariffs on many products. These changes have significant implications for the GPT.

I also wish to tell the House that the government is studying the ramifications of these developments with a view of making changes to the GPT tariff structure in the next year or so. The objective is to make the GPT an even better tool to assist the developing world. During this year consultations will be held with interested parties on possible expansion of GPT product coverage and reduction of GPT rates, particularly for the least developed countries. In addition, we will be examining the desirability of maintaining the GPT for those countries that have already achieved the high level of economic development.

• (1010)

To conclude I call on all members of the House to support this bill. Such support will show Canada continues to contribute to economic growth within the developing world.

[*Translation*]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, perhaps I may start by greeting my colleague, the Secretary of State for International Financial Institutions, who tabled this bill on January 31 on behalf of the Minister of Finance. Aside from the debate on the motion presented by the Reform Party last week, when I had the pleasure of making a presentation which dealt partly with international financial institutions, and in fact just before the secretary of state gave his speech, this is the first time he and I will have an opportunity to work together in the House.

He will be pleased to hear that we are probably on the same wave length regarding the general implications of the bill before the House today, and I hope this will be only the first of many such occasions.

I would now like to comment more directly on Bill C–5 which the House is being asked to consider and on the context that makes it so important, namely, export development assistance for developing countries.

This is a very short bill. It contains only one section, whose purpose is to extend for ten years—until June 30, 2004—the expiry date for the general preferential tariff applied by Canada to developing countries. Since the various provisions of the GPT have already been explained in detail by the secretary of state, I do not think I have anything to add in that respect. The bill amends section 45 of the Customs Tariff, under which the GPT was to expire on June 30 this year.

However, the government reserves the right to change subsequently, by order of the Governor in Council, the expiry date of the extension, the rate of duty provided under the GPT and the treatment given certain goods and certain countries.

Although not impressive in size, Bill C–5 has a considerable impact through what it actually does.

I may recall that in the early seventies Canada, like all industrialized countries, introduced preferential tariff treatment for developing countries. The purpose of this measure was to promote the economic growth of these countries by developing their trade with Canada.

Every 10 years, parliamentarians are asked to consider another ten–year extension for a measure that costs little and provides a form of indirect aid to developing countries. In this respect, the Bloc Quebecois reiterates its support for measures that promote international development.

The provisions of this bill ultimately provide an attractive market for the products of developing countries, removing the dependency that conventional development aid will sometimes create. This is positive aid that helps these countries develop goods for export and promotes their integration and participation in international trade, which is expected to intensify in the years to come. That is why the Official Opposition intends to support this bill.

Canada has acquired an excellent reputation for development assistance, through the expertise and activities of non–governmental organizations dedicated to international development. We must continue this tradition, and I want to take this opportunity to say that a sovereign Quebec will be guided by the same concern for international equity.

All of us have been exposed, from time to time, to the usual series of statistics that point to wide gaps in economic development and in the availability of basic resources ensuring a minimum quality of life, which is the case in many countries on this planet. More than one billion people or one–fifth of the world's population earn less than one U.S. dollar per day, comparable to a wage level that existed in Europe and the United States at the end of the eighteenth century. In the eighties, the per capita income of developing countries in Latin America and Sub–Saharan Africa declined, in real terms.

However, there is light at the end of the tunnel, and there are some indications that development programs can produce substantial positive results.

• (1015)

The average per capita income in developing countries, for example, has doubled over the last three decades, which is a rate of growth higher than in Great Britain during the industrial revolution, or in the United States in the 19th century, or even in Japan between the two world wars. Turkey, for instance, doubled its per capita income over a period of 20 years, from 1957 to 1977. Brazil made it in 18 years, from 1961 to 1979; South Korea in 11 years, from 1966 to 1977; and China in 10 years, from 1977 to 1987.

Infant mortality has been reduced by half and life expectancy has been pushed ahead 10 years on average. A child born in Shanghai is less likely to die before reaching one year of age and more likely to learn how to read and to live longer than a child born in New York.

Despite these very encouraging statistics, major differences and unacceptable inequalities continue to exist and in some cases to increase. It is therefore necessary to maintain our efforts in order to promote development in the countries which do not enjoy the great conditions we have here.

Clearly, magic formulas to achieve development in the Third World exist by the million.

Just think of the drastic measures advocated by the World Bank or the International Monetary Fund in order to bring structural changes to the macro–economic policies of these countries, even though they are very often accompanied by a worsening of already serious social problems.

Some experts insist on growth of local savings, while others favour a massive involvement of government in some sectors of the economy.

Others advise a total or partial closing off of the country to imports, in order to generate economic growth from the inside.

Finally, there are some who believe that opening the economies of developing countries to the world is, in the long run, the best way to achieve development. The abolition or reduction of tariff and non–tariff barriers and the adoption of measures to promote exports would be some of the roads to development.

Such measures would only ensure these countries do not remain mere observers of this tremendous phenomenon called market globalization. As for us, we must realize that we have everything to gain from a reduction of the dependence of these countries and from their involvement in, and contribution to the increasing world trade.

Therefore, I believe that one of the ways we have to encourage development in these countries is to open up our markets to their goods and services. This is why, in my opinion, Bill C–5 is a valid contribution to developing countries.

Some of these countries have already made the strategic choice of promoting export growth to improve their economic development. Results have been outstanding in most cases.

This strategic choice was made in the sixties by South Korea and Taiwan, and in the seventies by Thailand. These countries are living proof of the value of such a strategy.

Originally, the three countries had the social and economic characteristics we observe in several developing countries and those are a large and growing population, a low level of investment and an economy largely based on agriculture.

In less than three decades, they achieved an absolutely stunning rate of growth, along with some other countries in the region.

This phenomenal success is the result, among other things, of two strategic choices, one that I just mentioned, which is the implementation of export–driven policies, and manpower training as a major priority.

In this regard, Quebec is particularly sensitive to the importance of implementing a manpower policy which is consistent, flexible, structured and effective.

At the beginning of the sixties and until the early seventies, South Korea and Taiwan launched a very aggressive strategy of economic growth based on export promotion. A lot of incentives were made accessible to industry in areas that, today, we call soft sectors, for example textiles, clothing and shoes.

• (1020)

Following the difficult 1970s, these two countries emerged with leading annual growth rates of nearly 10 per cent between 1985 and 1991. They also succeeded in diversifying their production in favour of goods with a higher value added.

An interesting parallel can also be drawn with certain Latin American countries. Before the 1980s, countries of Latin America would have been hard pressed to pass for champions of free trade. Quite the contrary, in fact.

Most of them had adopted trade policies aimed at protecting their domestic market from foreign competition, instead of policies which would have allowed domestic firms to exploit their comparative advantages on foreign markets.

However, in the early 1970s, a number of Third World countries and many Latin American countries such as Brazil, Mexico and Peru, experienced a debt crisis. Consequently, with the blessing of the International Monetary Fund and the World Bank, these countries were compelled to adopt outward–looking policies, lowered tariff barriers, introduced import permits and quotas and adopted export promotion measures.

During the 1980s, several Latin American countries rid themselves of dictatorial regimes and replaced them with democratically elected governments. Contrary to all expectations, these governments managed to survive and, in most cases, are still around today.

Conditions in several countries in this region, chief among them Mexico and Chile, appear favourable to very significant economic growth. It comes as no surprise, then, that the adherence of other Latin American countries to NAFTA has aroused considerable interest.

It should be noted, however, that the world trading system still has some shortcomings which impede the economic growth of developing countries.

According to the OECD, sectors such as agriculture and textiles which represented the strength of many developing countries after World War II, have in no time become the target of protectionist measures imposed by industrialized countries.

As paradoxical as it may seem, the beneficial effects of development assistance policies implemented by industrialized countries have often largely cancelled out by the protectionist trade measures theses very same countries have adopted.

Under GATT, agriculture was excluded de facto from the usual applicable rules, thereby allowing industrialized countries to protect their domestic market through the imposition of tariffs and quotas.

Moreover, industrialized countries have not hesitated to subsidize their agricultural surpluses around the world, pulling the rug out from under developing countries in the process and often rendering the latter's domestic production uncompetitive. With your permission, I would like to quote an excerpt from an OECD report released last year which states the following: "Exports of Latin American agricultural products have also been affected by the high levels of agricultural production within OECD countries as well as by the ever–increasing level of subsidies. In some cases, agricultural exports from developing countries have been squeezed out of profitable markets by highly subsidized exports from industrialized countries".

Furthermore, the tariff system in place in industrialized nations penalizes imports of processed products by giving the advantage to raw materials and other unprocessed products. Developing countries would be at a disadvantage if they wanted to diversify their economies and begin producing value added products.

The success of the recent GATT negotiations should make life easier for exporters in Third World countries, particularly exporters of agricultural products, clothing and textiles. The elimination of tariff barriers on a growing number of products from tropical countries, along with the dismantling in ten years' time of the Multi–Fibre Arrangement, which will be included under the GATT rules, should also be a boost to Third World countries.

However, over the last decade or so, we have been witnessing, unfortunately, a resurgence in trade protectionism. New forms of protectionism, such as orderly market sharing agreements, voluntary restrictions on exports and other quota measures, have been introduced. Automobiles, semi–conductors and steel have been targeted, along with other industries which successfully lobbied for protectionist measures.

These measures add to those already in place for textile, clothing and agricultural products. Anti–dumping measures, so–called temporary safeguard measures and accusations of unfair trade practices are popping up everywhere these days.

• (1025)

Canada, as we know, is certainly not immune from this insidious and looming return to protectionism, particularly from its main trade partner, the United States, which is the market for almost 80 per cent of its exports. Our trade problems with the United States, especially with beer, steel, magnesium, softwood lumber and agricultural products, constantly remind us that free trade benefits are fragile and that we must watch our trade partners' practices more closely.

Economic development formulas vary between countries. Export promotion strategies are not, by themselves, a panacea. Although they are important, there is no question that other measures must also be contemplated.

People's happiness is not necessarily contingent on increased individual purchasing power. We must allow societies to develop at their own pace without forcing them to conform to the economic development model dictated by market forces. It is a decision that these societies must make for themselves. It is, however, important and even essential to contribute to these countries' economic growth by giving them preferential access to our markets.

Promoting the growth of developing countries' exports to industrialized nations is therefore a most commendable goal. The Bloc Quebecois does not deny it, of course. But if I may, I would like to outline a number of concerns we, on this side of the House, have about the practical application of the general preferential tariff.

We must first of all recognize that the countries that currently benefit the most from the general preferential tariff are newly industrialized countries, mainly the new economic powers of Southeast Asia. These are not, strictly speaking, third world or developing countries.

Furthermore, China and Indonesia, for instance, which are the beneficiaries of 38 per cent and 3 per cent respectively of Canadian preferential tariffs, are regularly censured for their repeated violations of human rights.

As the purpose of the general preferential tariff is to help real developing countries to grow, without hurting the Canadian economy in the process, we should be entitled to a more in–depth study of products and countries benefiting from the general preferential tariff.

This brings us to question the relevance of maintaining the general preferential tariff for developing countries that have since become newly industrialized nations. As a result, we must determine if these countries still meet the criteria allowing us to define what is a developing country, which, we agree, can be very complex.

In the cases concerning us, we should ask whether newly industrialized countries such as Hong Kong, South Korea, Taiwan and Singapore should still get preferential treatment. If all industrialized countries decided to take away from these countries preferential tariffs generally extended to developing nations, this could impact on their treatment by international financial institutions such as the International Monetary Fund, the World Bank or regional development banks.

One must know that the United States no longer gives preferential tariff treatment to South Korea and Hong Kong. Japan, Canada and the European Community, for their part, have still not made a decision on this issue.

The federal government has already announced its intention to study how desirable it would be to continue to extend the general preferential tariff to countries that have reached a high level of economic development. In fact, such a study is unavoidable in preparation for the meeting of the United Nations Conference on Trade and Development to be held in 1995, precisely about the general preferential tariff. Now that the Uruguay Round is over, the government has also announced its intention to review, and probably reduce, the extent of the general preferential tariff.

In addition, we know that the government intends to consult with Canadian manufacturers before making any decision on the general preferential tariff, a move that we wholeheartedly endorse.

It goes without saying, however, that any change to the general preferential tariff as it applies to any product or country could have major political repercussions.

• (1030)

Taking the general preferential tariff away from South Korea or any other newly industrialized country could lead to a deterioration in our trade relations with them since they may not like what Canada is doing.

The case of China, which has nearly 40 per cent of Canada's preferential tariffs, could also arise. Like the United States, which is wondering whether it should now deny most favored nation status to China, mainly because of the repeated violations of human rights in that country, Canada could show how important it considers human rights to be by also considering withdrawing the general preferential tariff from all countries that blatantly violate these rights.

In that the government has said many times that it intends to involve Parliament in Canada's foreign policy, and since any change in the scope of the general preferential tariff is likely to have political repercussions, would the government agree to consider the possibility of consulting parliamentarians, as well as Canadian manufacturers, before changing any component whatever of the general preferential tariff and if necessary amend this bill along those lines?

Such a consultation could proceed in a flexible and efficient manner through the Standing Committee on Finance or the Standing Committee on Foreign Affairs and International Trade.

Be that as it may, I eagerly await the government's response to this suggestion, which I am making as a request, in view of the importance which the government claims to attach to the opinion and judgment of parliamentarians.

I close by reiterating our total support for the basic principles underlying the extension of the general preferential tariff for the so–called developing countries. At the same time, I also reiterate my concerns and questions about applying this tariff to the newly industrialized countries and to developing countries which openly violate human rights.

I trust that the government will follow up our request for prior consultation with parliamentarians before any change is made to the general preferential tariff structure.

[*English*]

Mr. Ray Speaker (Lethbridge): Mr. Speaker, I appreciate the opportunity to be involved in this debate. First, I would like to thank the hon. parliamentary secretary for the extensive outline of not only the benefits but the concerns with regard to Bill C–5.

I would also like to thank the Minister of Finance for the co–operation of his staff in providing information to us as a caucus, not only on this bill but on other bills as well. The staff responded very quickly and briefed us well in an open manner and presented us with a very good case for and against the bill and we were able to make a judgment as a caucus.

As we well recognize, the purpose of Bill C–5 is to extend Canada's general preferential tariffs for developing countries from June 30, 1994 to June 30, 2004. That is a major commitment we are making as Canadians to the needs of other countries in terms of industrial and social development, in our attempt to bring their economic base closer to what we enjoy as Canadians. In terms of a world responsibility as Canadians we are to be well commended for taking that approach.

The Reform Party, after examining this bill and going over the presentations that were made to us, supports the bill. We feel that it is right in principle and that it is an obligation we should take on as Canadians.

There were some very positive qualities of the general preferential tariff that we felt should be noted at this time in our presentation to the House. First, it will lower import barriers, a concept we support as the Reform Party. Second, the lower tariffs will stimulate economic growth in developing countries. Third, it is very wide ranging in terms of its unconditional nature as to how it can assist these countries. More than 180 developing countries and territories qualify for lower Canadian tariffs. That is certainly a benefit.

Another reason for our support is that while in a sense Canada loses in terms of bookkeeping some $156 million because of the lower tariffs, we recognize as Canadians that we benefit because the general preferential tariff will also enable us to have lower prices in terms of goods as consumers in this country. That certainly is a direct benefit in that sense. However, we do have some concerns.

• (1035)

First, while businesses in our country can benefit from lower input costs under this system, there are some questions with regard to savings that may actually be passed on to consumers.

We would be remiss in our responsibilities if we moved into the marketplace and said that we should implement some type of legislation to prevent that. I think more supervision by government, more public servants to do that which would cost us as taxpayers more money, or more interventionist actions are certainly not the way.

We must have confidence that the forces of the marketplace will take care of that concern. It may not in all cases but I think if we let the marketplace work properly, it certainly will.

Second, while this system will help developing countries, I believe we should go one step further by using this opportunity to encourage a responsible government in those nations. We certainly want to give disadvantaged nations a chance to grow economically.

However, we want to ensure, and I am sure we all feel this as parliamentarians, that these countries uphold a major standard of human rights such as we enjoy here in Canada. It is part of the obligation and part of the message that I think we want to send indirectly through this bill to those nations that are benefiting from our compassion here as Canadians.

Third, we should ensure that rebates to developing countries are not part of the deal. The government should ensure that countries only benefit from the reduced tariffs. I am sure the government will keep a watchful eye in that area.

Fourth, we as a government must prevent any kind of dumping of cheap imports into other countries as that may strain relations with our trading partners. For example, a commodity should not be imported into Canada at a reduced tariff and then dumped into the United States to cause a distortion in the American marketplace.

In summary, as I said before, we support the bill and encourage the government to move quickly in this direction. It was explained in our briefing sessions that if changes need to be made quickly, regulations can be changed and are in place and they can be amended to protect any industry that may be adversely affected by these tariffs.

Those industries have the right to appeal and to make presentations. If the government in its wisdom following those presentations sees that there is a negative effect which affects our industries or our businesses, it can act very quickly by changing those respective regulations. I think that is a good addendum to this bill.

If we take these points into consideration I believe we will be upholding Canada's trading interests, a goal that we certainly want to strive for. I encourage Parliament to support the bill and proceed with it as quickly as possible.

[*Translation*]

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, I will cover five points in my remarks. To help my colleagues follow, here is the plan. I will start with underdevelopment and the poverty gap. I will then set Bill C–5 in context. I will talk about Canadian official development assistance. I will reiterate the Bloc Quebecois position as stated by my colleague and, finally, I will describe a certain number of concerns.

Out of a world population of five billion, four billion people are living in developing countries, one billion of whom in total deprivation.

The United Nations has reported that the gap between have nations and have–not nations has doubled over the past 30 years. The economic growth rate of developing countries has been dropping steadily, particularly in Africa and Latin America. In the Bruntland report, the World Commission on Environment and Development stated, and I quote: "Deteriorating terms of trade, rising debt–service obligations, stagnating flows of aid, and growing protectionism in the developed market economies caused severe external payment problems. The increased cost of foreign borrowing, at a time when exports were depressed, also helped to plunge many developing countries into debt crises. Growth was cut back and many social objectives fell by the wayside, including those having to do with employment, health, education, environment, and human settlements".

• (1040)

The United Nations development program authorities estimate that protectionism in industrialized countries will deprive the South of $500 billion a year in export income, or ten times more than it receives annually in development assistance. At the same time, due to structural adjustment programs imposed on them, developing countries are forced to abandon any form of tariff protection and what not.

This means there can be no sustainable development without fair and equitable reform and restructuring of international financial, trading and policy systems. Less trade protectionism on the part of industrialized countries would be a first step in a true financial reform.

Just recently, we have heard the president of the GATT general assembly warn industrialized countries against reintroducing protectionism on the basis of preserving human rights and the environment.

In that context, industrialized countries have taken steps in the seventies, with the general preferential tariff, to promote a reduction of duties for developing countries. In 1974, Canada established the GPT under the Customs Tariff Act. Since then, the tariff has been extended every ten years.

The purpose of this bill is to support the economic growth of developing countries by promoting exports from these countries to Canada through tariff reduction.

The general preferential tariff is beneficial in many other ways as well. First of all, the GPT is a unilateral tariff reduction program, and Canada remains free to change tariff preferences without breaking any commitment under the GATT agreement.

The Canadian GPT would be one of the best in the world as it would not be used to put financial or political pressure on developing countries, as is the case in other countries.

Canada also made sure that imports under the GPT caused no injury to domestic producers. That is why the GPT does not apply to all products imported from developing countries, but only to those products which do not adversely affect the competitiveness of Canadian producers. Also, safeguard measures have been developed to protect Canadian businesses affected by the importation of goods under the GPT. Two such safeguards are presently applied to rubber soles and inner tubes.

It should be pointed out that, in 1992, gross imports under the GPT yielded approximately $90 million, or 5 per cent of Canada Customs' revenues.

Bill C–5 extends the general preferential tariff for another ten years. The Bloc Quebecois supports this government bill with reservations, but we will get into that later.

Canadian development assistance has been drying up for a few years. Difficult economic conditions in Canada have often been set forth to explain or justify this drying up. Budget cuts in official development assistance have reduced contributions to the assistance program to 0.4 per cent of the Canadian GDP.

• (1045)

To put things in perspective, Norway spends 1.16 per cent of its GDP on international assistance, Denmark and Sweden 1.03 per cent, the Netherlands 0.86 per cent, France 0.63 per cent, and Finland 0.62 per cent. In other words, although Canada is generous in absolute terms, it is not in the lead group and it is rather far from the internationally recognized standard of 0.7 per cent.

The reality is that, in the nineties, we almost gave up any measure which could have enabled us to reach that level. More recently, the April 1993 budget restricted to 1.5 per cent, as of 1994–95, the budget increase for Canadian international assistance.

A large part of Canadian development aid is provided through bilateral assistance and it covers more than 150 countries. Projects implemented are the subject of agreements between Canada and each beneficiary country. However, Canada also looks after its own interests, since 80 per cent of goods and services targeted for this bilateral aid come from our country. Tied aid, as it is called, has the effect of considerably reducing the value of the help provided to beneficiary countries.

For all intents and purposes, bilateral aid is a disguised form of subsidy to Canadian exporters. This creates a danger in that profiteering could play havoc with the priorities of assistance programs, by giving too much importance to commercial interests.

In 1993–94, bilateral aid is distributed in this fashion: Africa and the Middle East get 45 per cent, Asia 37 per cent, and Latin America 18 per cent. It must also be noted that this form of support represents 44 per cent of total Canadian aid to developing countries.

In spite of some flaws, preferential customs tariffs are an important tool of Canadian development aid. In an increasingly global economy, foreign trade, and this is particularly true for Canada, plays a vital role in the creation and retention of jobs.

It is precisely because Canada is free to classify developing countries, from the poorest to the most developed, that the GPT could be a flexible tool to direct aid to those who need it most.

The Bloc Quebecois agrees that promoting export growth of developing countries is a very commendable objective. However, we do have some reservations.

First, a large number of those countries which benefit the most from the GPT are newly industrialized countries, especially Brazil and the dragons and tigers of South–East Asia to which the hon. member referred. Those countries can no longer be considered as genuine third world nations. Yet, they are the main beneficiaries of that tariff.

Moreover, importing certain products from these countries, such as auto parts, could adversely affect the setting up of manufacturing plants for those parts close to auto builders in Canada, to use the same example.

Also, some countries like China and Indonesia, which largely benefit from preferential tariffs, are known for repeatedly violating human rights. If the Canadian government was consistent in the implementation of its foreign policy, it would have some reservations about favouring countries which do not respect human rights, as it does in the case of its development aid policy which, as you know, is conditional upon the respect of those basic rights.

Since the general preferential tariff is designed to help the growth of developing countries without causing a prejudice to the Canadian and Quebec economies, we would be justified to ask, at this time, for a more in–depth study on countries and products benefitting from the GPT.

This leads me to the classification of developing countries into newly industrialized countries. Does the government think that the general preferential tariff program still meets its objective, which is to promote the growth of developing countries, considering that some of the beneficiary countries have already reached high growth levels? And since newly industrialized countries are entitled to this tariff, does the hon. member think it is appropriate for the national treasury to forgo millions of dollars in annual revenues which is being not collected by customs services?

• (1050)

How to determine which countries no longer meet the criteria used to define developing countries is a complex issue. But we have to wonder if countries like South Korea, Taiwan, and others should still be entitled to a preferential treatment concerning customs duties.

Since my colleague already mentioned it, I just want to remind the hon. members that the United States have already withdrawn the benefit of a number of preferential tariffs.

It seems that the Canadian government wants to wait a little longer before taking a stand on this issue. However, it would be important for Canada to determine its position before the 1995 meetings of the United Nations conference.

In short, the Bloc Quebecois believes that we should reflect on the possibility of linking the general preferential tariff to some criterias, such as the industrialization level of the beneficiary, the human rights situation in that country, the alignment of its foreign policy with that of Canada, compliance with established rules of public international law, such as non–violence in its international relations and peaceful resolution of conflicts in which the beneficiary is involved.

As you see, before extending the benefit of the general preferential tariff, Canada should take into account these principles which should influence our foreign policy. But Canada should also consider the restrictions of its trade policy. For example, withdrawing the benefit of the general preferential tariff from any product originating in China could jeopardize trade relations with this country or other countries. However, since development assistance should be provided to the people who most need it, the list of beneficiaries of the general preferential tariff should be revised.

The Bloc Quebecois believes that such decisions should flow from consultations and discussions within the Canadian Parliamentary system, including the Standing Committee on External Affairs and International Trade.

Unfortunately, under the Customs Tariff Act, the government is under no obligation to undertake such consultations. On the contrary, the government may, on the recommendation of the Minister of Finance, by order in council, amend the list of beneficiaries to the general preferential tariff without any consultation. We, in the Bloc Quebecois, think it is unfortunate that the House of Commons does not have any say in the matter.

The Bloc Quebecois urges the government to undertake consultations with its Parliamentary partners, at least for the review of its position on the general preferential treatment before the 1995 meetings of the United Nations Commission on Trade and Development, as well as discussions on its general policy concerning the classification of countries.

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, I listened carefully to the speech of my colleague from Louis–Hébert. First of all, I want to congratulate and to thank him. His speech was very interesting because his arguments confirmed those I developed in my own speech, arguments to the effect that the general preferential tariff can be profitable for developing countries.

Of course, Canada considers this general preferential tariff to be part of its assistance program to developing countries. However, the question is this: Can this tariff have an adverse impact on the Canadian market? I said a moment ago, and the minister has made the same point before, that the government intends to consult Canadian manufacturers on their position so that they do not find themselves at a disadvantage because some products have easier access to the Canadian market thanks to the general preferential tariff.

Of course, the general preferential tariff represents a plus, an important asset, for developing countries that would like to export their production overseas, particularly to Canada.

• (1055)

Here is my question: What are the advantages or disadvantages of this general preferential tariff for Canada?

Mr. Paré: Mr. Speaker, I do not think that there are really any disadvantages, because under the customs tariff, products from developing countries against which Canadian products can compete are excluded from the general preferential tariff when imported into Canada.

As for the advantages, I will say that since it is a well established fact that Canada often ties its development assistance to trade with developing countries, it is a major beneficiary of those imports. So, as I said, there are no real disadvantages because of the safeguards included in the legislation.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I would like to congratulate my learned colleague for his brilliant speech. He talked about reviewing the list of countries benefiting from general preferential tariffs and about developing countries, but he added that we should examine the issue of assistance given to countries which are not necessarily at the developing stage but where such assistance would have important commercial impacts and therefore could also impact on our future relationships with them.

Could the member tell us what countries he had in mind by that? And since, according to what we saw this last month, the government seems ready to hold debate after debate, and yesterday was even prepared to create a special committee on national defence, would it not be appropriate to have that list of countries and the assistance given through preferential tariffs reviewed by a committee, be it a new one or an existing one, where members of all parties would meet and where they could also think of ways of increasing the assistance given to developing countries?

Mr. Paré: Mr. Speaker, it is true the general preferential tariffs are applied to more than 150 countries, 180 to be exact. Evidently, these countries are not all at the same development stage. Some are at the first stage, others are more advanced. In fact, tariffs are adjusted according to three categories.

Given that tariffs are renewed for ten–year periods, we should think about this gradation and try to determine if it still appropriate to classify certain countries as underdeveloped when in fact they have experienced dazzling growth, as some Asian countries have.

We must keep in mind however that if we are to strike a country off the most advantageous list, we will have to do so with considerable tact and diplomacy because such a measure could have an impact on our commercial relationships with that country or other ones.

I think it will be important to proceed in co–operation with the House, so the House should be aware of these data. Indeed, the House has a tool in the Standing Committee on Foreign Affairs and International Trade. I feel it would be quite in order that issues of such importance no longer be determined by order in council on a simple recommendation of the minister. In keeping with the spirit of the red book, the government should allow all members of the government and of the opposition to participate in the review of these questions which could affect the very image of Canada.

• (1100)

[*English*]

Mr. Milliken: Mr. Speaker, I rise on a point of order. I think there may be a disposition to deal with this bill immediately at second reading, in committee of the whole, and call it for third reading immediately thereafter with unanimous consent.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to, bill read the second time and, by unanimous consent, referred to committee of the whole.)

The Speaker: It being 11 o'clock a.m., pursuant to Standing Order 30(5) the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

THE BUDGET

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I have received a number of phone calls, letters and faxes from constituents in my riding of York—Simcoe expressing a great deal of concern about the possible taxation of health and dental benefits and a reduction of the RRSP contribution limit.

I urge the Minister of Finance to be sensitive to the views of these and all Canadians. We must take a fair and balanced approach when tackling the very difficult financial challenges we face as a nation.

* * *

[*Translation*]

OFFICIAL LANGUAGES

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, since May 1993, members of all other parties in the House have presented petitions against the federal government's official language policy.

I deplore the attitude of Liberal and Reform members who table these petitions in the House and thus support Canadian extremists who want to ban the use of French by the federal administration. I also want to condemn members who table these petitions while claiming they do not support them.

I would ask my Liberal and Reform colleagues to stop this hypocrisy. If they believe English should become the only official language of the federal government, let them say so.

Members of the Bloc Quebecois support maintaining the use of both official languages in federal departments and crown corporations, and I would ask all members to show the same flexibility and tolerance.

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WINTER OLYMPICS

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, members of the Reform Party would like to congratulate, on behalf of all Canadians, the young athletes who won medals at the 17th Winter Olympics in Norway.

We congratulate Edi Podivinski, Isabelle Brasseur and Lloyd Eisler, Jean–Luc Brassard and our latest gold medal winner, Myriam Bédard.

[*English*]

These athletes are shining examples of hard work and dedication to their sport. We are very proud of them and wish them every success in their future endeavours.

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HOME BUYERS PLAN

Mrs. Carolyn Parrish (Mississauga West): Mr. Speaker, I rise in the house today, literally in the 11th hour, to make an appeal to the Minister of Finance and the Minister of Public Works and Government Services to support the extension of the RRSP home buyers plan.

I am presenting a list of almost 1,000 names of residents of the greater Toronto area and Mississauga who have made the effort to mail in letters in support of the continuation of this plan.

It is a federal program that has helped thousands of Canadians to achieve the benefits of home ownership without requiring direct financial assistance from the federal government.

To date, the plan has assisted more than 200,000 Canadians in buying a home and has generated substantial economic activity across the country.

Supporting the extension of this program beyond the March 1 deadline will be invaluable for the many Canadians who would not otherwise be able to achieve the dream of home ownership.

* * *

• (1105)

MULTICULTURALISM

Ms. Hedy Fry (Vancouver Centre): Mr. Speaker, I rise to recognize multiculturalism week in my home province of British Columbia, as proclaimed by the Hon. David Lam, Lieutenant Governor.

From February 13 to February 19, British Columbians will take part in events and activities throughout the province, affirming the diverse cultural heritage that is integral to life in our province.

I thank all those groups participating in this week's festivities. Their active involvement in the lives of our communities is crucial. It enhances understanding of the different and vibrant cultural traditions of Canada.

I am proud that the federal government is a willing partner in this effort. We will initiate measures to promote Canada's cultural heritage.

I hope all Canadians and all levels of government will support these initiatives to bolster our cultural institutions and shared citizenship values.

Today our culture and identity as Canadians are threatened. More than ever, Canadians across the nation need to renew their commitment to cultural development and linguistic duality.

I extend my gratitude to the people of British Columbia for taking the lead this week.

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LISA CAMPEAU

Mr. David Berger (Saint–Henri—Westmount): Mr. Speaker, an article in the February issue of *Vogue* magazine tells the story of a young constituent of Saint–Henri—Westmount named Lisa Campeau.

Miss Campeau, who is 24 years of age, has spent the last two years working at great personal risk on a UN relief operation in Sudan. She has developed a reputation as one of the toughest relief workers in Africa.

When the leader of a group of 2,000 Sudanese people told her to give them food or someone will come in the middle of the night and kill her, she replied: "It is pointless, if you kill me it will stop the relief flights in this area".

Despite the tremendous danger of her job and even the murder of several fellow relief workers, Lisa Campeau continues her mission. She wants to make a career in development and has ambitions of shaping the program she now helps administer.

Lisa Campeau is an example of how many young Canadians are working daily to make the world a better place. All Canadians should take pride in their commitment and idealism and support them in their initiatives.

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[*Translation*]

WINTER OLYMPICS

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, speaking on behalf of my colleague from Charlesbourg, on my own behalf and on behalf of all Quebecers, I wish to draw the attention of the House to the exceptional performance of Myriam Bédard at the Winter Olympics in Lillehammer.

This morning, Ms. Bédard won the gold medal for the 15–kilometre biathlon and joins our two other athletes from Quebec who won a medal, Jean–Luc Brassard and Isabelle Brasseur.

I may recall that Ms. Bédard won the bronze medal at the Games in Albertville and the gold and silver at the 1993 world championships.

The Bloc Quebecois salutes the courage and perseverance of this fellow Quebecer and outstanding athlete. As we know, Ms. Bédard has had to overcome many problems throughout her career, which were caused by Biathlon Canada. We hope the Minister of Canadian Heritage will take steps to deal with the many problems faced by athletes from Quebec.

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[*English*]

CFB EDMONTON

Mr. Hugh Hanrahan (Edmonton—Strathcona): Mr. Speaker, I wish to express the feelings of many Edmontonians, particularly those in Edmonton—Strathcona, regarding Canadian Forces Base Edmonton.

While I recognize that some restructuring of our military must be considered in terms of fiscal responsibility, I would ask that the Minister of National Defence consider the following regarding CFB Edmonton.

It is the largest supply and service depot in western Canada. It has recently undergone a $10 million expansion. It contains the fourth largest runway in the world.

What concerns me most is that the department is considering these base closures before it has determined the new role of the Canadian military. It would seem logical to first conduct such a review and then decide what bases should be closed.

CFB Edmonton is the gateway to the north and it is extremely well suited to serve Canada's needs in the next century.

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ROYAL BANK

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, today the Royal Bank branch in the village of Lynden in my riding is closing its doors after 92 years of continuous operation. It is a move that will seriously affect the small businesses in the community, for the branch draws hundreds of people every week from the surrounding farms.

Royal Bank officials have admitted that the branch is profitable. Their decision to close was based on what they said was poor growth potential in the area.

• (1110)

They have turned a deaf ear to petitions, protest marches, extensive coverage in the local media and letters to both the bank chairman and president. They have insisted that bank customers remove themselves to a new drive–in branch in the city of Brantford.

It is ironic that this government yesterday declared a moratorium on closing rural post offices in order to preserve rural communities.

The Royal Bank received its original mandate, its charter, from the people of Canada. It is a pity that now it chooses no longer to listen to them.

* * *

[*Translation*]

SMALL BUSINESS

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, many small and medium–sized businesses find it difficult to get financing from major banks.

And this, in spite of the fact that only 13 out of 1,000 loans to small businesses are not paid back. In other words, 98.7 per cent of borrowers are creditworthy. Under the present circumstances, 98.7 per cent is a rather impressive average we cannot ignore.

Given the fact that there are more than 900,000 small businesses in Canada and that they account for more than 4 million direct jobs, banks must be encouraged to become their partners instead of their adversaries.

Small and medium sized businesses, which are the driving force of the economy, must have guaranteed access to capital in order to develop new technologies and find new markets. Let us not forget that today's small businesses could be tomorrow's multinationals. Let us help them prosper.

* * *

[*English*]

CHILD POVERTY

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I would like to announce today to this House and to Ottawa residents watching at home the second annual gala for child poverty here in Ottawa.

This successful event is sponsored by the Fund for a New Generation, a group of young people from the public, private and university sectors determined to bring hope to Ottawa's poor children.

On February 26 at the Canadian Museum of Nature this group of young people hopes to raise $5,000 more than last year's target of $10,000 for the Ottawa–Carleton Child Poverty Fund.

The proceeds contribute to communal meal and early education programs.

This is why I am calling for your support. There is a hotline number. Please call 769–5012 for tickets or other information.

I issue the challenge to local Ottawa businesses to help these young people. I commend these people for their initiative and hope that it serves as an example of what we can do together to improve our children's future.

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[*Translation*]

DAVIS INLET

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, we have just heard an unconfirmed report that a statement will shortly be issued by the Minister of Indian Affairs concerning relocation of the population of Davis Inlet, in Labrador. That relocation has been sought for much too long by the community, which has suffered greatly because of government indifference and negligence.

Once again, we wish to express our concern about government inaction and our hope that the minister is really prepared to respond to repeated requests by the Inuit of Davis Inlet and to give them the promised lands, which are better suited to a decent life, something to which all Quebecers and Canadians are entitled.

The minister was thus responding to repeated pleas by the Bloc Quebecois to improve living conditions for native peoples.

* * *

[*English*]

CONSUMERS PAPER CORPORATION

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, I provide today another example from my riding of New Westminster—Burnaby why government spending is out of control.

The Western Economic Diversification Fund previously announced it would provide $5 million to Consumers Paper Corporation to build a tissue paper plant in Redcliffe, Alberta. This was to create 150 new jobs. In reality it was to subsidize an ill-advised venture that would be in direct competition with Scott Paper of New Westminster.

There are already about 100 brands of tissue paper on the market with over-capacity of production. The new scheme would just add to the excess. If the mill made it, jobs would be lost elsewhere. If the plan failed, taxpayers would again foot the bill and families in Redcliffe would be victims of a bad government decision.

Government intrusions of this type create dependency. Why should taxpayers' money be put at risk on questionable ventures in a time of record federal deficits?

* * *

RURAL POST OFFICES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, February 17 will be remembered as a great day for rural Canada. It is the day that the ill-conceived Tory plan to shut down all rural post offices was finally put to rest.

Rural Canada will be able to breathe again. Rural post offices will be the heart of our small communities as they have been in the past.

The minister responsible for Canada Post and the Prime Minister and indeed all of cabinet deserve our praise. I am sure all rural Canadians are grateful.

Now let us turn to the next postal issue. Let us all join together to convince Canada Post to stop harassing rural mail contractors and to provide rural mail contractors with some kind of dignity, the kind of dignity they had in their employment under previous Liberal governments.

• (1115)

FISHERIES

Mr. Wayne Easter (Malpeque): Mr. Speaker, I would like to welcome the announcement made yesterday in Brussels by the Northwest Atlantic Fisheries Organization that a moratorium on cod fishing in international waters off Newfoundland will take place immediately.

This ban was called for by our party during the last election and the Minister of Fisheries and Oceans has worked hard for its implementation.

As a member from Atlantic Canada where so many fishermen and the fishery itself are affected by foreign overfishing, this moratorium is welcome news. A small ray of hope now glimmers at the end of the tunnel for the fishery off the east coast.

I appreciate as well that the Canadian proposal to extend until the end of 1994 the pilot on board program that places observers on vessels to ensure the moratorium is maintained has been implemented. The minister should be complimented for his efforts.

However we must continue to be vigilant in everything we do nationally and internationally to ensure that the Atlantic cod fishery survives to be a viable economic industry in the future.

* * *

MINISTERIAL STATEMENTS

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I am concerned about yesterday's refusal by the Reform Party House leader to allow a ministerial statement in the House.

Private members fought long and hard against Brian Mulroney's policy of ignoring this Chamber. He broke the longstanding tradition of making government announcements in the Chamber. Instead he and his ministers made statements to the press, often off the Hill, which members would read about afterward.

If this Chamber is ever going to get back its ancient role of being able to control and contain government spending, it must reclaim the right to hear all ministerial announcements that affect spending. Forcing ministers out of the House, as the hon. member for Kindersley—Lloydminster—

The Speaker: Order. The Chair would hope that members would refrain from attacking other members personally.

The generally accepted rule of the House has been that we have allowed a certain leeway on attacking party policy. But I would encourage hon. members to refrain from attacking each other personally or from imputing any kind of motive.

If hon. members could consider that as a guideline it would be very much appreciated.

ORAL QUESTION PERIOD

[*Translation*]

KANESATAKE RESERVE

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Deputy Prime Minister. The Mohawk leader of Kanesatake, Jerry Peltier, said yesterday that he had the government's assurance that there would be no police or military intervention on that territory to end the criminal activities of certain individuals who are terrorizing the population. The situation has become so serious that the chief editorialist of *La Presse*, Alain Dubuc believes that tough action from the police and, if necessary, from the armed forces has become inevitable.

Is it true that the government has formally assured the chief of the Mohawk communities that there would be no intervention from the police or from the army to end the smuggling once and for all?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, absolutely not.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, it is always curious to see the reactions following meetings between Mohawk leaders and the government; there are always at least two versions. At least two.

I ask the Deputy Prime Minister whether she considers acceptable what a Mohawk spokesman from Akwesasne said when he threatened armed reprisals for any police intervention to end smuggling activities.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I consider these comments as repugnant as the comments of the Leader of the Opposition yesterday when he compared the situation in Bosnia to the tobacco problem here in Canada.

• (1120)

Mr. Gilles Duceppe (Laurier—Sainte-Marie): That is not what the Leader of the Opposition said, and she knows that perfectly. I know that she is aware of repugnant statements, she is quite familiar with them.

My question is for the Deputy Prime Minister. Can she confirm the statements of the spokesman for the Mohawk community of Akwesasne, Mr. Russell Roundpoint, who said that many smugglers have AK-47 and AK-15 machine guns which they have admitted using to protect their cargoes of illicit goods in the Akwesasne-Cornwall corridor?

This government wanted names. Russell Roundpoint made those statements. That is one name. What does the Deputy Prime Minister think?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the member wants to quote people and now he says that the quote of the Leader of the Opposition is not true.

I want to emphasize again that the Government of Canada does not agree with statements like this one the Leader of the Opposition: "We are courageous enough to maintain peace in Bosnia, but when we have a problem here, we cannot solve it. Come on, it makes no sense. There is something wrong with that. International opinion will have to realize that we have an obligation to preserve our own societies".

How dare he compare the situation in Bosnia with a situation here, where the sale of contraband cigarettes has dropped dramatically in a week! Why is the Leader of the Opposition not here to applaud us?

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, it is easy to see that the Deputy Prime Minister does not understand the difference between intervention and situation.

The Prime Minister and the Deputy Prime Minister would have the general public believe that the Bloc Quebecois is trying to tarnish the Mohawks' reputation. Everyone, including every person involved in this, knows and recognizes that illicit smuggling activities on Mohawk reserves can be blamed on a handful of armed individuals who are imposing a reign of terror.

My question is for the Deputy Prime Minister. Does she recognize that smuggling on reserves is done by a small number of individuals whose activities threaten the safety of the Mohawk people and the surrounding communities?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, members of the opposition continue to claim they have no hidden agenda here, yet since Monday, according to *La Presse*, 22 questions to the government have been on this topic.

The problem of cocaine did not begin this week. The problem of cocaine is not exclusive to Indian reserves across the country. The problem of illegal drug abuse has existed for many years, including the years that the Leader of the Opposition was sitting in Brian Mulroney's cabinet.

If the member would like to point the finger at Indian reserves and suggest there is a cocaine problem exclusive to them, let him go outside and say that. The reality is that the contraband cigarettes, the drugs, the other issues, are problems of organized crime which are as prevalent in the cities of Hamilton, Toronto and Montreal as they are in Kanesatake and Akwesasne.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, we are well aware that the RCMP itself has declared that the territory is a hub. The supplementary question I want to ask the Deputy Prime Minister is this: The Mohawk leaders' alarmist declarations have raised the already high level of tension on the reserves. Is it not the Prime Minister's duty to meet with the Mohawk leaders to demand that they promise to co–operate with the government to end smuggling and to ensure respect for the law on their territory like everywhere else in Canada, as the government claims?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, if there is one group responsible for feeding the crisis, it is the opposition.

Just last week, a member of the Bloc visited the reserves, supposedly for a door–to–door survey. "Do you own weapons? Do you buy contraband goods?" Just imagine, Mr. Speaker, what would the reaction of Quebecers and Canadians be if members of Parliament went knocking on their constituents' doors to ask them about their illegal activities at home. Is that what Bloc members mean by democracy? I do not think so.

* * *

• (1125)

[*English*]

THE BUDGET

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Deputy Prime Minister and deals with the fiscal reality facing the House.

Yesterday the Government of Saskatchewan brought down a provincial budget with no tax increases and a 33 per cent reduction in its deficit figure. Yesterday the Quebec premier said that his next budget will feature deficit reduction and a possible tax cut.

Can the Deputy Prime Minister tell the House the extent to which federal deficit fighting measures are being co–ordinated with those of the provinces and whether the federal government is leading or following?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the leader of the Reform Party will have his answer in four days and I know he will be very happy with it.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, what I am asking is something that is relatively straightforward. I asked whether the federal government was co–ordinating its activities with the provinces, the answer to which is not dependent at all on the budget being brought down.

My supplementary question is this. All three levels of government raise their revenues from the same taxpayer, yet no government budget in the country to date explicitly acknowledges the total tax load carried by Canadians.

Does the federal government believe that total tax load must be taken into account in making any changes to federal taxes? Will it ensure that background information on total tax load is included with its budget presentation next week?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, many provinces have more than three levels of government. There are four levels of government and obviously this government is very cognizant that there is only one taxpayer.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, we can see why the Deputy Prime Minister is not Minister of Finance.

Some hon. members: Oh, oh.

Mr. Manning: My third question is this. As the Deputy Prime Minister knows, Canadian business, capital and jobs have been leaving the country in recent years, citing high tax loads as one of the principal reasons for leaving.

Does the federal government believe that Canada has room to further increase the total tax load carried by Canadians without driving more businesses, more capital and more jobs out of the country?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the Prime Minister and the government believe that any government policy on finance has to be two track. It has to relate to taxes and jobs.

We did not make the kinds of promises that were made by the leader of the third party in the last election and that may be why he is the leader of the third party.

* * *

[*Translation*]

LIQUOR SMUGGLING

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I want to talk about another contraband product.

It appears that losses related to smuggling of liquor might be more important than first thought. According to the Association of Canadian Distillers, this illegal activity results in a loss of $1.2 billion in uncollected taxes. In Quebec, liquor smuggling has increased 35 per cent and now affects 1.7 million cases of liquor, and 2.2 million cases are smuggled into Ontario each year.

Will the Minister of National Revenue order an internal inquiry, following allegations to the effect that some senior customs officials are involved in liquor smuggling?

[*English*]

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, the claim that there are customs officers accepting bribes is one we take extremely seriously.

The Solicitor General and myself announced yesterday that the RCMP would carry out an investigation of these allegations. That is all they are: allegations.

I would point out to the hon. member that the document in the program which indicated this was taking place was dated prior to the last election. It may be that this program is dealing with very dated news. I cannot tell. The information is not there for us to know at what time this program was made and who was speaking.

• (1130)

I would again point out that the allegation was not in fact made by the CBC but was made by another individual who claims to be a smuggler and a thief. To rely upon this person's statement with respect to customs officers is perhaps the wrong thing to do until an inquiry has been held.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, considering the scope of the problem, will the minister consider a concerted effort with the provinces to curb the spread of this illegal activity?

[*English*]

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, yes, the hon. member can rest assured that we are in fact in touch with our provincial counterparts on the issue of the anti–smuggling campaign. May I remind him that the measures taken last week by the Prime Minister, the Solicitor General and other members of the government were not designed only with cigarettes in mind.

We believe the reduction in tax on cigarettes is an important element of a strategy with many parts. Certainly the campaign is against smuggling which includes liquor, illegal arms, pornography, illegal aliens and kidnapped children.

We will continue to maintain the closest links with the provinces to make sure that the interdiction activities of Canada Customs are as effective as they possibly can be.

* * *

MEMBERS OF PARLIAMENT

Miss Deborah Grey (Beaver River): Mr. Speaker, my question is for the Deputy Prime Minister in the absence of the Prime Minister.

In recent days our Prime Minister—

The Speaker: Order. Earlier in the Question Period there was reference to members either being here or not being here. It is the accepted practice of the House that we do not make mention of whether or not members are here for the simple reason that all of us are called away for various reasons.

If hon. members would refrain from mentioning anything like this it would be appreciated.

Miss Grey: Mr. Speaker, I am glad you are here. My question to the Deputy Prime Minister has to do with the fact that our Prime Minister has gone on and on recently about the need for members to use their judgment. Yet the last time this House voted on the question of physician assisted suicide back in March 1993 the Prime Minister, then leader of the opposition, failed to show up to cast his vote.

Canadians are wondering when the Prime Minister—

The Speaker: I know the hon. member will want to rephrase her question just a bit and she will be putting the question.

Miss Grey: Mr. Speaker, if for some reason some member of the House chose not to vote on that sensitive issue, whom would he or she be representing: the party position, his or her personal judgment or conscience, or the wishes of his or her constituents?

The Speaker: The Chair is having a bit of difficulty in the sense that this question, which was put at another time, does not refer directly to the administrative responsibility of the government.

However, I guess in a general sense all hon. members are responsible for voting the way they wish. If the Deputy Prime Minister chooses she may answer.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, to refer to the comments made by the Prime Minister, the point the Prime Minister was trying to make was that in any decision of government we reflect on the views of our constituents, on the position of our party, on the knowledge we have garnered from listening to input, and ultimately we have to make our own decision.

I think the member is treading on very dangerous ground when she is suggesting that we should be mere voting machines. The member will remember that the leader of her own party who took a very strong position against the Charlottetown accord was not supported by his constituents. They in fact voted in favour of the Charlottetown accord, yet he continued to campaign against it.

• (1135)

Miss Deborah Grey (Beaver River): Mr. Speaker, my supplementary question is for the Deputy Prime Minister.

The Deputy Prime Minister can try to legitimize this mandate all she wants, but the fact remains that not a single word was campaigned on about physician assisted suicide, specifically in the Liberal red book.

In the absence of a national referendum what guarantee could the Deputy Prime Minister give that government members will effectively represent their constituents' views on this issue?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the Prime Minister has made it very clear it is the view of the Liberal Party and of Liberal members of Parliament that they are sent to Parliament to exercise their judgment; they are not voting machines.

If we are to be reduced to mere voting machines in this age of technology, it seems to me we might as well abolish the House of Commons and just put the buttons in everybody's homes so they can vote immediately.

The reason we have members of Parliament is so that we can come to this place, engage in a vigorous and informed debate, and ultimately exercise our judgment in our votes as members of the House of Commons.

* * *

[*Translation*]

COD FISHING

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, my question is for the Deputy Prime Minister. The Northwest Atlantic Fisheries Organization, NAFO, agreed yesterday to put in place a one–year moratorium on cod fishing in the southern region of the Grand Banks off the coast of Newfoundland. Earlier, I heard my colleague say how delighted he was about it.

Could the government explain why members of NAFO have settled for a one–year moratorium, while Canada was stressing the need for a three–year moratorium in order to rebuild cod stocks?

[*English*]

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans who until very recently was in Brussels—

Some hon. members: Oh, oh.

The Speaker: The hon. member is taking away my thunder.

Mr. Anderson: On behalf of a Canadian representative who has recently been in Brussels may I say to the hon. member that the success of the negotiations on NAFO with respect to cod is a tremendous achievement for the minister and the Canadian government.

I would point out that we have had almost no movement with respect to the members of NAFO on this issue for many years despite previous ministers of fisheries adopting a heckling, blustering tone which our minister of fisheries has failed to adopt. The diplomatic approach has succeeded.

I would like to say that we had a vote. It was not a unanimous vote but it was an excellent vote. There were three abstentions and I believe eight votes in favour. We now have the beginning of an agreement.

It would be unfortunate if we attempted at this point to ask for too much. We have the start of an international agreement. It is the very first time we have had this. I think hon. members on both sides of the House will agree that if we try for too much at this stage we may indeed lose again. The appropriate, diplomatic and low key approach of the minister of fisheries has been enormously successful. I would like to applaud his success.

[*Translation*]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, I understand the answer the minister just gave us. However, will the Deputy Prime Minister, the minister or God knows who from the other side of the House, acknowledge the fact that this moratorium will have a limited scope, since Norway and the European Union have refused to support the moratorium other members of NAFO have agreed upon?

[*English*]

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, it is true there were three abstentions, but we believe even when nations abstained in the past they did not necessarily go against the majority decision of NAFO.

We hope and trust that in this case we will have the same experience and we will find that in fact the moratorium is successful. After all, this is the very first time many of these members of NAFO have agreed there is a fundamental conservation issue on those two areas to the Grand Banks.

That is an enormous step forward in the negotiations we have had with the Europeans on this issue.

* * *

STANDING COMMITTEES

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my question is also for the Deputy Prime Minister.

The government recently introduced changes to the standing orders to make the work of parliamentary standing committees more meaningful. Reform members have heard that the government has a plan to prevent Reform MPs from receiving any vice–chairs on these committees.

• (1140)

What precisely is the plan that the government members are supposed to follow? Is this type of arm twisting really compatible with the freedom of members in committee as promised in the speech from the throne and in recent amendments to the standing orders?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the whole premise of the member's question is false. In fact the government does not change the standing orders. They are changed by the House of Commons.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my supplementary question is also for the minister.

Would the minister then be willing to send a memo to all government backbenchers advising them that they are free to vote in committee using their judgment which the Prime Minister—

The Speaker: Again the Chair is having a bit of difficulty with the formulation of the question. Perhaps I might suggest, if the question could be put in more general terms the member could get the information he is seeking.

Mr. Hermanson: Mr. Speaker, regarding this business of the House, the Prime Minister declared he had placed much confidence in the judgment of his members rather than them being mere voting machines.

Therefore, would the minister respond on behalf of the government that it will give its backbenchers freedom to vote and act in committee using that judgment?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, it is my understanding that the House itself cannot discuss matters that go on within committees. However, in order to be helpful to the hon. member, if he would like to raise this matter with me at one of our House leaders meetings, we will see what we can do to come up with a reasonable response.

It is certainly not the desire of the government to prevent members from doing their jobs. I regret the hon. member has made such an unwarranted innuendo.

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[*Translation*]

CANADA LABOUR CODE

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I am sure the Minister of Industry will not mind if I put my question directly to the Deputy Prime Minister on a matter of great concern to Montreal.

Several times in the past Liberal critics have asked for changes in the POWA program. This income support program for workers affected by collective lay–offs discriminates against Montreal, because one of the criteria provides that 100 workers must be laid off for a company to be eligible for the program. In fact, when the hon. member for Saint–Léonard was still in the opposition, he presented a petition with 8,000 signatures condemning this rule.

Does the Deputy Prime Minister agree that this outrageous discrimination should be stopped, and is she prepared to make lay–offs involving more than 20 employees eligible for this program?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I welcome the hon. member's suggestion, and if he wishes to table a Private Member's bill, we are prepared to discuss it. As for making a single change that would involve the Canada Labour Code, when we realize that the province has the lowest minimum wage in the country, I think there are many other priorities to consider.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, this is a true meeting of the minds, since I have made arrangements to table a Private Member's bill. In fact, I would like to ask the Deputy Prime Minister to support it, since she made the suggestion herself. In fact, I see this as a sign that the government is willing to support this initiative.

I would also like to ask the Deputy Prime Minister for assurances that when the next budget is brought down on Tuesday, appropriate action will be taken to stop this discrimination.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Of course, Mr. Speaker, and I think the hon. member of the Bloc should also realize that the Canada Labour Code affects the employees of about 10 per cent of the companies across this country.

I suggest that before the Bloc Quebecois goes ahead with this bill, it would be a good idea to check with the Quebec government and make sure there is no conflict between federal and provincial legislation. I assume he will do so before tabling his bill. Once that is done, his bill will be considered.

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[*English*]

AEROSPACE INDUSTRY

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is for the Minister of Industry.

A vibrant aerospace industry exists in my riding of Winnipeg St. James. Companies such as Bristol, Standard Aero, Boeing and Paramax have benefited a lot from government and private contracts. However, the industry suffered setbacks when, a few years back, the CF–18 contract was not awarded to Bristol and more recently with the cancellation of the EH–101 helicopter contract.

• (1145)

Can the minister inform the House what his department is planning to do to maintain a strong aerospace industry in my riding of Winnipeg St. James and in fact in the whole city of Winnipeg?

Hon. John Manley (Minister of Industry): Mr. Speaker, first of all let me say that we agree that the strength and the health of the Canadian aerospace industry are of vital importance. This is a niche in which Canada has been very successful. In terms of sales, our aerospace industry is fifth in the world.

I am very well aware, as the member has made me aware, of the fact that there are a number of companies that are very important in the aerospace sector in the Winnipeg region. Bristol Aerospace is expected to win a very large contract very shortly from the U.S. government. Boeing expects to play an important role in the 737–X program.

The fundamental means of providing support to the aerospace industry, apart from the general policy framework that we have, is the defence industry's productivity program. That will be the cornerstone as promised in the red book of our defence conversion initiatives. We expect that we can continue to use that program as a very vital tool—most of its contributions are repayable—to ensure that the Canadian aerospace industry in Winnipeg and in the rest of Canada continues to be very competitive in the world.

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BLOOD COLLECTION STANDARDS

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, my question is for the Minister of Health.

At present the United States standards for blood collection exceed those of Canada. The Canadian Red Cross recently decided to meet the U.S. standards so that Canadian blood can continue to be sent to American blood plasma extraction facilities.

Will the minister commit to raising Canadian blood collection standards to meet those of the United States?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, let me assure the hon. member that our standards for blood collection are certainly not inferior to those of the U.S.

Our standards are different and in some instances they may even be superior because basically we are dealing with very different blood collection systems. In the U.S. it is a fee and for profit type of system whereas ours is a voluntary system.

I believe we will continue to make sure that our blood collection systems are extremely safe.

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, statements have been recently made to the Krever commission indicating that the Canadian Red Cross centres are supposed to be inspected every two years, but in fact have not been inspected for at least five.

Why does the minister's department not enforce its own inspection regulations?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, since I have become the Minister of Health I have instructed my officials to complete a total inspection of all 17 blood collection centres in Canada before the end of March 1994, that is before the end of this current fiscal year.

I have also instructed my officials to completely inspect all 17 facilities every year from now on. I believe the inspection will be completed as instructed by the end of March.

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[*Translation*]

ENVIRONMENT

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, I have a question for the Minister of the Environment. Yesterday, the International Joint Commission presented its biannual report on the water quality of the Great Lakes. It lists a series of catastrophic consequences for human health. Birth defects in newborns, lower sperm count, an increased incidence of breast cancer, and a decreased learning capacity among school age children are all cases in point.

• (1150)

In view of this report, does the government intend to ban the dumping of chlorine in the Great Lakes by Canadian industries?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I wonder whether my hon. colleague had a chance to read the report which says, on page seven I think, that the use of chlorine should not be banned until the economic impact of such a decision is examined. If he wants, I can send him a copy.

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, this same commission has been making roughly the same kind of recommendations since 1978.

Why is it that the minister refuses to commit herself to following through with the recommendations of a commission which provides for Quebec's participation in the agreement on the Great Lakes water quality, while her own department acknowledges that 40 per cent of the toxic load of the St. Lawrence River originates in the Great Lakes?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I think it is important to point out that in the 100 days that we have been in office we have begun a process to abolish a number of toxins. I think it is important to point out that this is not the first report of the IJC. In fact, I personally made a presentation to the IJC several years ago dealing with the issues specifically of prenatal problems and the problems of breast cancer.

I think it is significant that this particular report is receiving a tremendous amount of attention because it is the first time that there is a relationship between the toxins and the problem of spermatozoa. We have known for many years that there are some serious problems.

The report also points out that the level of toxicity took 50 years to achieve. The report further underlines that there is no immediate call by the IJC for a ban on chlorine. In fact, the IJC report is very specific that any eventual chlorine ban should only be precipitated by a serious study of the effect on the basin of the Great Lakes and the St. Lawrence River.

We are prepared to table within the next four to six months a list of timetables and schedules for the sunsetting of all problem chemicals including the possibility of sunsetting organo–chlorines.

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PAROLE SYSTEM

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the Solicitor General.

Through research I have to this date come up with the names of 23 first–degree killers who were paroled and then went on to kill 32 more people while on parole. This list is certainly not all the examples but it is a sample of the last five to six years that I know of.

Will the minister agree that our present parole system and parole board is incompetent and that automatic parole should be stopped until this incompetence is addressed?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the hon. member has raised an important concern. I do not think there is automatic parole. In any event, it is the intention of this government to have the parole system operate in a way that puts security of the public as a major priority.

I would be happy to have the hon. member's research to see if it will help us to achieve our Liberal government objective.

Mr. Myron Thompson (Wild Rose): A supplementary, Mr. Speaker.

Will the minister agree that a major contributor to this incompetence is based on patronage appointments rather than stringent criteria that checks the qualifications of such a board?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, it is the intention of this government that appointments to the parole board will be based primarily on merit and competence.

I look forward to having the support of the hon. member and his party for this approach.

Oral Questions

PRODUCT LABELLING

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, my question is for the Minister of Agriculture.

In view of the fact that Canada's standards of safety in the production of food are considerably higher than those of most nations, including the United States of America, will the minister tell us when we can look forward to country of origin labelling for all food products so that Canadians might be more aware of the source of the food they both purchase and consume?

• (1155)

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food): Mr. Speaker, with the hon. member and all Canadians, I am very proud of the standards that we have in this country in terms of health, safety and the quality of our agricultural production.

The question of country of origin labelling is a subject that I am very interested in pursuing. I thank the hon. member for raising the issue.

The issue has implications of course for the private sector and for the provinces. It also has certain trade implications in terms of our obligations with respect to the new GATT and GATT rules. With those and some other cautions in mind, I would be very happy indeed to pursue the principle of this type of labelling in the Canadian national interest.

* * *

[*Translation*]

PEDOPHILIA

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Mr. Speaker, my question is for the Deputy Prime Minister. The Junior Bar Association of Montreal is calling on the Canadian government to amend the Criminal Code so as to criminalize acts of pedophilia committed abroad by Canadian nationals. Certain European countries have recently moved to criminalize acts of pedophilia committed abroad.

My question is as follows: Does the government intend to follow up on the request from the Junior Bar Association of Montreal to criminalize acts of pedophilia committed abroad by Canadians and if so, will the Deputy Prime Minister undertake to table a bill on this matter before the House rises in June?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, of course we take this request from the Junior Bar Association of Montreal very seriously. Pedophilia is repugnant, regardless of where it happens. If Canadian tourists are travelling abroad to take advantage of pedophile networks, as is the case in certain countries, then clearly the Minister of Justice will be looking into the matter raised by the hon. member. I can already tell her that the Liberal caucus has brought this matter to the minister's attention and I am confident that he will deal with it as soon as possible.

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Mr. Speaker, I am sure that the Deputy Prime Minister will do her best to ensure that appropriate draft legislation is indeed tabled.

Nevertheless, I would like to ask a supplementary question. Can the Deputy Prime Minister give us her assurance that this bill will contain provisions to deal with those who organize what are commonly referred to as sex tours?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I think the Minister of Justice is already aware of these very difficult and repugnant issues. I am confident that once he has considered what steps the Canadian government can take to prevent the growth of this kind of tourism—and I hesitate even to call this tourism because it involves disgusting acts—the Minister of Justice will do his utmost to ensure that these kinds of things do not happen here in Canada or anywhere else in the world.

* * *

[*English*]

YOUNG OFFENDERS ACT

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Justice.

On February 16, 1994, BCTV News carried an interview with the Hartwick family of Surrey, B.C. Bonnie Hartwick wants her son, Mike, charged with auto theft after being caught driving a stolen vehicle. Mike is apparently part of a juvenile car theft ring that has stolen more than 100 cars in the last four months. The authorities could not oblige Mike's mother, Bonnie, because Mike is only 10 years old.

I ask the Deputy Prime Minister this: Will this government lower the age limits of the Young Offenders Act to make young offenders accountable for their criminal activity?

• (1200)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I would be happy to answer the hon. member's question as Acting Minister of Justice.

I too heard the press report on the radio and found it quite disturbing. I would be very happy to draw her representation to the attention of the Minister of Justice because I know that he and his department are actively reviewing the Young Offenders Act.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I have a supplementary question.

During the interview, 10–year old Mike stated that he was likely to continue stealing cars because it was fun. He knows that the police cannot charge him. Can the minister explain how this behaviour and attitude is in the best interests of either society or young Mike?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the attitude the hon. member referred to is certainly troubling. This is why I have already said that I want to make sure the Minister of Justice is aware of this case so we can give it full attention in the review of the Young Offenders Act which I know is under way at this time.

* * *

[*Translation*]

CANADA POST CORPORATION

Mme Monique Guay (Laurentides): Mr. Speaker, my question is for the Deputy Prime Minister. The government has announced an indefinite moratorium to the effect that no new post office will be closed in the rural areas of Canada.

In view of this moratorium, does the government intend to rectify the past errors and re–open some post offices, such as the one in Saint–Clément, which was criticized by the Liberal Party when it was sitting in the Opposition?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, if the Minister of Public Works had been able to make his comments yesterday, he would have told you that the decision only applies to post offices that are not now closed.

* * *

[*English*]

OLDMAN DAM

Mr. Bob Mills (Red Deer): Mr. Speaker, my question is for the Minister of the Environment.

I made available two letters to the minister yesterday, one from the former leader of the opposition, the present Prime Minister, and the other from the former environment critic, the present Minister of Finance. These letters relate to the environmental assessment review panel's report on the Oldman dam project.

Would the minister please clarify the government's current position on these letters?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I thank the hon. member for advance notice of his question. I have already been in touch with my colleague, the minister of fisheries, to ensure that the requirements of the environmental assessment review panel are respected.

I am very happy to hear environmental concerns about the Oldman dam expressed by the members of the Reform Party also.

* * *

PRESENCE IN GALLERY

The Speaker: My colleagues, I wish to draw to your attention the presence in the gallery of His Excellency Niels Helveg Petersen, Minister for Foreign Affairs of the Kingdom of Denmark.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

MINISTERIAL STATEMENTS

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I want to make it clear to you, to the hon. member for Mackenzie and to all hon. members that my refusal yesterday to permit the minister's statement was based solely on an ongoing matter of giving prior and proper notice of statements as agreed on by House leaders.

To suggest that either I or my party is not in support of ministers—

The Speaker: Order. The hon. member probably has a very good point of debate, but it would not be a point of order at this time.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Procedure and House Affairs regarding the House prayer.

• (1205)

I would like to advise Your Honour and members of the House that the Standing Committee on Procedure and House Affairs has come to a unanimous recommendation in respect of the prayers of the House. It recommends that the following form of prayer be adopted for usage by the House of Commons to supersede previous ones and with the leave of the Chair and the House I would propose reading the brief prayer we have recommended so members may hear it.

The prayer reads: "Almighty God, we give thanks for the great blessings which have been bestowed on Canada and its citizens, including the gifts of freedom, opportunity and peace that we enjoy. We pray for our sovereign, Queen Elizabeth, and the Governor General. Guide us in our deliberations as members

of Parliament and strengthen us in our awareness of our duties and responsibilities as members. Grant us wisdom, knowledge and understanding to preserve the blessings of this country for the benefit of all and to make good laws and wise decisions. Amen".

There will follow a moment of silence for private reflection and meditation with another "Amen" at the end.

[*Translation*]

Mr. Speaker, I hope to be able to move concurrence in this report later on this afternoon.

[*English*]

Mr. Speaker, I have the honour to present the seventh report of the Standing Committee on Procedure and House Affairs which is a list of changes in the membership of committees of the House. I would ask that the House dispense with the reading of the report.

I wish to advise the House that if there is unanimous consent I will move adoption of this seventh report on motions in a few minutes.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

* * *

PRIVATE MEMBERS' BILLS

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, some time last week I gave notice to the House that I would be introducing three private member's bills Nos. 7, 8, and 9.

I would like the consent of the House to withdraw those notices for the time being.

The Speaker: Is there consent?

Some hon. members: Agreed.

(Notices Nos. 7, 8, and 9 withdrawn.)

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, with leave of the House, I move, seconded by the member for Elgin—Norfolk, that the seventh report of the Standing Committee on Procedure and House Affairs, tabled in the House today, be concurred in.

(Motion agreed to.)

[*English*]

PETITIONS

YOUNG OFFENDERS ACT

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, pursuant to Standing Order 36, I would like to present a petition on behalf of my constituents asking the government to bring in changes to the Young Offenders Act to make it tougher in how it deals with dangerous young offenders.

This petition is presented in memory of Rosalynn Dupuis. I support it and hope that the government will respond to it favourably.

• (1210)

OFFICIAL LANGUAGES

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, pursuant to Standing Order 36, it is my privilege to rise in the House to present a petition duly certified by the clerk of Petitions on behalf of many concerned constituents of Nanaimo—Cowichan and surrounding areas.

The petitioners humbly call upon Parliament to enact legislation providing for a referendum binding on Parliament to accept or reject two official languages. Given Canada's current fiscal restraints, the petitioners feel the existing official languages law is very expensive and is actually more divisive than cohesive.

[*Translation*]

I suggest our colleagues listen carefully to the speeches we will be making next week on that issue.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I would ask that all questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall the questions stand?

Some hon. members: Agreed.

* * *

GOVERNMENT BUSINESS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, with unanimous consent I would also propose that the items standing as Motions Nos. 1, 2, and 3 under government business on today's Order Paper be withdrawn. The three motions are those that are take note motions that have already been debated in the House and it is not intended to extend those debates. To save printing costs we propose removing them from the Order Paper at this time.

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

(Motions Nos. 1, 2 and 3 withdrawn.)

GOVERNMENT ORDERS

[*English*]

CONTROLLED DRUGS AND SUBSTANCES ACT

Hon. Diane Marleau (Minister of Health) moved that Bill C–7, an act respecting the control of certain drugs, their precursors and other substances and to amend certain other acts and repeal the Narcotic Control Act in consequence thereof, be read the second time and referred to a committee.

She said: Mr. Speaker, I welcome the opportunity to speak to Bill C–7 today. This bill, the controlled drugs and substances bill, addresses one of the most compelling issues with which society is faced today, the issue of drug abuse.

Members will no doubt recall that Canada's drug strategy launched in 1987 created a comprehensive co–ordinated effort to reduce the harm caused by alcohol and other drugs to individuals, families and communities.

The harm caused by substance abuse includes, among other things, sickness, death, social misery, crime, violence and economic cost to all levels of government.

My department plays a leading role in Canada's drug strategy but we have many partners who co–operate in its implementation. These partners include other federal departments, the provinces, businesses, law enforcement agencies, labour and professional and volunteer organizations.

The strategy responds to four areas of need: prevention; treatment and rehabilitation; information and research; and enforcement and control.

As each member of this House is only too aware, drug abuse and the untold suffering it causes knows no geography, no socio–economic class, no social graces. I would think that every one of us has met constituents who have experienced the anguish of a son or a daughter, a sister or a brother, a friend or a neighbour consumed by the ravages of drug addiction.

The problem is widespread. According to a United Nations survey, trade in illegal drugs is second only to world trade in arms. Such is the clout of the global industry that we are up against in our efforts to control drug abuse in Canada.

Recent statistics reveal that within a single year almost 15 per cent of young Canadians ages 15 to 19 have admitted to using cannabis.

• (1215)

Moreover, the incidence of drug abuse rises considerably among teenagers and young adults who are school drop–outs, unemployed or homeless. Further evidence shows that over a one year period 2 per cent of Canadians claim to have used cocaine.

These are formidable figures. What do they mean? Just what is their significance? They mean heartache; they mean suffering. They mean a toll of crippling misery being exacted on those caught in that seamless web called addiction. The real importance of these figures goes well beyond their statistical relevance. They translate into many millions of dollars spent on health care, family welfare, unemployment benefits and disability pensions.

As a further response to this ongoing challenge, the government announced two years ago its renewed commitment to Canada's drug strategy.

[*Translation*]

On March 31, 1992, Canada's drug strategy was allocated $270 million over a five year period. Seventy per cent of these funds are directed to reducing demand for drugs through prevention, education and treatment programs. This new bill is one element of the other 30 per cent that is dedicated to law enforcement.

The bill now before us, along with the Proceeds of Crime legislation passed by this House in 1989, are fully consistent with the strategy's objectives relating to enforcement and control.

It takes direct aim at those who seek to profit from exploiting the young and the vulnerable. The bill is intended to consolidate, modernize, enhance and streamline the government's drug control policy underlying two current Acts of Parliament; and to fulfil Canada's obligations under three international conventions.

In 1961, the government of the day enacted the Narcotic Control Act. In 1961 and 1969, Parliament passed Parts III and IV in essence, much of our existing legislative framework is now more than 30 years old.

Furthermore, as signatory to three international agreements on the illegal drug trade, Canada is obligated to the terms of the Single Convention on Narcotic Drugs of 1961, the Convention on Psychotropic Substances of 1971 and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychoactive Substances of 1988.

Consequently, the controlled drugs and substances bill is designed to achieve three prime objectives: to provide the government with the flexibility required to better control the import, production, export, distribution and use of controlled

substances; to provide the mechanisms needed to implement our obligations under international agreements—this relates to the restricted production or trade of internationally regulated substances destined for medical, scientific and/or industrial purposes—and to enhance the ability of the police and the courts to enforce our laws. The bill actually provides for the seizure and forfeiture of property used in offences involving controlled substances.

The existing Narcotic Control Act and the Food and Drugs Act do not deal effectively with emerging trends in drug abuse. These trends point to the increasing availability of new illicit or new designer drugs which, under current law, can escape effective control.

Under the aegis of the drug strategy, the government remains committed to a working partnership whose "raison d'être" is the reduction of drug abuse in Canada.

• (1220)

[*English*]

The controlled drugs and substances bill is an integral part of the strategy. It consolidates, modernizes, enhances and streamlines drug abuse provisions contained in the two current laws. Simply put, it builds on the government's current policy on drug abuse.

Those who profit from this are undeniably resourceful, determined and cunning. Their methods, their tactics and their products are forever undergoing change. We need flexible legislation which allows those on the front lines of enforcement to adapt quickly to these new developments as they occur.

For example, one of the more recent developments in the drug underworld is the production and illicit sale of so–called designer drugs and look alike drugs. Designer drugs are potent substances with slightly different chemical structures than substances presently controlled by the Food and Drugs Act and the Narcotic Control Act, substances like stimulants, tranquillizers and pain killers. These drugs affect abusers in similar ways and can lead to the same health and social problems produced by more conventional drugs.

Look alike drugs, on the other hand, are substances made to resemble illegal drugs. The manufacturers of these malicious offerings can mimic the more powerful drugs. Much harm can result from the abuse of these drugs and primary targets of these merchants of misery are often school–age children.

The manufacture and sale of designer drugs and look alike drugs can be a very profitable business. Sadly, it is a business with terrible consequences for hundreds of thousands of customers, many of them young people.

Under the current Food and Drugs Act and the Narcotic Control Act, drugs must first be listed on a schedule to the act. This regulates the conditions for the sale of that particular substance in Canada. Only once a given substance is listed can it become an offence to sell it. To correct this deficiency the controlled drugs and substances bill proposes interpretive clauses to include these substances.

Under this proposed act, new illicit drugs appearing on the street which fit this description will be covered automatically.

The bill also permits the control of precursors. Precursors are chemical substances used to produce controlled substances. New provisions contained in this bill will enable authorities to regulate the import and export of these substances.

Other sources of drugs sold on the street are substances intended for medical or scientific use. They may be stolen from a hospital, obtained through illegal prescriptions, secured by obtaining numerous prescriptions from different doctors for the same ailment, or via a forged prescription. People who deal in diverted pharmaceutical drugs are collecting very large profits.

The bill enhances present controls that deal with this issue. Under this bill the monitoring of the distribution of drugs will continue.

[*Translation*]

To ensure compliance with the law and prevent diversion, inspectors, in close co–operation with law enforcement authorities would continue to visit pharmacies, hospitals, licensed dealers, dispensing practitioners, researchers and laboratory analysts.

We know there exists a criminal element which is using more and more sophisticated networks to illegally produce, sell, export or import controlled substances in Canada.

These people buy property and consumer goods to further their criminal activities and bolster their personal wealth.

As I see it, such people should be prevented from retaining illegally obtained capital and goods.

The bill before us today, together with the proceeds of crime legislation, strikes at the heart of criminal enterprise.

Together, these enactments will enable the courts to strip criminals of profits and property illegally amassed through drug dealing.

Trends in illegal production, distribution and use of controlled substances change frequently and quickly.

This bill is designed to deal with current problems and to anticipate future needs. There is no doubt that there is a very real problem of drug abuse in Canada.

• (1225)

It causes death, injury and illness; leads to lost productivity in the workplace; is a burden on our health care system; and, increasingly, puts a strain on our courts and police forces.

In spite of these glaring facts, some people still doubt that drug abuse is a real concern for the majority of Canadians. They imagine that it is a local problem, affecting relatively few teenagers, primarily among low–income groups in large cities. It is true that it is not possible to measure accurately the full scope of drug abuse in Canada.

What the statistics fail to show are the personal and social costs—in a word the real costs. We can only guess what the real costs of abuse are: the loss of the potentiel achievements of our youth; the crippling of promising professional careers; the painful destruction of homes and families; the costly disruption of productive communities. These are the disturbing facts of life in virtually every corner of the nation.

Fifteen per cent of teenagers using cannabis. The total number of Canadians using cocaine—500,000 persons. These facts, as unsettling as they are, deserve our attention. They deserve our attention as legislators.

[*English*]

More important, they deserve our attention as parents, family, friends, colleagues and neighbours to those in need, for nobody is immune. I believe the bill proposes a significant strengthening of our current legislative framework.

At the present time three levels of government spend millions of dollars each year on drug law enforcement. In spite of these enormous expenditures, the fact is that police forces and the courts are hampered by outdated provisions in the laws they seek to uphold.

I welcome debate on the bill. While there are bound to be differences of opinion, I believe this bill merits, nonetheless, the support of members on all sides of the House. In bringing the bill forward I am asking on behalf of the crown that we as members of this place do our part to help equip the government with a new set of tools that will allow us to get on with the job at hand.

It may well be that striving for a drug free society is an unrealistic if laudable goal. Given what is at stake I submit that Canadians expect us to act.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, there have been some consultations between the parties and I think you will find unanimous consent for the following motion.

I move that the sixth report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

I want to say very briefly how much I appreciate the co–operation that has been shown on this very delicate issue on all sides of the House. This is concurrence in the report concerning prayers.

I should note for the record that there was a question raised the other day by the hon. member for Saint John who is ill and unable to be here today. She has heard this prayer and agrees with it. I have consulted with many members on all sides of the House including the hon. member for Hamilton West in respect of this issue.

I think there is agreement that this be adopted. I am pleased to move this motion for concurrence this afternoon and I thank all hon. members for their co–operation.

[*Translation*]

Mr. Louis Plamondon (Richelieu): I rise on a point of order, Mr. Speaker. Are we now at the tabling of the motion imposing the new prayer upon us? The hon. member asked for unanimous consent; we would be happy to give it, provided that those who would want to say a few words about this new version of the prayer could do so.

• (1230)

[*English*]

The Acting Speaker (Mr. Kilger): I wonder if the Chair could ask for the assistance of the parliamentary secretary to the government House leader and of all members. Would there be unanimous consent for members to make interventions—and I would hope brief interventions—with regard to this motion? Is it agreed?

Some hon. members: Agreed.

[*Translation*]

Mr. Plamondon: Mr. Speaker, I commend the committee for having thought about a new prayer. It seems to me that the traditional one was old–fashioned and had to be updated, since nowadays members of this House practice different religions.

However, I am surprised and I personally disagree with a specific part of the prayer, but as a member of my caucus, I will go along with the majority's wishes. What I disagree with is the reference to Her Most Gracious Majesty.

When I am sitting in the House, I am very surprised to see all the members from the other parties stand up and very loudly express their pride in being Canadian. Yet, as soon as there is a symbol that would reflect this pride in being Canadian, what do we do? We use the Queen of England. We do not say the government speech, but the throne speech. We do not have a typical Canadian signing a bill, we have royal assent. We always use the symbol of Great Britain. Are we a colonized people? Or are we an independent country? That is the problem that I have with this prayer.

It is ironic that a member from the Bloc Quebecois would have to remind the others parties in the House that they are Canadian. They are not a colony of England, they are Canadian. In fact, all the symbols that they have as Canadians often come from the French reality.

We have sung *Ô Canada* in French for one hundred years, while you were singing *God Save the Queen*. After a hundred years, you started to sing it too, in English, and you made it the national anthem. We asked for a flag for 50 years, but you preferred the red ensign. We wanted Canadian symbols, because we were of French descent.

I am often told: You are more committed to the Quebec flag than to the Canadian flag. Of course I am, because ever since the 1950s, we have identified with that flag, we did not have any other. Everywhere we looked we saw the British flag.

I am surprised that at a time when you have the opportunity to declare yourself Canadian, at a time where you could choose a Canadian symbol for the prayer which starts the day in this House, you decide to beseech the Queen of England. I cannot understand—

Mr. Milliken: She is also the Queen of Canada.

Mr. Plamondon: Really? She is also the Queen of Canada, says my colleague. Of course, she is a symbol, a tradition, she is part of our history. Is it not high time that you adopt your own symbols, if you are truly Canadian, if you really want your own identity?

Every time someone in the Bloc makes a reference to a sovereign Quebec or something like that, you rise and claim that you are Canadian. I am surprised.

The Acting Speaker (Mr. Kilger): I would like to remind all members that they should address themselves to the Chair. When "you" is used in English, or "vous" in French, something may be lost.

Would the hon. member for Richelieu like to conclude?

Mr. Plamondon: Thank you, Mr. Speaker. Speaking through the Chair is a fine Canadian tradition and I respect it with pleasure.

I was about to conclude on the prayer issue and I did not make this remark in a aggressive way.

• (1235)

It is just a thought. It is just something I have noted every day over the nine years I have been in this House. Each time you have the opportunity to adopt Canadian symbols, you fail to do so. The fact is that British symbols always come back, with words like royal assent, The Queen in the prayer, the throne speech, and so on.

Of course, I agree that we have to modernize the prayer, but again I just wanted to conclude my remarks on this note.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I have not prepared a speech but I served on the procedure and House affairs committee and was somewhat involved in this process. It is a very delicate issue that affects not only members in the House but all Canadians in a very deep and meaningful way.

I commend all members of all parties involved in the discussion and the process. I know it is impossible to please everyone, but I find this prayer acknowledges an almighty God. I believe this was important to the members on the committee and I believe it will be acceptable to Canadians. It also reflects our system of government, the fact that we are functioning in a parliamentary system. It also reflects that we do want to serve Canadians. We want to see our country prosper and go forward.

The process also allows for a time of reflection which I think is very important. It allows people of all faiths—and certainly I know Reformers strongly support the concept—the right to freedom of religion. By this means all members of the House are able to reflect in a way that they deem most appropriate.

Therefore, although I do not expect there is unanimous agreement that it is 100 per cent perfect in its construction, I believe that all members who look at this format believe the process is there so that they can effectively reflect and pray at the beginning of each session of the House. It properly reflects the make–up and nature of Canada.

Therefore I think there is general agreement among Reformers in the House that we would be very happy to proceed with this new structure for our Speaker's prayer.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, I would like to make a comment if I may because I participated in the proceedings of that committee. Let me remind the House of some elements that were already announced concerning what we call Prayers.

We have been debating the question for several years and I think the committee has done a magnificent job in trying to unite everyone around one fundamental form of prayer. We all know that Prayers open every sitting of the House; what we have now constitutes a great improvement compared to the previous text which made some members ill at ease on religious grounds.

You know the Chair must open every sitting by determining if there is a quorum before starting to say prayers. Given the general discomfort among members, the committee could not accept that a few of them feel unconcerned by these first moments of the sitting of the House and have no other recourse but to stay outside if they do not feel involved in what is going on. This is the first element of importance.

Our objective was then to include all elected members in the discussions and that prompted us to prepare a text almost free of any references to specific religious beliefs and acceptable to almost everybody. All members also had to feel the House was their place and that this activity was meant for them. Of course my colleague mentioned the reference to the Queen, but above all, our aim was to design a moment of reflection intended for all members of the House.

We are practicing democracy at its best here today in trying to recognize all religions and I think this is very positive and valuable, even more so when you think that prayers do not necessarily have to be a formal text; that is an argument I presented to the committee.

• (1240)

We know that any prayer is something very personal, it is a conversation with what each of us calls God, but one's own personal God, according to one's own values. In that perspective, we are extremely satisfied that all faiths are recognized here through what I would call multiple persuasions.

The second element is that the intimate nature of prayers is recognized by the moment of silence each member of this House will respect and, in so doing, will feel concerned by the very first opening instants of each sitting of the House.

The Acting Speaker (Mr. Kilger): It was agreed unanimously to make brief remarks. If we do not have unanimous consent on the motion proposed by the member from Kingston and the Islands, I could suggest that there be further negotiations.

Mr. Duceppe: Mr. Speaker, we are ready. Of course, you do not have to beg us to speak about prayers. We are ready to give unanimous consent, as we have already said. We can go on with the debate or agree unanimously to adjourn at 2.30 p.m. without any extension of the sitting. If I have the Government House leader's promise to that effect, we will stop pleading.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker if there is unanimous consent right now to adopt the motion presented by the Parliamentary Secretary to the Government House Leader, I would be happy to give a commitment that this House will not sit past 2.30 and will adjourn at that time. Again, that is on the condition there is unanimous consent given immediately for passing this motion and we return to second reading debate of Bill C–7.

The Acting Speaker (Mr. Kilger): Members have heard the terms of the motion.

[*Translation*]

Mr. Duceppe: Mr. Speaker, insofar as the Government House leader gives us his word that we will adjourn at 2.30 p.m., we agree to give unanimous consent to have the vote on the prayer. We are more than willing to do so.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to.)

GOVERNMENT ORDERS

[*Translation*]

CONTROLLED DRUGS AND SUBSTANCES ACT

The House resumed consideration of the motion.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, drug trafficking, possession and intoxication is a very serious problem that modern society must face. We all know that adults, teenagers and even children get intoxicated with and addicted to drugs. We also know that criminal distribution networks not only provide drugs to addicted people but every day drag people of all ages down into the hell of drugs.

This is why I ask all those who are watching to listen carefully to what I say. If you have a videotape recorder, I advise you to record what I am about to say.

[*English*]

What we are going to talk about should interest everyone. People may think there is nothing exciting in the new bill. That is not so today.

[*Translation*]

As a matter of fact, during the next 40 minutes we will be dealing with issues that are of interest to everyone, honest people, sick people, health professionals, law enforcement people but also those who produce, distribute, possess and use drugs. We will be talking about Bill C–7.

• (1245)

This bill deals with certain drugs, their precursors and other substances. It was tabled in the House of Commons and passed the first reading stage on February 2. The passing of this bill at third reading would result in the Narcotic Control Act, and certain sections of parts III and IV of the Food and Drugs Act, being repealed.

It is important to note that Bill C–7 is, for all intents and purposes, identical to Bill C–85, an Act respecting the control of psychoactive substances, which was tabled by the Conservative government on June 11, 1992. That bill passed the first and second reading stages on June 11, 1992 and May 6, 1993. The committee tabled its report on June 3, 1993. Bill C–85 died on the Order Paper when the elections were called.

Bill C–7 is part of the national drug strategy. It consolidates and adds to the provisions of the Narcotic Control Act, and of Parts III and IV of the Food and Drugs Act. Last but not least, Bill C–7 would enact certain provisions of the Single Convention on Narcotic Drugs, dating back to 1961, and of the 1971 Convention on Psychotropic Substances. Both international conventions were ratified by Canada.

The Bloc Quebecois believes it is necessary for Canada and Quebec to be able to adequately and efficiently control narcotic drugs on their territories. Consequently, the Bloc Quebecois recognizes that legislating to that end is an obvious necessity.

Let us quickly review the situation as it is presently in Canada. At the present time, under the Narcotic Control Act and the Food and Drugs Act, drugs must be listed in a schedule to the act for their sale on the streets to become an offense. Consequently, new drugs are not considered illegal as long as they have not been analysed and added to a schedule. This process takes a lot of time. Meanwhile, people who use these substances, and society in general, may and do suffer grave prejudices.

It should be noted that Bill C–7 includes the provisions of the present legislation. Under clause 2 we find the same definition of the word "sale" as including distribution, whether it is made for consideration or not, that is to say free of charge.

Certain provisions, however, have been added. For example, besides manufacturing, synthesizing, cultivating, propagating and harvesting, "produce" also includes offer to produce, as mentioned in clause 2.

Moreover, according to clause 3(1), a substance included in the schedules is deemed to include not only any substance capable of producing an effect similar to that of a substance included in these schedules, but also any substance represented or held out as such by the purchaser, whether acting in good faith or not.

Thus, every person who, whether acting in good faith or not, traffics in a substance represented or held out as a substance included in the schedules, is guilty of an indictable offence or of a punishable offence, pursuant to clause 6(1), (3) and (5).

The mere act of possessing, for the purpose of trafficking, even if no money is involved, a substance included in the schedules, is an indictable offence or an offence punishable under clause 6(2) and (3). The bill provides for harsher penalties for substances included in schedule I and the severity decreases from one schedule to another. It should be noted that cannabis is listed in schedule I. Every person producing cannabis, no matter to what extent, is guilty of an indictable offence liable to imprisonment for a term not exceeding seven years, under clause 8(2)(b).

• (1250)

[*English*]

This being said, is Bill C–7 substantially different from actual laws in regard to unlawful drug distribution? No, not at all.

[*Translation*]

It is important to make this statement to correct any other perception which some may have had following the recent comments made by the Solicitor General.

Indeed, on February 15, the Solicitor General said to journalists that Bill C–7 was the best way to curb cocaine smuggling activities by warriors on aboriginal territories. These comments tend to imply that current laws are not sufficient to adequately fight this traffic.

Mr. Speaker, nothing could be further from the truth. Like Bill C–7, the existing Narcotic Control Act makes the smuggling, importation and exportation of drugs a criminal activity. That act also says that it is illegal to have goods directly or indirectly linked to the commission of an offence, in or outside Canada.

Bill C–7 only adds the notions of conspiracy and attempt to commit an offence. The same is true in the case of laundering proceeds of certain offences. The powers to search, seize and detain are very clearly defined in the existing act.

Therefore, it appears that the legislation already provides the Solicitor General with all the necessary tools to intervene now on aboriginal territories to stop cocaine smuggling by warriors.

As for the Solicitor General's statement to the effect that Bill C–7 will allow police to make controlled sales, thereby allowing undercover agents to infiltrate smuggling rings and catch criminals by proposing deals, I wonder if that is anything new. Indeed, the power to investigate already allows police to conduct undercover activities and make controlled sales.

Mr. Speaker, I cannot believe that the Solicitor General would try to use Bill C–7 to buy time and delay any action against smugglers who use aboriginal territories for their operations. The fact is that current laws contain all the necessary provisions to allow the Solicitor General to make a move. To claim anything else would only confirm that there is no political will to act, which cannot decently be true, naturally.

Having said this, I think we should question how effective Bill C–7 will be once it comes into force.

For instance, how many more people are expected to be arrested and convicted thanks to this bill? Who do we expect to arrest and convict? What kind of a reduction in trafficking and use is expected? Finally, will the judicial system be able to absorb the extra caseload? And what is provided in this law for the unfortunate people who have become addicted to drugs? Answers to these questions are either non–existent or unsatisfactory, as we will demonstrate in this debate.

Indeed, we consider that Bill C–7 has several significant flaws and not only ignores the parameters to be defined in effective drug control strategy but also opens the door to some major adverse effects. In the time at our disposal, my colleagues from the Bloc Quebecois and I will try to express our concerns so that this House and the general public can cconsider this bill in the light of accepted modern values.

The flaws that we have identified in Bill C–7 can be grouped under four questions. First, are legitimate activities of physicians, pharmacists, vets and dentists properly protected against abusive application of the legislation and especially against regulations the scope of which we do not know at the moment?

• (1255)

Second, will the significant powers granted to inspectors, to be designated directly by the minister, not possibly lead to some errors which could unduly penalize health professionals and their patients? Will Canadians be able to take on the added responsibilities arising from this bill? And is this bill in line with the rights and privileges of provincial governments, especially Quebec?

Third, how will the confidentiality of medical records be ensured when the bill allows absolutely anyone designated as an inspector by the minister to reproduce documents found in a physician's office or in a pharmacy and to seize electronic data.

Fourth and foremost, why are drug–dependent persons who need to be treated and not jailed considered criminals in this bill?

I will now address each one of these issues in order to determine the provisions which need to be improved and which are, in our opinion, crucial for the purpose of this Act and for avoiding disastrous secondary consequences.

Let us begin with our first concern. Are legitimate activities of physicians, pharmacists, vets and dentists properly protected against an abusive application of this act and especially against regulations the scope of which we do not know at the moment?

I would like to remind hon. members that the Canadian Medical Association expressed its concerns, last May, before the legislative committee on Bill C–85, because physicians will have no way of knowing which activities are legal or illegal before the regulations have been promulgated. Hence, they do not have all the information they need to properly examine this bill. In fact, since regulations can be amended by the bureaucracy, how can physicians and their patients be informed of such changes? The lack of information in the bill on which medication will be controlled also added to their feeling of uncertainty.

For example, the Canadian Medical Association was concerned about the definition of practitioner in clause 2, which is left to the regulations, especially for the purpose of the definition "provide" in section 54*z*.1.

We understand that the purpose of Bill C–7 is not to cause problems for health care professionals or their patients. However, it has recently come to our attention that the Canadian Medical Association clearly indicated that the bill requires some clarification so as not to cause undue prejudice to medical practitioners.

Dr. Barry Adams, chairman of the Council on Health Care and Promotion of the Canadian Medical Association, had this to say when he appeared before the legislative committee last May, and I quote:

> The Canadian Medical Association is extremely concerned about the changes brought about by this legislation, because some seem to be directed at legitimate patient and physician activities. Our concerns are twofold. First, the changed definitions of some offences will have direct and undesirable consequences for physicians in their daily practices, and also for their patients. Second, the new regulatory powers will inappropriately and ineffectively regulate the prescribing practices of physicians, and will give increased access to confidential patient information.

[*English*]

We share those important concerns expressed by the Canadian Medical Association. In particular, we are seriously concerned by the important modifications that will affect all individuals treated by two or more doctors.

• (1300)

[*Translation*]

Is indeed guilty of an indictable offence or of a punishable offence a person who, having obtained within the preceding thirty days a substance included in the schedules or an authorization to obtain such a substance, neglects to mention that fact to a practitioner from whom that person obtains or seeks to obtain any substance included in the schedules or an authorization to obtain it.

The Canadian Medical Association points out that this new provision applies not only to patients who consult two doctors within a period of thirty days but also to any person obtaining or seeking to obtain a drug from a person authorized to provide it. This would include doctors who are obtaining or seeking to obtain drugs for legitimate medical reasons as well as every patient wanting to treat real symptoms.

[*English*]

The Canadian Medical Association stresses that the law does not clearly define what is unlawful. Consequently an individual would have to know if he or she is authorized to request drugs and who is an authorized drug supplier.

This creates an unacceptable uncertainty for the doctors as well as for their patients.

[*Translation*]

Does that mean, for instance, Mr. Speaker, that you and I and everyone will have to memorize the schedules to the act in order to avoid committing an offence unwittingly? If such a substance was legitimately injected while unconscious in a hospital, would it be a crime to neglect to mention that to the pharmacist you are asking to fill a prescription for that substance or any other substance included in the schedules?

Does that mean that every one of us, in Quebec as well as in Canada, will have to ask our doctor or pharmacist for a list of everything that is prescribed, sold or administered to us, and a list of the drugs a third party has been authorized to sell or to administer to us, whether or not that sale or administration happened? If clause 5(2) of the bill was to be taken literally, the nightmare I just outlined would become a definite possibility.

[*English*]

To those who think that no one in his right mind would apply the law so strictly and so foolishly, my answer is we should know better.

[*Translation*]

Unfortunately, there is no doubt somebody will choose to enforce the act rigidly and blindly, if given the opportunity to do so. The only thing that remains to be seen is where and when and, above all, who the unfortunate victim will be! It is our responsibility in this House to have a bill that is crystal clear and deals with the true goals to be achieved and leaves law–abiding citizens and pharmacists alone. The House should legislate and not leave it to well–intentioned bureaucrats to regulate.

There is another concern due to the fact that patients are included in the definitions given in the bill. In this context, we should consider the case of pain–relieving drugs used to spare unnecessary pain to the sick, the chronically ill and terminally ill cancer patients. If, under this bill, the physician must ask himself each and every time he writes a prescription whether he is breaking the law or not, then Mr. Speaker, I ask you: How many sick persons will be denied the drugs they really need?

The bill must be explicit and make a clear–cut distinction between an unlawful behaviour on the part of a physician and a questionable way of prescribing drugs.

The medical association emphasized also that it was not sure the federal government could legitimately regulate the prescription and administration of drugs by physicians to their patients. Moreover, it is far from certain that the enforcement mechanism will be effective. It thinks that the use of penal law to regulate quality in health care is counterproductive and inconsistent with modern management theory.

Mr. Speaker, I notice I still have a lot more notes to go through. How much time do I have left?

The Acting Speaker (Mr. Kilger): In my opinion, you still have 15 to 18 minutes, that is until 1.20 p.m.

• (1305)

Mr. de Savoye: Mr. Speaker, I would now like to tell you about the Canadian Pharmaceutical Association, which also testified last May. The president of that association, Mr. Leroy Fevang, said: "We have four concerns: the uncertainty about the type of substances which will be affected by the bill; the extent of the administration and enforcement powers provided by the bill; the possibility that the bill will force pharmacists to give information in such a way as to almost incriminate themselves; and the uncertainty caused by the lack of information on the nature of the regulations and the lack of any mention of medication in the bill. The Canadian Pharmaceutical Association wants the act to specify clearly what substances a pharmacist can legally handle".

The association also wondered how we should define "stimulant effect". Do we even have a standard to measure it? If one definition could cover everything, would there be exemptions for people who can have unusual reactions? Who would decide what is a so–called psychotropic substance? How would this information be given to pharmacists in order to help them to start exercising some control over those substances?

The association mentioned, for example, the risk which a pharmacist would incur in selling or packaging over–the–counter drugs that are not listed in the act and have minor or unexpected effects that can be associated with psychotropic properties.

I will now discuss the second aspect, and I am referring to the wide–ranging powers given to inspectors appointed directly by the minister, powers which I think will perhaps not encourage but at least open the door to errors that would unduly penalize health professionals and their patients. Will the public be able to deal with the new responsibilities it has under this bill? And how can this legislation co–exist with the prerogatives of Quebec and the provinces for dealing with their respective jurisdictions?

Bill C–7 appears to grant quasi inquisitorial powers to the minister, through inspectors, adjudicators and justices. Last year, the Legislative Committee on Bill C–85 wondered whether the Canadian Civil Liberties Association and the Canadian Rights and Liberties Federation would have something to say

about the compatibility of measures provided in the bill with the Canadian Charter of Rights and Freedoms, especially in matters concerning the Criminal Code.

For instance, the committee had some questions about searches without a warrant. It seems that in 1984, in the Hunder and Southam case, the court ruled that a warrant was necessary, except under very special circumstances.

Bill C–7 provides for circumstances in which no warrant is required. It not only does that, but it also says in clause 29(1) that the minister may designate any person, literally any person, as an inspector for the purposes of this Act. These appointees will enjoy quasi inquisitorial powers. These powers are considerable and sufficiently broad to cover any kind of abuse, whether it is accidental, voluntary or the result of a conspiracy.

So the inspector is appointed by the Minister of National Health and Welfare. There are some questions about the minister's discretionary powers in this respect. First of all, this political appointment provides no guarantees that the inspector has the qualifications to perform his duties. Since the minister may designate anyone as an inspector, the appointment may be purely partisan.

The inspector's powers are considerable. According to clause 30(1) of this Act, "an inspector may, to ensure compliance with the regulations, at any reasonable time enter any place used for the purpose of conducting the business or professional practice of any person licensed or otherwise authorized under the regulations to deal in a controlled substance or precursor".

• (1310)

[*English*]

This article means that an inspector can visit and thoroughly search your doctor's office or your drugstore and all this without a warrant.

[*Translation*]

We understand that the intent of the bill is to give these powers to the inspector so that he can fulfil his administrative duties. But since the evidence that he accumulates could be used in a criminal court and a search warrant is required for any criminal proceedings unless there are very special circumstances provided for by the law, it seems to us that these circumstances should really be exceptional. However, the inspection powers go way beyond the principle that I just mentioned.

Let me explain to the House what we are talking about. We are talking about clause 30 concerning any person authorized or licensed under the regulations, such as the pharmacist, the doctor or the hospital.

Regarding these people, the search powers of the inspector are practically without any limitations, the warrant often being only required for a dwelling–place. The inspector can visit any place at any time that is convenient to him, he can search and examine any thing, including computerized data, he can use any computer or copying equipment in that place, without any compensation to the person in charge of that place, he can take away with him any thing that he wants and he can use force. Moreover, any person present in the place, including the patient, undoubtedly, is required to help the inspector and to give him any information without interfering with his work, even by omission. And I remind this House that the Minister can literally appoint anybody to that job.

I would like to mention also that this bill infringes on the jurisdiction of Quebec and the provinces. According to the Canadian Pharmaceutical Association, under the present system, the provincial governments grant pharmacists licences which allow them to sell and package pharmaceuticals. According to that Association, it is not necessary for the federal government to issue new licences for the sale and packaging of controlled drugs, as this could create duplication and even greater confusion.

Consequently, this bill infringes on provincial jurisdiction. For example, Quebec grants inspection power to the Corporation des médecins. The inspector working for the Corporation can, upon prior notice, visit physicians in their offices to make sure that everything is in agreement with common medical practice.

The Government of Quebec, like the governments of the Canadian provinces, also gives the syndic of the Corporation the power to inspect the practice of a physician when it receives a complaint alleging that the physician prescribed harmful drugs to a patient. This is true for physicians and pharmacists everywhere in Quebec and Canada. This part of the bill would allow the federal government to enter areas of jurisdiction of Quebec and the provinces.

Bill C–7 gives the Minister of Health and the Governor in Council increased powers. Clause 34, for example, gives the Minister, without prior notice to the person believed to have contravened the regulations, the right to make an interim order prohibiting the person from doing anything he or she would otherwise be permitted to do under their licence, permit or authorization. So, without knowing it, a licensee who has not yet received notice of the order issued and continues to carry on with the normal activities permitted under his licence, permit or authorization, becomes an offender.

Similarly, according to clause 43, the minister can designate any person as an analyst for the purposes of analyzing or examining any substance or sample taken by the inspector. As in the case of the inspector, this analyst can be appointed on purely partisan grounds and his appointment is no guarantee of his qualifications.

Another example is clause 55 of Bill C–7 which says the minister may exempt any person or class of persons or any controlled substance or precursor from the application of all or any of the provisions of this act or regulations, for medical or scientific purposes or if it is in the public interest. This ministerial discretion could have a major impact.

For example, the minister could feel forced to exempt some controlled substances because of the pressure put on him by scientific or medical lobbies, even though these substances could entail a potential threat to public health.

• (1315)

We must not forget that the scientific community can easily carry out research which is contrary to humanistic ethics, all in the name of science and of the sacrosanct well–being of humanity.

This bill also gives the Governor in Council, the cabinet in other words, various powers and authorities with regard to regulations. The Bloc Quebecois and all the stakeholders of the health community should therefore carefully examine the regulations that will be tabled.

Clause 54(1) gives the Governor in Council the power to make regulations for carrying out the purposes and provisions of this act, including the regulation of the medical, scientific and industrial uses and distribution of controlled substances and precursors and the enforcement of this act.

Paragraph h) of this clause provides that the Governor in Council may make regulations:

> respecting the qualifications of persons engaged in the production, preservation, testing, packaging, storage, selling, providing or otherwise dealing in any controlled substance or precursor or any class thereof;

Yet, in this clause giving major powers to the Governor in Council, we can see that paragraph c) encroaches on one of Quebec's areas of jurisdiction. This paragraph provides that the Governor in Council may make regulations:

> respecting the issuance, suspension, cancellation, duration and terms and conditions of any class of licence for the importation into Canada, exportation from Canada, production, packaging, sale, provision or administration of any substance included in Schedule I, II, III, IV or V or any class thereof;

We must recall that pharmacists' sales licences are issued by the Government of Quebec and by the provincial governments. This is another case of federal interference in Quebec's and the provinces' areas of jurisdiction.

And while the bill gives some powers that are not obviously necessary, it does not seem to give the powers that would really be needed. Last May, Scott Neward, general counsel of the Canadian Police Association, told the legislative committee that there could be a potential problem. What would happen, he said, if a court objectively decides after the fact that the force used in locating the drugs was not reasonable? Although he admitted that the police could be liable to prosecution for ripping up a floor, he was concerned that the 10 pounds of heroin found under the floor boards could then be ruled inadmissible evidence. He concluded by suggesting that it should be made clear that any violation relating to that subsection should not affect the admissibility of evidence.

[*English*]

I am sure we all want the law to be without mercy for the so–called druglords, but is Bill C–7 up to that task? I am not so sure. For instance, why is there a double standard concerning cannabis offences? Carefully bear with me.

[*Translation*]

Mr. Paul Saint–Denis, senior counsel for the criminal law policy section of the Department of Justice, made the following remarks when addressing the committee:

> The purpose behind creating a hybrid trafficking offence for cannabis was really not geared towards attacking the leaders of drug trafficking groups but rather to deal with the difficulty of court delays. By creating a hybrid trafficking offence for cannabis, it would be possible for prosecutors to prosecute by way of a summary conviction, and thereby reduce or eliminate access to jury trials and to preliminary hearings, thereby cutting down considerably on court delays. The entire purpose behind creating the hybrid trafficking offence for cannabis was not to attack drug trafficking ringleaders but rather to deal with the fairly complex issue of court delays, part of which is the result of mounting trafficking offences which linger in the courts because of the time it takes for them to get through the court process.

Obviously, this bill has not been properly thought through. It could potentially disturb honest people's peace of mind. We are rightfully questioning its ability to reduce drug use and trafficking.

I will stop for a moment. I voiced my concern earlier and attempted to speed up, but I still have a few pages left to read. I wonder if the House would allow me to go over my allotted time.

• (1320)

[*English*]

The Acting Speaker (Mr. Kilger): Members have heard the request of the hon. member for Portneuf who anticipates exceeding his 40–minute time limit on his intervention on Bill C–7. Is there unanimous consent to allow the member to extend his time?

Some hon. members: Agreed.

[*Translation*]

Mr. de Savoye: Mr. Speaker, I thank you and I thank the House.

[*English*]

The House will remember that our third issue was medical file confidentiality. How can medical file confidentiality not be threatened by a law that literally allows an inspector to copy your file in a doctor's office or in a drugstore or even in a hospital and further allows this guy to get at your computerized data?

[*Translation*]

Allow me to quote once again the Canadian Medical Association. This organization is very concerned about some of the changes proposed in this bill, namely those which seem to take aim at legitimate activities conducted by medical doctors. Among other things, the new regulatory process will ensure easier access to the confidential files of patients.

I am also quite concerned to hear the Canadian Pharmaceutical Association say, again through Dr. Leroy Fevang, that it co–operated with the Bureau of Dangerous Drugs to develop a single electronic standard for computerized prescription delivery, in order to simplify the setting up of a data base on drug consumers.

Such a data base would provide detailed information on the pharmacotherapeutic history of any individual and, consequently, on his or her physiological and mental profiles. Is this really the object of Bill C–7? Of course not! Therefore, this legislation must be redrafted so as to allow what is useful and necessary, while prohibiting what is not and what constitutes undue and unacceptable intrusion into the private lives of honest citizens.

[*English*]

May I now tackle our fourth issue? Although it is the last I believe it to be the most important one. I ask this House: Why does this law make criminals out of addicted people who need to be medically treated rather than jailed?

[*Translation*]

Indeed, Bill C–7 makes criminals not only of those who are involved in drug smuggling, but also of those who use the drugs. Instead of treating those who suffer from a dependency, the law makes criminals of them. Thus, Bill C–7 is a tool to control and suppress crime rather than to promote health. In fact, prevention and rehabilitation are two concepts on which this bill is absolutely silent.

We all know that the illegal consumption of drugs results in the commission of various offences by those who have developed this kind of dependency. Some must steal and even prostitute themselves to be able to afford the daily dose which their sick body is so dependent upon. What slavery!

Where do they steal? Very often in our homes, where they take electronic appliances and jewellery which they quickly resell at a very low price to receiver networks. These poor people are sick but, because they are afraid to incriminate themselves, they cannot seek medical treatment and are therefore condemned to steal in order to satisfy their drug addiction. They have become the absolute slaves of drug dealers who grow richer with the loot stolen by these unfortunates.

That is the real problem. We must help these people, prisoners of their drug addiction. Once there are no more drug addicts, drug dealers will have to close shop. Alas, this bill does not show any concern about rehabilitating people found in possession of drugs. In particular, this bill aims at suppressing the drug trade. While it provides for the imposition of fines for possession of narcotics, there is no mention of providing access to rehabilitation programs.

• (1325)

The focus of Bill C–7 is controlling supply of drugs. It completely neglects the need to control demand, as well as aspects such as prevention, treatment and rehabilitation.

The May 27, 1993 issue of the *Globe and Mail* contained an article by Professors Usprich and Solomon about the bill now before this House. The article states the following: "—the new legislation fails to address the vast majority of the problems that stem from the existing legislation and raises many new concerns. The proposed legislation is more complex and impenetrable than previous laws. The bill maintains the punitive nature of the law which is based on preconceptions which the findings of the LeDain Commission should have done away with once and for all twenty years ago. In its present form, the bill makes drug addiction a crime".

In addition, Dr. Reginald G. Smart, Chief of Social Epidemiology at the Alcoholism and Drug Addiction Research Foundation, has this to say: "Many drug addicts in need of treatment end up in jail for possession of narcotics. We do not have in place a diversion process which would enable judges to give the accused a choice between jail or a treatment program. Our laws do not allow for this kind of choice, whereas such an approach is commonplace in many other countries in the world".

If we put a drug addict in jail, not only will we have a miserable, sick prisoner, but it will cost us an added $70,000 per year for most of his life. A withdrawal treatment and a rehabilitation program would only cost a few thousands dollars and would return to society an individual capable of greatly contributing to his or her community.

Do not tell me that this concern will be addressed in another bill. We have before the House Bill C–7, which can and should legislate in such areas as rehabilitation and withdrawal treatment. Thousands of our young and not so young fellow citizens, who are trapped by their drug habit, cannot wait any longer.

One more thing before I conclude. I want to mention two well–known psychotropic substances which have been left out of this bill. They are, predictably, nicotine and alcohol. Even though Canada and Quebec have always been relatively tolerant about the use of such substances, the population is very aware of the fact that nicotine is harmful, causes serious health problems and reduces the quality of life and life expectancy of people.

As for alcohol, driving a vehicle with .08 per cent or more of that substance in your blood is already a criminal offence. I wonder then if this would not be the right time to recognize the true nature of these substances and include them in Bill C–7 with observations that would reflect our modern tolerance and awareness.

In conclusion, we acknowledge the necessity of legislation like that proposed in Bill C–7 in order to control drug possession and trafficking. However, we strenuously insist that the bill should also deal with rehabilitation and detoxification.

Finally, it is of paramount importance that Bill C–7 be explicit about the legitimate activities of health professionals and patients. We should not rely on regulations to specify what should appear in the act itself. Furthermore the bill we must provide an adequate framework for the powers it confers to individuals and institutions.

Accordingly, we recommend that Bill C–7 be referred to the Standing Committee on Health which should revise its content in view of our concerns.

Mr. Speaker, I thank you for your kind attention, and I thank the hon. members of this House for theirs.

[*English*]

Mr. Myron Thompson (Wild Rose): Mr. Speaker, it was my intention when I started to address Bill C–7 to speak to the positives in it. However, I must admit that the best laid plans of this member to find something positive about this bill have gone astray, just like the contents of this bill.

• (1330)

The intent of this bill was a noble enterprise definitely needed in today's society. Instead of taking the time and making the effort to properly research, plan and develop a bill that would fulfil today's needs, this government has simply borrowed Bill C–85 from the previous government, made some cosmetic changes and put this bill forward as its own.

With laziness comes regret and the regret here is that the government was lazy. The only saving grace in this bill is finally a government is addressing the use of weapons, drug dealing near schools, and is requesting judges to offer written reasons for not incarcerating those convicted of using weapons in drug deals or dealing drugs near schools.

I will outline the faults with this bill as I see them. This government would have members of this House pass a bill before the regulations outlining what is permissible are even published.

Those regulations are needed in conjunction with Criminal Code rulings so that Canadians are aware of what is legal process. Ignorance of the law is not an admissible defence in court. Under this bill every Canadian would be denied a legal defence in court. They will be ignorant of the legal process until those regulations are known.

The people of Canada should never be governed by regulations. They should be governed only by law. Passing this bill before the regulations are complete and known will entail giving the regulations superiority over law. I cannot support that.

Further, this bill is so poorly written charter challenges leap off the page every time I turn one. Perhaps this government believes that Canadians have not had their fill of being tied up in courts, criminals being set free and large pay cheques for lawyers because of poorly written legislation.

Let me assure this government that belief is wrong. Let me assure this government Canadians want laws and legislation that will stand the charter test. Bill C–7 will have an extremely difficult time doing that.

The Supreme Court ruled in violation of the charter previous legislation having the same errors in construction as section 12 of this bill pertaining to search and seizure. The Supreme Court ruled in violation of the charter previous legislation having the same errors in construction as section 13 pertaining to the necessary force.

Section 34 of this bill allows the minister to remove a person's right to a livelihood such as a druggist or a doctor and then asks them to present a case before an adjudicator.

This bill allows a minister to presume someone is guilty and then asks that person to prove they are innocent.

Do the words Canadian Charter of Rights and Freedoms strike any note of familiarity with this government? Nowhere in this bill do I see any reference to rehabilitation. I believe this government thinks this side of the House will support any bill offering jail terms for criminals.

Let me assure Canadians we believe in rehabilitation. We believe society and taxpayers are better served by having first time, small quantity possession addicts sent to cost efficient drug rehabilitation centres, offering them hope that they can return to normal life.

• (1335)

We believe excluding in this bill any option for rehabilitation is a sad oversight and shows Canadians the only understanding this government has for a judicial review is punitive measures.

How can any Canadian who is a slave to drugs or a slave to drug pushers and organized crime make a decision for a better future when the only option is to remove them from society?

This bill shows the true light of this government. This bill not only shows this government has a complete lack of understanding for judicial reform, but this bill also shows this government does not understand the concept of justice. The punishment should meet the crime. According to this government, seeking help for an addiction would be a crime.

No one believes in the right of citizens to feel safe in their homes, in their schools, in their streets and in their communities more than I do. I also believe victims include those who are addicted to these soul–stealing drugs.

Nowhere in this bill do I see where this government allows victims of drug addiction any hope of rehabilitation. I really wanted to support this bill. I really wanted this bill to offer protection to society against designer drugs. What do I see instead? I see a bill that is so poorly written, so broad in language that a charter fight will surely result.

The wording in this bill could cause charges under section 3 for giving someone too much coffee. Caffeine in large amounts creates similar stimulative effects as amphetamines. According to this bill, an attempt to keep a friend awake with several cups of coffee could result in charges.

I do appreciate the intent of this bill and believe legislation must be enacted to address the issues intended, but this bill is not the answer. This bill will create more legal and more social problems than it will ever solve.

It is a shame that this government did not take this issue to the serious extent that is required. This government simply borrowed an inept bill left over from the previous government to address a problem that most Canadians want correctly solved.

This bill confuses regulations with criminal law. It presents far too wide powers for inspectors enforcing regulations, not laws. It offers wide powers that will lead to charter challenges, invalidating any evidence found and letting criminals escape from justice. It offers no hope for rehabilitation. It will force undue hardship on medical practitioners and pharmaceutical corporations.

I must discourage support for this bill. I also must encourage this government to return this ill–conceived and poorly worded bill to the drawing table. Then let the government return to this House with a bill that will stand the test of modern jurisprudence.

At that time I will be more than happy to support a new bill and its intention to bring controlled substances and those who are involved in the trade of controlled substances before the law and to justice.

There are penalty provisions in Bill C–7 for small amounts as severe as large amounts of drugs, except a special provision for cannabis, but sharing cannabis with a friend can equal 14 years, according to this bill.

• (1340)

It could cause prescription problems for doctors. Doctors could be charged with trafficking, especially if a substance is not on one of the schedules.

It allows inspectors access to confidential doctor–patient records. It gives the minister the power to impose sentences for substances not yet on schedule, arbitrary power of imprisonment.

The size of this document amazes me. This document, with all its contents and the way it has been written and all the matters that pertain to judicial matters, is then turned over to the health committee to study and to bring back to this House. If I were on the health committee I would wonder why such a document so full of judicial matters would be before us.

Illegal drugs need to be dealt with.

As many members know, I was the principal of a junior–senior high school for 23 years. I have a colleague who is also a principal in Quebec. We could probably share a lot of stories about illegal drugs and what I have seen them do to youth. I have attended many funerals in those 23 years, some of which were the result of drugs and the way they are handled.

I suppose what bothers me more than anything is that over the last two decades or so we from the educational, community and parent levels have asked and continually ask governments and politicians, those in power, to please take charge of the situation and do something about it. It is out of hand, it is getting out of control and it is serious.

I am really disappointed that over the last 23 years I have seen no such progress. If this 35th Parliament would only get the political will and the intestinal fortitude, the courage and the guts it takes, it could take on illegal drugs in the same manner in which it was so brave to take on cigarettes. When they moved in and did those things in such a harsh manner and told the whole world that they meant business it caused the health practitioners throughout the country to cheer and applaud.

When we continually slide by other drugs that cause many serious problems, Canadians wonder when we are going to take the action. Then again, maybe I should not encourage my colleagues on that side of the House to get too much involved in doing this sort of thing just yet. After all, if they want to continue with a lackadaisical attitude they had when they put this bill together and continue to ignore the wishes and desires of Canadians, that should probably make me happy. If that kind of attitude continues they will be occupying some seats on this side of the House after the next election because Canadians are not going to stand for that any longer.

There are problems out there and we are saying that is too bad.

I remember going to the police and how they agreed with me that one individual, an adult, was responsible for trafficking most of the drugs in the small town I was in. Every time they got close to bringing this person under the thumb of the law, some kind of technicality or charter challenge would prevent that. In frustration we could only talk about how we could overcome that kind of a situation.

• (1345)

Yet what I see today is a document that is full of the opportunity to continually cause more and more charter challenges. Why do we not get away from that? Or, do we all have some kind of stock or interest in a law firm and the busier we keep our lawyers the fatter their wallets get and the less we do for society?

Many members make a mockery of these words. It is too bad they were not at some of the funerals I was talking about. It is too bad they were not there to watch the 14–year old blow his own brains out under the influence of a drug over which he had no control. It is too bad they do not get a little closer to the people as politicians to get a little more feel of what they are trying to tell us. Once they understand and get a feeling for it, they will understand why I desire getting something done.

Things can go right when a 34–year old man is caught and charged for trafficking drugs in a small community in my riding. Everybody cheers because students in the area are the ones who were being supplied by the individual. They are glad he has finally been caught. However, there is something terribly wrong when three weeks later, after going to court and being charged under due process of law, he is out in the same town doing the same thing. It is just one example of thousands: a little tap on the wrist and "don't do that again".

I will repeat. If the government had the political will, the courage and the guts, I guarantee it would have the approval of the Canadian people to take action. The government should get with it. I will join it and be pleased to work with it to come up with documents that will make sense and put an end to this problem. This is not a Liberal problem. This is not a Reform problem or a Bloc problem. This is a Canadian problem affecting our youth. When brain burning drugs are free and easy in our society it is time we started doing something about it.

I had the privilege of going on prison missions once every month for a number of years. The prison where I served my missions was the Bowden Institute in my riding, a federal maximum security prison. I find it amazing that in our penal system it is easier to get access to drugs than it is on the streets. When I went on missions to the prison sometimes it was very difficult to counsel some of the individuals I was scheduled to counsel. They were already high or had come down off of a high because of drugs they had been using while in prison. They are readily available to them.

Sometimes we as politicians continually challenge our penal system to rehabilitate, to fix these fellows up. Instead of turning out rehabilitated people from these prisons we are turning out more addicted individuals into society, saying that they have been in the penal system and should be able to walk out into society and function well. However they are already addicted.

What kind of a system would allow that to continue? It should never be a Canadian system. It can be fixed and we need to fix it. But do we have the courage? Does the government have the will? So far I have not seen an example of it.

• (1350)

I am waiting for somebody to do something other than come down with a massive document that is full of irregularities, full of things that will cause nothing but more grief and more problems. Would it be possible to break this document down so that we have a judicial section and a health section?

I would imagine it would drive the health committee right up the wall when it comes to dealing with the judicial aspect. Being on the judicial committee, I certainly would not be comfortable dealing with this document when it comes to all the health aspects. It is a quick and easy way to brush it aside. They can make sure they take care of it and then go out and brag to everybody in their ridings about the wonderful bill they have passed. It is not worth the paper it is written on. It accomplishes nothing toward long–term drug rehabilitation and putting a stop to illegal selling and trafficking.

When a country has billions of dollars in revenues from activities such as illegal drugs, is it something to be proud of? Do members want to run to another country somewhere and say that they are from Canada and our fourth biggest industry is drugs? Is that wonderful? Wherever it fits in, members can be assured it is very high on the ladder.

Are members going to do their jobs in Parliament as people who have been asked to address these problems on behalf of Canadians throughout the country? Members could do it. For once they could focus on the victims and potential victims out there, waiting to fall into the trap created by the crime that is going on.

I looked at certain areas throughout the world. Singapore was one. I understand from the statistics that it is down to 5 per cent. In my last year of school I was fortunate to have a 17–year old exchange student from Singapore for six weeks. I asked him whether there was a drug problem in Singapore schools. He said: "Not on your life. If you get caught with drugs, bang, you are dead". I said: "Really?" It sounds pretty barbaric, does it not? Singapore has a 5 per cent problem or hardly any problem. There is no problem in the schools. It certainly is not causing a health problem. Traffickers are fearful of being in that country.

However I am afraid trafficking in this country is very inviting. When I visited the prison at Drumheller I was amazed by the numbers of drug traffickers from other countries who were there for short terms. For some of them to open their mouths and say the reason they are in Canada is that it is a haven for traffickers ought to be a message. They believe the easiest and most logical place to work is in a country like Canada that has namby–pamby rules when it comes to catching people like them.

They can do something about it. Do they have the will? Do they have the courage? May God grant it to them because it needs to be done and it needs to be done now.

It has even been suggested to me by a few that the real answer to our problems is that we need to legalize some of these drugs. Hogwash. Who would ever suggest such an idea? They should shake their heads and think again. Then they come back and say: "But prohibition never worked". Maybe it did not, to whatever extent they are talking about, but I can guarantee that when alcohol was finally legalized—and I do not think anybody would have to work too hard to research and verify this—it was one of the problems that caused more divorces than anything else.

• (1355)

What is causing more financial breakups? Alcohol. What is causing more bankruptcies? Alcohol. Why are more people in prison than ever before, 70 to 80 per cent of them? Alcohol. Was it a great and wonderful deal to legalize alcohol? Were we good? Now we want to turn around and consider doing the same kind of thing to these other drugs.

To those who would even suggest that we consider legalizing these kinds of drugs I say: "Move away from me immediately or we will have a serious argument". There is no way, after seeing what I have seen through the experiences I have had with the youth of the country, that I would say for a single second legalization of drugs is what we need.

In Canada we need law and order. We need legislators who will say it is time to make the country safer. We can do it and they are the people to do it. They had better find the courage and guts to do it. If it is not done it will continually get worse and we will regret the day that members of the 35th Parliament sat back in their chairs like all other Parliaments have done and let it go. It does not matter if we are left or right; we can write a common sense bill. We can look at it, think about it and then think of our children.

I doubt seriously if there is one of the 295 members in the House who could stand and say: "It really does not apply to me because drugs have never had an effect on my life". If we look at grandchildren, nephews, nieces, friends and families all around us we will find somebody. I guarantee it. That is how widespread it is. Yet we are making it better and better for those who want to sell, traffic or make a living in bringing these drugs into our country.

I hope the words I have said today do not fall upon deaf ears. I can guarantee that most of the ridings I visited prior to the election and after are worried about the economy, about the deficit, about the jobless, and about many other things. However right behind their first worry is their worry about the safety of their children and their grandchildren, their grandmothers and their grandfathers.

Only last week I appeared on a talk show in Calgary where it was suggested to me that crime was not nearly as bad as it used to be. However the very first phone call was from Catherine, 83 years of age, living in Calgary which really does not have a high rate of crime, violence or things of that nature. She said: "I live alone; I only have my cat. All I want for the rest of my days in this world is to have a little peace and security but I cannot even sleep at night because I am so afraid". She lives in a community where the seniors are totally afraid that any day somebody is going to break in, bash them over the head and steal what they have. Most of the time that is done to support some kind of drug addiction.

• (1400)

In the rural community of Wild Rose, in the smaller communities police service is not available because they are quite far out. These are towns and communities of 200 or 300. I invite members to come and look at the bars on the doors and the windows of the businesses and homes. Behind the bars are law–abiding citizens. That is the only way they can protect their property in that part of the country.

I wonder where have we come to when law–abiding citizens are locked behind bars and the rest are out running around. It does not make sense to me and it is time that we did something about it.

For crying out loud, take a good look at Bill C–7. Do not brag about what a wonderful thing it is until you do so. If you cannot see what I have seen going through that, I suggest that you go to an eye doctor and have the doctor take a good look at your eyes because that piece of paper will not solve the problems that this country needs solved.

I encourage members to vote down this bill and then go back and get serious about addressing these problems. Be prepared to go out into the country and the communities and say to the people that you are going to draft some legislation that is going to stop protecting the criminal. We are going to put a stop to you being a potential victim because we are going to start concentrating on the criminal from another aspect. Instead of seeing what we can do to keep him safe and to make sure his rights are looked after, we are going to see what we can do about putting him away where he belongs so you as a law–abiding citizen can enjoy a little peace and security in your own land.

We can do it. Let us do it. But we are not going to do it with Bill C–7.

Mr. Speaker, I thank you for the time you have given me today. This is serious. Some members may not want to take it so seriously. It is more fun to make noise on that side than it is to get serious, but they had better be serious because this is killing this country.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I am pleased to rise today to support the second reading of the controlled drugs and substances act.

This government recognizes the need for legislative reform to modernize and improve the drug abuse provisions currently contained in the Narcotic Control Act and parts III and IV of the Food and Drugs Act.

In fact some of the present legislation is over 30 years old and is ill suited to deal with law enforcement requirements arising from the dangerous and complex Canadian drug scene of the 1990s. As the Minister of Health has already pointed out, drugs have a devastating impact on our society, particularly our youth.

The health minister has described to this House why this bill is important and how it will help safeguard the health of Canadians.

It is true that drug use has slightly diminished in recent years but that has been countered by the increasing potency of drugs, the new and dangerous ways in which drugs are injected and increasing use of different drugs in lethal combinations.

New emerging trends in drug abuse include hydroponic cultivation of potent strains of marijuana, the clandestine manufacture of designer drugs such as PCP imitations and the sale to children and teenagers alike of so–called look alike drugs.

[*Translation*]

Obviously, this legislation, which was passed 30 years ago, can no longer keep up with new drug trends today. The new bill will make Canadian drug control legislation meet the needs of the 21st century.

• (1405)

[*English*]

The Minister of Health has already made clear the important health dimensions of this bill. As Solicitor General I want to discuss the equally important aspects of the law enforcement dimensions of the proposed legislation.

The increasing complexity of the drug scene has been matched by the increasing sophistication of drug traffickers and their ability to evade conventional police methods of fighting drug trafficking.

In the past the courts have repeatedly recognized that ordinary police methods are often ineffective in investigating drug offences. They have suggested on more than one occasion that legislation needs to be passed that would expressly authorize our police forces to carry out effective undercover operations against drug traffickers.

[*Translation*]

The controlled drugs and substances act which we are presenting will meet this need and give police the statutory instruments needed to fight drug traffickers in a way that complies with the Canadian Charter of Rights and Freedoms.

[*English*]

This bill will also help us fulfil our international obligations related to the suppression of drug trafficking. In 1990 for example the United Nations convention against illicit traffic in narcotic drugs and psychotropic substances came into force in Canada. This international agreement is currently in force in over 70 countries. It provides for co–operation between nations and is aimed at suppressing the illicit traffic in various psychoactive drugs and the chemicals used in their clandestine manufacture.

This convention also calls for the use of specialized investigative techniques which are often necessary to infiltrate sophisticated trafficking operations and to identify and bring to justice the ring leaders and their helpers.

Techniques such as "reverse sting" or "sell bust" operations have been used by police forces in other countries to excellent effect in the fight against sophisticated drug trafficking organizations. During this type of sting operation it is frequently necessary for the police to sell small quantities of drugs to the traffickers to establish credibility and further the investigation.

Until now, however, such an operation in Canada has had no basis in legislation and has therefore been open to legal challenge. The new bill will confirm that the police have the statutory foundation they need to carry out such operations. This bill will also allow Canada to fulfil its obligations under two other international conventions: a single convention on narcotic drugs and the convention on psychotropic substances. The bill will do this using a four point approach.

First, it will provide for controls on the import, export, production and distribution of psychoactive substances while at the same time allowing for the use of the substances for medical, scientific and industrial purposes.

Second, it will provide a control on the import and export of precursors, which are chemical substances used to produce controlled substances.

Third, it will enhance enforcement measures available to all police services, the Royal Canadian Mounted Police, and provincial and municipal police forces to suppress unlawful import, export, production and distribution of psychoactive substances.

• (1410)

It will provide for the forfeiture of any property used to commit such offences. On the home front this bill will make it easier for the police to deal with those who produce illegal drugs.

Under the old legislation new drugs were not considered to be illegal until they were analysed and identified. Needless to say this process took time. This bill instead uses a broad description to define psychoactive drugs. In the future new drugs appearing on the street that fit this new generic description would automatically be covered by the bill. This would give the police the authority to arrest traffickers dealing in these new illicit drugs.

Last but by no means least, this bill will help us better protect our young people. I do not think anyone in this House would argue with the statement that our children represent our most precious resource and that we must do everything in our power to protect them.

Unfortunately one of the facts of modern life is that our young people are often the most vulnerable to the temptations of drug use. Drug traffickers know this and take full advantage of any opportunity to peddle their deadly products in places where young people congregate. Today's schools and even playgrounds are no longer safe from the attentions of drug traffickers.

To help protect children from this influence, the bill will introduce new criteria known as aggravating factors to assist judges in determining sentences for drug traffickers. Examples of these factors include dealing drugs in a school, near a school or to minors or involving minors in drug trafficking operations.

There are also other aggravating factors, such as previous drug convictions, possession of a weapon or the use of violence while engaged in drug trafficking. These are laid out in the bill.

Generally under these new provisions a convicted drug trafficker can expect to receive a stiffer sentence, particularly a jail term. Judges who do not impose a prison term in such circumstances will be required to give the reasons for their decision.

[*Translation*]

In conclusion, I believe that the Controlled Drugs and Substances Act will give Canadians the tool they need to better protect their health which is threatened by the harmful effects of drugs.

From the Solicitor General's point of view, in terms of enforcement, this bill will give the police the power they need to organize more effective anti–drug operations, especially against major traffickers.

[*English*]

The proposed legislation will broaden the impact of existing proceeds of crime legislation which allows the police and the courts to strip the traffickers of the profits of their criminal enterprises. This bill will also enable the police to deliver a more forceful one–two punch to drug traffickers to severely curtail their deadly trade.

[*Translation*]

This is the kind of approach that the people, the courts and the police have rightly demanded to deal with this type of criminal justice problem and our government is committed to such an approach.

[*English*]

I ask members on all sides of the House to give early and full support to this bill.

I have listened to the concerns raised by opposition spokespersons about it. I believe those concerns should and will be addressed in committee when the bill is considered in detail following second reading. This is the place to go into the concerns that have been raised about the bill, its purposes, its approach and so on.

Therefore I urge hon. members to give early second reading to the bill to enable it to go quickly to committee so that all the points raised by opposition spokespersons and by other members in the House can be looked at and dealt with in the seriousness with which they were raised in the first place.

• (1415)

I say this because I believe this bill will provide important additional tools to the enforcement community and the courts to fight the drug problem everywhere in this country.

Again, I ask this House to give this bill its early and full support.

Mr. Grant Hill (Macleod): Mr. Speaker, one of the instructive things when one has been on the opposition side of the benches and one moves to the government side allows one to look back at how one referred to a bill when one was in opposition. I encourage the members opposite to do that.

I have taken the opportunity to go back into the committee hearings and look at comments made by the hon. member when he sat over here.

Is it appropriate, Mr. Speaker, for me to refer to one comment made by one member when that member was in the opposition?

The Acting Speaker (Mr. Kilger): I believe so.

Mr. Hill (Macleod): This comment was made on this bill when the hon. member was in opposition: "As I have told you, the subject has not been given any media attention at all. Yet I understand it was given first reading almost a year ago in June 1992. To rush through it within a couple of months will not speak well of Parliament, to say the least".

When the present government was in opposition a bill was introduced very quickly by the Conservatives, put into committee with a very similar undertaking, not well thought out in this House at all. As the committee comments will show, there were serious problems. I ask the government to listen very carefully in this House to the problems with this bill before it goes to committee.

Mr. Gray: Mr. Speaker, we are not asking that the bill be dealt with without debate or without consideration of the concerns that have been raised or are yet to be raised. However, the format of consideration of legislation under the rules is such that the way to respond to these concerns is to do so in the course of committee proceedings and then through the report stage following committee proceedings.

There are a lot of points that have been raised which are quite technical which apply to individual clauses of the bill, for example, and I will not attempt to deal with them now. Second reading debate enables us to discuss these matters broadly but does not enable us to make the kinds of changes which may or may not be required in the light of parliamentary considerations.

That is why I am not saying that there should be no debate but that the best vehicle for examining in depth the kinds of concerns that have been raised and making changes, if they turn out to be changes that are necessary, is in the parliamentary committee. It will look at this bill in the next stage of debate.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I had the pleasure almost a year ago of attending a conference on crime prevention and community safety. It was chaired by a member who is no longer with us, Mr. Horner, I believe.

I was very impressed when I went to the conference because it was an all–parliamentary committee that produced a unanimous report. The committee took the approach that crime prevention could be best handled through better enforcement as well as social development.

I bring that up because in this past campaign I tried not to play politics with the whole issue of crime, justice and law enforcement. What impressed me was that there was all–parliamentary agreement. Every member of each political party had the same position in the committee when the report was finally put in place.

• (1420)

I would really hope that approach will continue with this bill. The reason I say that is that the problem of crime is a complex one which the committee report stated very ably.

If we as a country, not just political parties, are going to be able to deal with the issues of crime we cannot look for simplistic solutions. We have to understand the complexity of it. It behoves us all to try to give it the serious consideration it deserves.

If one looks at models in different communities or different countries, when Canada is compared to the United States of America, we are an incredibly good model. Our communities are a lot safer, there is a lot less crime, we have fewer people in prison and we do not execute people. We have a much safer community than they have in the United States of America.

We have to look at the issues as to why that is. It is important that as much as possible we take the politics out of it. Partisan politics are dealing with issues that have such an impact on our nation and our communities. We have to work together to solve the problem.

Mr. Gray: Mr. Speaker, the hon. member for Waterloo has made some very important comments. They reflect his own professional experience working with young people who have had difficulties. I am glad to see him here in this House to provide us with the benefit of not only his experience but also his wisdom.

I look forward to this House approaching these kinds of matters with the same type of constructive and non–partisan approach which reflected the report about which the hon. member spoke and which was published in the last Parliament.

We are dealing with serious matters involving the fabric of our communities. We are dealing with serious matters involving our young people and their future. They are very complex. Certainly no one piece of legislation, whether it is this piece of legislation before us or any piece of legislation, can deal with all the complexities by itself.

Certainly we need to make a serious effort toward crime prevention. That is why this government is working to bring forward a national crime prevention council. Certainly we need measures of rehabilitation. That is why this government is moving to bring forward amendments to the corrections and conditional relief act.

There is also a place for enforcement unfortunately but it has to be addressed and recognized. That is why we are bringing this legislation forward. It is to deal with the enforcement aspect of a very serious part of the concern for the breakdown of law and order in this country, that is traffic in drugs.

I ask the House to approach this and similar legislation on the basis of the very good advice given us by the hon. member for Waterloo. I hope in considering this matter they will recognize

that this piece of legislation is a serious and well intentioned attempt to deal with not all aspects but one aspect and an important one of the very serious problem linked with traffic in drugs.

It is in that context that I invite the House to consider it, to debate it, and to give it relatively prompt second reading so that in committee we can approach it in the spirit urged on us by the hon. member for Waterloo and as a result, come out with the best possible legislation to address a very serious concern.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my concern is precisely the importance of this bill and its emphasis on the justice system that we have heard so many people talk about this afternoon.

It is a very serious area of concern. It confuses me why this bill would be passed on to the health committee to be looked at rather than the justice committee. I and many others would feel more comfortable if this were going before the justice committee to look at those issues that have serious consequences long term rather than it being referred to the health committee.

Perhaps if there was some change in that, more of us would feel more comfortable.

• (1425)

Mr. Gray: Mr. Speaker, the very same thought has crossed my mind. I intend, after consultation with the Minister of Health, to see if there would be some disposition in the House to amend the motion for second reading to have this bill referred to the justice committee.

Looking over the bill in preparation for taking part in the debate, frankly the very same thoughts went through my mind as were expressed by the hon. member. If we present a motion to amend the motion for second reading to have the justice committee consider this matter, I hope we will have the support of the hon. member and others for the reasons she has mentioned.

The Acting Speaker (Mr. Kilger): I would like to make a suggestion to the House. The minister began his intervention at two o'clock. Under the Standing Orders—we are presently under Standing Order 74—he would have had 20 minutes to speak and 10 minutes for questions and comments for a total of 30 minutes. This will bring us to the magical hour of 2.30 which is the agreed upon hour to terminate today's sitting.

The minister spoke for 15 minutes. If I could be allowed to be so creative we could extend the question and comments by five minutes, which will still represent the 30–minute allotment that is allowed the minister on a subject of such great interest, as I see many people still seeking the floor. In the five minutes left I will recognize both the member for Wild Rose and the member for Portneuf, recognizing that both these members have already spoken, that the preamble will be short and the questions succinct, to allow the minister to respond before 2.30.

I will begin by recognizing the member for Wild Rose, if the House agrees.

Some hon. members: Agreed.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my hon. friend from B.C. took care of the question I had. I will pass to the next person.

The Acting Speaker (Mr. Kilger): In fairness, would there be anyone else from the Reform Party who would care to take the time. The member for Macleod, with the same consideration.

Mr. Grant Hill (Macleod): Mr. Speaker, the comment made that we could have the justice committee involved in this bill certainly satisfies a lot of my concerns. However, the medical community needs to be represented as well. So it looks to me as if the committee might well need to have joint responsibility.

Could the minister comment please?

Mr. Gray: Mr. Speaker, I will have to see what we can do under the rules. But I would remind my hon. friend that under the rules any member can attend any committee, even a committee in which that member is not a regular participant, and take part in the discussions. In fact, a committee like the justice committee—if that is the way it turns out—could and would have to have the Minister of Health and her officials appear.

If it turned out that the justice committee would be the best overall vehicle, this would not exclude consideration of the health aspects or prevent members who are more interested in the health aspect from participating. That is my understanding of the rules.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, so that the Solicitor General can understand the context of my comment, I can tell him that my question deals with the Charter of Rights and Freedoms. Bill C–7 criminalizes dealing in controlled drugs, as well as import and export of those drugs. This is already in the present Act, and we have no problems with that. The bill also criminalizes possession of property obtained as a result of certain offences, but this is also in section 19 of the current legislation, so I see no problem here either. But perhaps you could tell me whether or not you anticipate any problems with respect to the Charter of Rights and Freedoms.

We also know that concerning the laundering of proceeds of certain offences, section 19 of the current legislation and clause 10 of the bill are pretty similar. Regarding search, seizure and detention, clause 12 is the equivalent of sections 11 and 12 of the Narcotic Control Act. As for the power of infiltration and making supervised sales, clause 54(2) of the new bill provides for things that were essentially covered already under section 18 of the Royal Canadian Mounted Police Act.

However, where there is a departure from all this, it is in the powers given to the inspector. And I will conclude my question here. We know that, on the one hand, there are administrative powers used by the inspector and, on the other hand, there are judicial powers—

The Acting Speaker (Mr. Kilger): Order. I hesitate to interrupt the hon. member for Portneuf, but the minister will have very little time left to respond. The hon. member has had the opportunity to make an eloquent speech on this very important matter. Seeing that time is running out, if the Solicitor General could please respond.

Mr. Gray (Windsor West)): Mr. Speaker, I intend to read over carefully the meaty speech of the Bloc Quebecois critic as it raised very complex and interesting issues.

I would like to respond briefly to his last comments. He feels that a certain section of the Royal Canadian Mounted Police Act gives police sufficient powers to control sales, but based on court decisions and legal opinions from our counsels, it is not enough. That is why we came up with clause 54(2).

I may not be an expert in the field, but it seems to me that the Royal Canadian Mounted Police Act cannot give powers to other police forces, like the Sûreté du Québec or the OPP, the Ontario Provincial Police. That is why we need the amendments proposed in this bill.

I can assure you that I take great interest in preserving the freedoms guaranteed to Canadians from coast to coast under the Canadian Charter of Rights and Freedoms. However, it is the duty of the Justice Department to let us know whether or not a bill meets constitutional requirements, including those set in the charter. Without their advice, no bill could be tabled in this House.

[*English*]

The interesting comments made by my hon. friend indicate why, although there is a place and a need for general debate, in my opinion we should get this bill into committee as quickly as possible so that we can deal in depth with the very interesting points the hon. member has made and so that we can give all possible explanations and assurances with respect to the charter of rights and freedoms and in general with respect to the foundation and need for this law.

The Acting Speaker (Mr. Kilger): I would like to conclude by thanking the minister and all members present for their co–operation.

It being 2.30 p.m. this House stands adjourned until Monday next at 11 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 2.30 p.m.)

HOUSE OF COMMONS

Monday, February 21, 1994

The House met at 11 a.m.

[*English*]

PRAYERS

The Speaker: Today, as I speak, over a million of our fellow Canadian citizens are watching these proceedings. In that we have been attempting since 1920 to change the format of our prayer a bit, I thought perhaps today we could agree to share in public with our fellow Canadian citizens what we do in private.

With your permission, colleagues, I am going to read the prayers in both English and French. Then I would ask you to observe a moment of quiet meditation, to pray in your own personal way or simply to think of what you will. Is there agreement?

Some hon. members: Agreed.

The Speaker: Almighty God, we give thanks for the great blessings which have been bestowed on Canada and its citizens, including the gifts of freedom, opportunity and peace that we enjoy. We pray for our Sovereign, Queen Elizabeth, and the Governor General. Guide us in our deliberations as members of Parliament, and strengthen us in our awareness of our duties and responsibilities as members. Grant us wisdom, knowledge, and understanding to preserve the blessings of this country for the benefit of all and to make good laws and wise decisions.

[*Translation*]

Dieu tout–puissant, nous te remercions des nombreuses grâces que tu as accordées au Canada et à ses citoyens, dont la liberté, les possibilités d'épanouissement et la paix. Nous te prions pour notre Souveraine, la Reine Élizabeth, et le Gouverneur général. Guide–nous dans nos délibérations à titre de députés et aide–nous à bien prendre conscience de nos devoirs et responsabilités. Accordons–nous la sagesse, les connaissances et la compréhension qui nous permettrons de préserver les faveurs dont jouit notre pays afin que tous puissent en profiter, ainsi que de faire de bonnes lois et prendre de sages décisions.

[*English*]

Amen.

We will now have a moment of silence for private reflection and meditation.

[*Editor's Note: A moment of silence.*]

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—PETITIONS

Mr. Ian McClelland (Edmonton Southwest) moved

That, in the opinion of this House, the government should consider the advisability of amending the Standing Orders to put in place a procedure whereby, at least once during a session, petitions presented during that session are considered by the elected representatives of Canadians, and may be the subject matter of debate and brought to a vote at the end of the debate, such as for example:

(a) the subject matter of the petition prohibiting the importation, distribution, sale and manufacture of "serial killer cards",

(b) the subject matter of the petition requesting changes to the Young Offenders Act to make it more difficult for dangerous young offenders to be released, such as the petition presented in memory of the late Rosalynn Dupuis, and

(c) a petition which will be presented requesting the government to bring forward a bill which would make recall of members of the House of Commons a part of the law.

He said: Mr. Speaker, it is with a great deal of pleasure that I rise on this very historic day. As the viewers have seen and as we in the House have experienced, this is the first change to our prayers in almost 120 years. This would indicate to all of us that while things may change slowly they can and they do indeed change.

• (1110)

I am very pleased to speak to the motion. As I speak today and as we consider the motion we should think of the underlying philosophy upon which it is based. It is part of a greater ideal of ensuring Canadians a continuing role or place in the debates of the nation through the use of working toward more direct democracy and the participation of citizens in the national political life of our nation.

The right of citizens to be heard and the right of citizens to be recognized and to receive action are fundamental to any nation or any parliament that wishes to strengthen its democratic conditions.

Petitions are an effective means of providing Canadians a greater role in setting the national agenda. The use of petitions is one of the oldest forms of allowing citizens a form of redress, dating back to the days of King Edward in the 13th century. It is through the presentation of petitions that the introduction of legislation by bills came about. Petitions are the planted seed from which our parliamentary traditions sprouted. Therefore their significance should not be ignored.

I am not the first person to stand in the House in recent years to speak to the veracity of petitions. I will quote from *Hansard*, June 1, 1983. Stan Schellenberger, the member for Wetaskiwin at the time, presented a private member's bill. In support of that bill he said the following:

> The practice of putting petitions to a legislative body is not new. It has been happening for hundreds of years. We have brought from the mother Parliament in Great Britain to this institution the practice of presenting petitions to Parliament. From the beginning, the presentation of petitions was allowed by Parliament as a means for ordinary citizens to bring their grievance to the attention of the House of Commons.

It is a method by which ordinary citizens can bring their grievances, concerns and issues to the House of Commons, to the Parliament of Canada. It is not just a safety valve that we can accept petitions, many with thousands of signatures and many with hundreds of thousands of signatures, reject them and then forget them. It is not just a means of allowing the citizens to let off steam so they do not explode. It is a means whereby the citizens of the country are able to establish a direct link with members of Parliament on an issue by issue, day to day basis.

I have a further quote from Mr. Schellenberger as reported in the same 1983 edition of *Hansard*:

> —it is only in recent years that nothing has happened to petitions. Petitions are brought to the House by a Member of Parliament, are read to the Speaker and the Clerk who then deal with those petitions, and the next day they are either found to be in order or not. They then disappear in a room somewhere in the House of Commons.

They are never to be seen again. He continued:

> That is not entirely the case, but it is pretty close.

This was 10 years ago when another member of the House was speaking to petitions. This matter has come and gone and come and gone. The reason we are addressing it today is that we hope Parliament, with a new and fresh face, will pay much more attention to the fact that petitions are a meaningful exercise by which citizens participate in the democratic traditions of the country. He continued:

> For example, on the issue of capital punishment, many citizens of our nation believe this institution is not representing the wishes of the majority of the nation—

Regardless of whether we believe in capital punishment individually, do our laws represent the will of the nation? He went on:

> —and their only means of bringing that to the attention of the House is through the presentation of petitions or Private Members' Bills. Neither of these two methods has been very successful in bringing about a change in the past, but at least the opportunity is there to bring a grievance forward.

I draw the attention of members to the fact that in 1981 Stan Schellenberger brought forward a private member's bill on petitions. We do have a fair amount of the groundwork already done.

• (1115)

In petitions we are talking about a much broader issue, of whether democracy is chained to tradition or whether it is anchored securely to the past or whether it is a living, breathing ideal that adapts to the changing times.

Very often whenever the concept of recall or a citizen's initiative or a referendum passes anyone's lips the retort that is heard is always Edmund Burke and his famous letter to the voters of Bristol. It is always said that members are elected to serve their constituents and if they do not like the way the member serves them, they can turf him or her out at the end of the session. In fact after Edmund Burke wrote that famous letter to the voters of Bristol in 1779, in the subsequent general election he was turfed.

His letter was in response to his constituents because they believed that the captured American revolutionary sailors were pirates. They would be brought to England and after about three years or so given a fair trial and hanged. He did not think this was right. Edmund Burke's position was that the American sailors should be treated as prisoners of war, tried by their peers and given a swift and fair trial under British tradition.

His compatriot at the time, Thomas Payne, broke with Edmund Burke on the basic philosophy that Edmund Burke was chained to tradition and to the past and he had made a virtue out of the fact that he was pledging himself in perpetuity in fidelity to the crown, to the Magna Carta, and that because the crown had given rights to the people, and in turn had pledged certain requirements to the crown, that these would follow through forever. Therefore Edmund Burke's understanding of democracy is built purely on tradition.

Thomas Payne was a contemporary of Thomas Jefferson and advised him in drafting the American declarations. His contention was that democracy lives and breathes in changes. In his book *The Rights of Man*, he wrote words to this effect: Every generation has the right and the responsibility to govern for its time and should not chain future generations to decisions of

today than past generations have the right to chain today's generation to their decisions.

It is a very important consideration. He also wrote the phrase that many people will recognize: "The greatest tyranny of all is the presumption of ruling beyond the grave". When we talk about how we should change or should we change the way our Parliament works, the way we as a Parliament relate to the citizens of Canada, and whether empowering citizens is a good thing or a bad thing, it depends whether we have confidence in the choice that our voters made in getting us here in the first place.

We have to understand that we are not in 16th century or 12th century Britain. We live in a completely different world. We can focus the attention of every single person in this country on a single instance. Everybody understands now. Everybody can remember what they were doing at great moments in our history.

The example that always comes up is Ben Johnson. Everyone remembers when he won the hundred yard dash. Everybody in the country knew about it and was aware of it. If this were 16th century Europe it might take 30 years for the information to get around, but we knew it all around the world at the same instant in time.

We have to allow our democratic traditions to evolve and to change so they reflect the way communication works. We have a citizenry that is far more aware of what is going on and far more capable of being a part in providing a valid role in the daily organization and governance of our country. That is why petitions should be given the honour and diligence they deserve. Petitions are a constitutional right of Canadians and are an effective means, in principle, of putting forward concerns, opinions and perceived problems.

• (1120)

Although Canadians may use petitions as a means of putting their thoughts forward to Parliament, the use of petitions by citizens is in decline. The reasons should be examined. If the use of petitions is in decline, why do members suppose that is? It has to be because people do not believe it makes any difference. If a group circulates a petition until it gets a million signatures on it, if they work day and night, spend untold hours at it, it comes in here, is read to the House and then disappears, does that not feed the cynicism that all parliamentarians feel the citizens in common hold toward the institution of government?

If we are to build this bridge, this strength and this tie between the people who must go through some pretty difficult times because we are eventually going to have to live within our means, then the leadership to do so has to come from this House. It has to come from the fact that we as members of Parliament honour, respect and pay attention to the citizens of Canada whether we agree with what they say or not.

The voters whom we represent expect us to use our wisdom and our intelligence but they do not expect it to be a one way street. They expect it to be a two way street. They do not expect every single issue that comes before the people to be referred to referendum or to petition but they do expect us to listen and to pay attention to whatever they have to say and not just at election time.

Not everything we do or say can be envisioned ahead of time. However, we must give members credit, a lot of it is in the red book. But there are a lot of things that the government did not envision. It had no way of knowing they would have happened, could not have prepared for it so it could not be part of the mandate that gets any of us elected into the House. Therefore we have to be prepared between elections to listen and respond to what our citizens have to say.

The decline or the apathy in the use of petitions by Canadians is a symptom of a much bigger problem. It is the neglect of petitions by elected representatives. It is a microcosm of the alienation electors feel toward the political system.

At times between elections issues arise that were not dealt with during the campaign, as I said a little earlier. It is during these periods that citizens need the ability to put forward their opinions to the government. Democracy needs to be a two way street and petitions allow this exchange to take place with great effect.

Although in principle petitions seem a valuable way for Canadians to address their government and an effective means for government to gauge the mood of the nation, petitions have been pushed aside in recent years, their value left untapped. Therefore we cannot blame Canadians for becoming cynical with government when every time, time after time, they see their protests ignored. The neglect of petitions by legislatures leaves a bitter taste in the mouths of all those who demand a bigger stake in the democratic process. The formulation of a petition is guided by many rules and procedures and it is a painstaking process for organizers.

We have received a petition with well over a million signatures. Imagine the amount of effort that has to go into it and it should not be taken lightly. The fact that the government is able to dismiss a petition regardless of the number of signatures or the importance of the issue with a blanket response is really a slap in the face for both the signators and for democracy.

Governments must recognize what a great tool a petition can be as a means of putting forward effective legislation. By the use of some very simple procedural reform pertaining to petitions, governments will be able to effectively gauge the thoughts of citizens as well as allowing them a way to become involved in national issues.

For instance, issues such as abortion, capital punishment, et cetera have all been addressed by one petition or another. If the government were not so quick to dismiss the thoughts of citizens, it could use these petitions as a springboard from which to develop policy. If Canadians are to go to all the trouble of

formulating a petition it is most likely a reflection of an attitude present in the nation on a particular issue. For instance, in 1975 a petition on abortion was presented to the House. This petition had over a million signatures. Recently we received a petition concerning the Young Offenders Act, most likely the largest petition ever brought to the House. It does not matter how big it was or how many people got involved in putting it together, it was dismissed with little or no effect, even though it perhaps recognized the attitude of the great majority of Canadians.

• (1125)

Petitions therefore could be and should be used as a tool of democracy. Petitions would tie the government closer to national attitudes and bring individual members, all of us, closer to our constituents. More important, it would allow Canadians as individuals back into the decision making process of their nation.

I stand here today confident that these small, simple procedural reforms to the use of petitions could become that very tool. There are many means by which the petition could be made more relevant. We would have to consider which petitions carry a particular weight because obviously not all petitions have the same substance. Petitions that do carry significant weight either because the same issue is presented over and over again or because one petition has an overwhelming number of signatures, must be considered and recognized in deciding what happens to them.

We can make a couple of procedural changes. I would draw the attention of members to the private members' bill that was introduced, Bill C–642 in 1980–81, for more definite attitudes and things that could be changed. One thing we might do is move that petitions, after being read in the House, be given to the pertinent committee for discussion and its merits reported back to Parliament. I recognize that the House procedures committee will be looking at petitions as part of a greater analysis.

Another possibility would be to allow petitions to be debated in the House. The government and each opposition party could then use a supply day to debate the petition. We know that if a petition came to the House we could use a supply day and could debate the petition. That is what we are doing right now where we have the opportunity to bring forward what is on our mind.

Unless we have the vehicle in place to ensure that the government does something about petitions then nothing is going to happen. We have to bring this forward in a fashion that brings all members of Parliament on side, recognizing the need to evolve our Parliament into a situation where it is not just the opposition saying we should pay attention to this. It has to be all of us, opposition and government together asking how we can make this institution work better?"

I understand at present the government is required to respond to a petition within 45 days. However, nothing states that the response has to be anything more than just a blanket statement with perhaps little relevance to the petition. It is in essence merely an acknowledgement that the petition was received.

At the very least there should be some mechanism in place to keep track of petitions that have been presented in the House in each session, the number of signatures and the topic of the petition. This clearing house would provide an effective way for legislators to keep abreast of the mood of the nation as well as providing a filing system to ensure that records are kept so that we can see if one particular issue comes up day after day after day.

Some people worry that petitions may be a way of allowing special interest groups easy access to the political process. However, I would argue that special interests have already kidnapped the national agenda and that some use of direct democracy is necessary to offset that and bring the majority of Canadians back into the game by allowing the majority of citizens a means of expressing their grievances and the knowledge that they will be addressed. I am encouraged that the Standing Committee on Procedure and House Affairs is considering discussion of direct democracy issues, including petitions.

• (1130)

It is imperative that Parliament listens to citizens and that all citizens know Parliament cares about what they have to say.

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, I have a brief comment and question for the hon. member. He mentioned toward the end of his speech that special interest groups had kidnapped the national agenda. The word kidnapped of course is pejorative and connotes a very negative meaning.

I would like to ask the member who these special interest groups are that he had in mind, that have kidnapped the national agenda in a negative way.

Mr. McClelland: Mr. Speaker, I take the comments of the hon. member under advisement. I had some difficulty with that word. I thought I should not use it because perhaps it was pejorative and did reflect something I did not wish to bring into this debate.

The fact that special interest groups have had a tremendous impact on the affairs of the nation goes without saying, but not in this Parliament thus far. However, we know in the past 10 years there has been a tremendous amount of special interest group politics in our land. Everyone who has a grievance or an ox to be gored is up front and centre. As members of Parliament

when we open our mail we open a big stack of special interest group information every single day.

An hon. member: Petitions.

Mr. McClelland: An hon. member said they are petitions. He is right. They are petitions of a kind but they are not the kind of petitions we are talking about.

They are organized people who have the resources to be able to influence the decision making process of this House. It is either because they can hire some Ottawa lobbyist or because they have that ability within their own organization and they know how to turn the wheel, or put a little grease on it.

The vast majority of Canadians do not have access to these organized means of representation. The vast majority of Canadians are individuals who may be sitting around having a cup of coffee saying: "I am really choked about this. I have had it up to here. What can I do about it?" A decision is then made to start a petition.

What happens? They start a petition which might be big or small. Their idea might be fantastic but it is not treated with the dignity it should have when it gets to this House. That is what we are talking about.

I accept the member's position with regard to the use of the word kidnapping. It was a word I probably should not have used.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I congratulate the member on the initiative of discussing the whole process of petitions.

The idea of creating more awareness about the process of petitions is useful but I would have to challenge him when he states that these petitions are presented in Parliament and are not seen after that. The fact is that all of these petitions are answered individually and there is further opportunity for those petitions to have greater impact even beyond their presentation in this House.

If members of Parliament are seized with a particular idea they could present it in a private member's bill. The hon. member mentioned the Young Offenders Act. Last Friday the hon. member for York South—Weston on the government side put forward amendments to the Young Offenders Act. Therefore I think the hon. member is short changing the process.

The hon. member also mentioned that not all petitions carried the same weight. If we want to continue on the hon. member's theme of direct democracy I suggest to him that all petitions should carry the same weight. We should not discriminate. If someone is committed about an issue to the point of forming a petition and requesting a member of Parliament to present it, then we should not separate petitions. It is our responsibility to place all of them on the floor of this House and members can react as they choose.

• (1135)

I am a little more optimistic about the petition process. I have seen many things occur through this process although I was sceptical during my first year as a member of Parliament. For example one issue I pursued vigorously in the last Parliament concerned violence against women and children. Because a number of petitions were presented other members became interested and, therefore, the issue became a front burner one.

I do not want to leave the impression in the general public's mind that once a petition is placed on the floor of this House that is the end of it. That in fact is not the case.

Mr. McClelland: Mr. Speaker, I too would like to make sure the Canadian public understands that petitions which have come forward thus far have not just been thrown away. Many have had a profound effect on this Parliament.

In general terms if many of us believe as the hon. member initially thought that petitions do not have all that much significance, then the perception already exists in the land that petitions do not really mean much.

Having seen the effect petitions have had either through repeated presentations or in some other way, if hon. members believe that petitions are meaningful but the people in the land think they are a waste of time, then we have a problem. We need to address that because the citizens of Canada have to know their representations carry weight. If we can get that connection and that link together we will go a long way in building a bond between the elected and the electors.

The member's position on whether all petitions would carry the same weight is well made. A petition in the public's interest with 100 signatures is extremely important. We have to be careful though that we do not petition ourselves out of business. At its height in one year 33,000 petitions went to the British Parliament. Obviously that did not work.

Suppose there is a petition on the issue of capital punishment for example that this House is offside with the vast majority of Canadians. Let us say we are going to have a petition the people want and we are working toward a citizens' initiative, some measures would have to be in place to allow citizens access to the parliamentary process. Of course it could not be used frivolously. In something we have put together we have suggested that it might take 3 per cent of Canadians in order to initiate something.

However petitions of another nature that just come to the House do have weight, whether they are from 10, 1,000 or one million people. However, one million people getting together to sign a petition is not the same as 20 people getting together to sign a petition.

Mr. John Finlay (Oxford): Mr. Speaker, I appreciate the comments and ideas behind the speech, however inherent in what the hon. member has said lies the danger. He has said petitions must not be frivolous. He said that the British House had 33,000 in one year and obviously things got out of hand.

Unfortunately most petitions are generated by special interest groups. I put one example to my hon. friend for his comment. He mentioned a petition of 1,000 signatures concerning abortion which took a great deal of effort. I trust the hon. member knows the latest poll with respect to abortion shows that 70 per cent to 80 per cent of Canadians do not want abortion made illegal. In other words in the vernacular they are pro choice. Therefore if we paid too much attention to a special interest petition of one million signatures we would be getting ourselves into a great deal of trouble.

• (1140)

All members in this House represent people in their ridings. If we are doing our jobs we know largely what most of them think. We should be in touch with the silent majority and we should not be swayed too rapidly by special interest groups.

Mr. McClelland: I appreciate the point of view the hon. member has brought to this House. We were elected. We have to use our minds. We have to use our intelligence and we have to use the collective wisdom we brought with us to this House. I am not suggesting for one moment that we operate our country by referendum or by citizens' initiative, however these vehicles should be in place and should be available to citizens.

Today we are talking about how our House accepts and deals with petitions, what we do with them and whether or not citizens think their involvement and work in putting forward a petition really matters.

[*Translation*]

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, first of all, I would like to inform hon. members that the principle of the motion before the House today has already been the subject of debate and was referred on February 7 to the Standing Committee on Procedure and House Affairs for consideration and a subsequent report by the committee.

The text reads as follows: "That the Standing Committee on Procedure and House Affairs examine procedures regarding members statements, special debates, the taking of divisions of the House by electronic means, the conduct of Private Members' Business, especially with regard to private bills and to Senate public bills, any anomalies or technical inconsistencies in the Standing Orders, the reform of question period, measures to achieve more direct participation by citizens, including citizens' initiative, the right of constituents to recall their MP—binding referenda, free votes in the House of Commons, debates on petitions and fixed election dates."

Although this exercise is redundant, having already been initiated by a standing committee of this House, I certainly do not question the right of the opposition party to debate the subject today, on an allotted day.

Before starting the actual debate, I think it is important to realize there are two kinds of petitions: first, petitions arising from the fundamental right of citizens to present grievances to Parliament, and second, petitions to seek presentation of a private bill, which are signed by the person or persons seeking to be exempted from the application of certain legislation. Of course, today's debate concerns the first kind which presents grievances expressed by citizens.

For the benefit of Canadians who are listening, I will take a few minutes to give a short history of the petitions presented in the House of Commons and explain how they are presented and how the government is expected to respond. I will then give some examples to illustrate that our Standing Orders give the members of this House the means to discuss matters presented by petitioners. Finally, I will provide a summary of what is being done by this government to bring about a thorough reform of the operations of the House of Commons, which will substantially expand the role of members in developing fiscal policy and in the legislative process as a whole.

• (1145)

Petitions as we know them today were developed during the 17th century at a time when the British Parliament was beginning to be perceived more as a political and legislative institution than as the highest court of law in the land. The rights of petitioners and the powers of the House to act on the petitions were defined in two resolutions passed by the House of Commons in 1669. The resolutions were worded as follows:

[*English*]

"That it is the inherent right of every commoner in England to prepare and present petitions to the House of Commons in case of grievance and the House of Commons to receive the same; that it is an undoubted right and privilege of the Commons to judge and determine, touching the nature and matter of such petitions, how far they are fit and unfit to be received".

[*Translation*]

Until the adoption in 1842 of several standing orders aimed at defining the format for presenting petitions and at making any kind of immediate debate on their content virtually impossible, the House of Commons imposed very few restrictions on the debates arising from the presentation of petitions. Petitions had become a way to introduce a subject into the House for debate

and they were sometimes used to obstruct the planned work of the Commons.

Moreover, since the composition of the House was becoming at the time increasingly representative of the different trends of thought, the need to use petitions as a means of conveying to Parliament the pressing demands of the public decreased and as a result, the number of petitions presented declined considerably.

The Constitution of Canada recognizes that the right to petition the crown or Parliament to remedy a grievance is a fundamental principle, one that has been invoked frequently since 1867. While the House of Commons is an institution that is representative of the voters, only their elected representatives are allowed to bring issues before the House. Ordinary citizens cannot petition Parliament personally. Therefore, it is important that Canadians have a mechanism for bringing grievances deemed relevant to the attention of Parliament.

Contrary to the situation in Great Britain, the number of petitions addressed to the Canadian Parliament decreased dramatically owing to the establishment of courts of law, to the lack of clarity in the standing orders of the time and to the manner in which petitions were handled. The process in no way reflected the importance that petitions should have been assigned, considering the fundamental right of the people to petition Parliament.

Therefore, in 1984, the Special Committee on Reform of the House of Commons examined the question of petitions and recommended numerous amendments to the standing orders to correct the problems associated with the procedure governing petitions.

Here is what the chairman of the McGrath committee had to say in his report tabled in June 1985:

"Public petitions addressed to the House of Commons constitute one of the most direct means of communication between the people and Parliament. It is by this means that people can voice their concerns to the House on matters of public interest. However, despite the considerable effort spent preparing and circulating petitions to gather signatures, once they have been presented in the House and received, it is rare that further action is taken.

We agree that the right to petition Parliament is a fundamental right of the citizen and that petitions are an integral part of the process whereby the people of Canada speak to their elected representatives. However, the use that is made of this right gives us some concern. The procedure governing petitions should be defined more clearly to generate respect for the process and make it more meaningful. There is a definite need to clarify the rules relating to petitions, to promote increased uniformity in their presentation and to ensure that they are acceptable by the House in terms of content. In addition, we should issue guidelines on the drafting and signing of petitions. We also think that petitioners are entitled to a response".

• (1150)

In order to achieve these objectives, the committee recommended eight amendments to the Standing Orders on petitions.

Here are the rules to follow in presenting a petition in the House of Commons—I am sure that all members already know them, but I am repeating them for the benefit of the people listening to us—as prescribed under Standing Order 36 and summarily described in the third edition of the "Précis of Procedure" prepared by the Table Research Branch.

Members wishing to present petitions in the House do so during Routine Proceedings after "Motions" and before "Questions on Order Paper" are called. A petition may also be presented simply by filing it with the Clerk at any time during a sitting.

Before being presented, a petition must be certified and examined as to form and content by the Clerk of Petitions.

If the petition meets the requirements specified in the Standing Orders, the member presenting the petition, after being recognized by the Chair, can make a brief statement to inform the House of the content of the petition; debate on the petition itself is not allowed.

The government is obliged to respond within 45 days to all petitions referred to it. Various conditions apply to the presentation of petitions. Aliens, not resident in Canada, have no right to petition Parliament; nor may ordinary citizens of Canada address the House directly—their petitions must be dated, presented and endorsed by a member. A member cannot be compelled to present a petition and no action may be taken against a member for refusing to do so.

It is interesting to note that Standing Order 36 includes the eight recommendations in the McGrath report except for one element. The committee recommended that the government be obliged to respond within two weeks of receiving a petition, while Standing Order 36 prescribes a 45–day time limit.

The Standing Orders of the House of Commons offer several alternatives for a debate on a grievance expressed in a petition presented in the House. A member can make it the subject of a motion or a bill to be included in the "Order Paper" of the House for debate. The grievance can be the subject of a government motion, like the motion we put forward on cruise missile testing on Canadian territory, which enabled parliamentarians to debate this issue often raised in many petitions presented in this House. Speaker.

The grievance can also be reviewed by a committee of parliamentarians, or take the form of an oral question during question period or of a question in the "Order Paper". Of course, the government can decide that it needs to legislate to

redress the grievance submitted to it through the House of Commons.

Then there are the general debates on the business of supply, better known as Opposition days like today, when the Opposition can decide on the motions to be debated on designated days of a given supply period. We are currently in the period ending March 26, which includes nine allotted days. The next period, which will end June 30, will include 10 allotted days. The period ending December 10 will also include six Opposition days.

• (1155)

So if they wish, the opposition parties normally have 20 days a year during which the grievances presented by Canadians in petitions tabled in the House could be debated.

On February 7, the House of Commons passed the motion presented by the government House leader, the Hon. Herb Gray, which changes the rules of Parliament. The purpose of this reform is to make the House more effective by giving every member more influence over policy development.

These changes which give members a greater role in drafting legislation and setting the government's spending priorities were the first initiatives arising from the Liberal election program for job creation and economic recovery, as mentioned in Creating Opportunity, our famous red book. These initiatives were adopted by the House of Commons.

During the debate, Mr. Gray said, "Today, we are providing a framework for renewal. It will be up to all members, both government and opposition, to make these procedures effective".

The main changes to the Standing Orders are as follows. Two new processes, in addition to those that now exist, are being established so that members can review bills. Thus members will participate directly in the preparation of laws and have greater autonomy in amending government legislation, through the committee system.

The Standing Committee on Finance will hold pre–budget consultations and make recommendations to the Minister of Finance.

The standing committees will be authorized to examine the government's future defence priorities and to report on them at the same time as they deal with the Main Estimates for the current year.

These measures were preceded by a review of the structure of standing committees to reflect the reorganization of the government. These reforms are only the first stage.

A petition is an excellent way for the public to express its opinions directly on the floor of the House of Commons or the Senate, through a parliamentarian. The government is forced to respond and in many ways will take the petitions into consideration in future decisions.

For instance, and this is a very good example, last week, my colleague, the minister responsible for Canada Post, announced a moratorium on the closure of post offices. There is no doubt in my mind that the many petitions presented in this House by hon. members on this subject definitely had an impact not only on the decision to review this policy but also on the decision to impose the moratorium.

Another case is also a good example: the GST. In the election campaign, we promised to replace the GST and to ask the Standing Committee on Finance to study alternatives. This decision was not made in a vacuum. Obviously, Canadians were heard by our government and their thousands of petitions presented in this House, submitted to the House, bore fruit.

Of course, the members of the opposition party who presented the motion are eager to bring up cases where the opinions expressed by Canadians in petitions were not reflected in decisions made by the government and they neglect to mention all the other cases.

The main subject of debate today is petitions, but I believe that the real issue of this debate and of all the questions raised by members of the Reform Party on the subject of parliamentary reform is the loyalty of members to their constituents, to their party, to their country or to their conscience.

• (1200)

We, Liberals, believe that members of Parliament must strike a balance between these positions which can sometimes be reconciled in making a decision, but can also be highly conflicting.

Canada is a country greater than the sum of its parts. So, for the sake of national cohesiveness, the decisions made by Parliament must be greater than the sum of individual decisions made by its members.

We, Liberals, feel that the credibility of parliamentarians is enhanced when they contribute directly, and can make an important contribution, to the development and implementation of programs and goals that the federal government must achieve, and not, as some members would have it, by repeating the public opinion parrot fashion and serving as mere voting machines.

[*English*]

In conclusion, and I know my time is running out, as for the other examples cited in the opposition motion, I wish to bring to the attention of the members the fact that the Minister of Justice has already answered in Question Period to some of these subjects and is looking into those matters.

As for the third and last example, that of recall, I do not need to repeat what has been said in this House about the experience in Alberta.

[*Translation*]

In closing, I sincerely feel that our Standing Ordes already provide many procedures to deal with grievances presented in the petitions we table in this House. On the other hand, if the Procedure and House Affairs Committee were to conclude that changes were called for with regard to petitions, I am sure that all the hon. members would consider their recommendations very carefully.

[*English*]

Miss Deborah Grey (Beaver River): Mr. Speaker, I would like to thank the hon. member for his comments.

We are talking about reform and the government is talking about opening up the process. The member referred early in his comments to the fact that petitions will be studied by committees. As far as I was concerned, he almost said that our whole motion today was not out of order but certainly questionable because it seemed that this was already dealt with by going to committee.

Members know that people get a chance to watch this place on television. When they see things disappear from the floor or the Chamber they wonder where they go after that. When something is referred to committee, for instance, or as we received information from our orientation session for all the new MPs this term, it was mentioned by one of our clerks that these petitions kind of disappear into warehouses.

I appreciate the member's comments about the closure of rural post offices. This government has just brought in a moratorium on that. Maybe it is due in some small part to the petitions. I think that is good. Maybe the government is listening to a point on that.

To just say that we really do not need this debate today on the floor of the House and write the whole thing off and say that it is being dealt with in committee is unnecessary .Canadians do not know exactly what goes on in committee. I suspect they will not wait with bated breath until somebody stands up to give a report from the Standing Committee on Procedure and House Affairs about a particular petition.

We are asking on this side of the House that we have this opened up so that people can watch it being debated on the floor of the House of Commons.

I would like to ask the hon. member if he thinks there is virtue and merit in the fact that people can be tuned into their televisions right now watching it. With regard to his comments about the anti–GST petition, which many of his colleagues in the last Parliament presented, I dare say hundreds of thousands of those, what will happen when this government brings in a new, improved GST? How will this government react to whatever kinds of petitions are brought forward on the floor of the House of Commons on behalf of Canadians?

• (1205)

[*Translation*]

Mr. Robichaud: Mr. Speaker, I want to reassure the hon. member who just spoke. I have no doubt that her party acted out of a sense of duty in presenting this motion here today. I simply said that we had already dealt with this issue and that a committee would be looking into it, but I think there may be some merit to debating it further in this House.

She referred to the example I had given: the moratorium on post office closures announced by the minister. I was a member of Parliament from 1984 to 1990, and we were already receiving petitions back then. I had received petitions from my constituents because the government had decided to axe some post offices, especially in rural areas.

I think that these petitions did play a major role in calling the government's attention to the fact that, for the people living in rural areas, post offices were really very important.

The hon. member also referred to the GST. When we were in the opposition, we presented many petitions to point out that the GST was creating hardship for the business community due to the complex procedure involved. We have decided to find an alternative to the GST. I sincerely believe that the committee presently examining this issue and looking for ways to replace the GST with a much simpler system and one much more compatible with business management practices will take into account the demands of Canadians, demands brought before this House by members of all parties on behalf of their constituents.

[*English*]

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I do not think anyone is questioning the merit of this idea of exhausting whatever is on the minds of Canadians at every opportunity.

I have trouble with the mechanics of it. I wonder if we would be raising expectations if we would announce that there was a possibility that petitions might be open for further discussion and debate at some point, once each session as the motion reads.

I do not know how we would handle that. I have carried a lot of petitions into the House of Commons. I carried in one last year with between 4,000 and 5,000 names on it. I am always a little disappointed in knowing what happens to them afterward. Somebody signs them and one cannot make out the signature and then what?

I have not let go of that petition. There is a very strong feeling in my riding about this issue. I intend to pursue that. As a matter of fact, it is almost all consuming with me right now. On the fact that it is sort of passed by and filed, the member of Parliament would have to be sensitive whether he thought that had enough merit. A member may have a petition with 25 names on it. We know that if we want to initiate a petition in our ridings,we

could get one with thousands of names with the opposite viewpoint.

I wonder that when somebody's petition gets here if we might not be getting their expectations up, thinking that they had a real hot issue and it was going to be debated further and then the mechanics of the way we operate just would not allow it.

As the hon. member was saying, there are many more ways a motion can be brought forward based on a petition. One could use it as an opposition day, as is being done today. One could continue having the issue for an opposition day based on a petition one received and thought had a lot of concurrence across Canada.

I am puzzled with the mechanics of how this thing would work. I do not understand it.

• (1210)

[*Translation*]

Mr. Robichaud: Mr. Speaker, I will deal only with the points raised by my hon. colleague. There are indeed several ways issues raised by Canadians in their petitions can be brought before the members of this House, but to create the expectation perhaps that every petition could be taken up in this House would mean devoting a lot of time to issues which are often of very regional in nature.

However, I believe at the same time that petitions should be tabled and I would certainly be willing to consider proposals from the House committee presently reviewing the whole petition presentation procedure, if it were to suggest a better way to respond to petitions and in fact meet the expectations of the petitioners.

Mr. François Langlois (Bellechasse): Mr. Speaker, I am pleased to participate in the debate on the motion tabled by the hon. member for Edmonton Southwest, who represents the Reform Party.

It seems to me that this motion is somewhat premature, considering that the Standing Committee on Elections, Privileges, Procedure and Private Members' Business, which is already looking at one aspect of this issue, has not yet tabled its report but will do so in the weeks to come. Be that as is may, the Reform Party elected to use its allotted day to raise this issue.

This is an important issue since it is directly related to the basic principles of Canadian democracy, parliamentary democracy, as well as representative democracy. In our written constitution, and more specifically the Constitution Act of 1867, the first whereas in the preamble reads as follows: "Whereas the Provinces of Canada, Nova Scotia, and New Brunswick have expressed their Desire to be federally united into One Dominion under the crown of the United Kingdom of Great Britain and Ireland, with a constitution similar in principle to that of the United Kingdom".

Thanks to the constituting authority of 1867, namely the Parliament of Westminster, we have a written constitution as well as institutions, such as the House of Commons, which are, in their very essence, based on the same principle as the United Kingdom's institutions, which is democracy by representation. This means that members are elected for a mandate which, of course, is not fixed but lasts from four to five years, depending on the political situation. During that period, members are not directly accountable to their constituents.

This parliamentary representation was in effect for centuries, until the end of the last century. I should point out that governments and parliaments were so eager to show that their members indeed represented the public that they would not step down immediately after losing a general election. Instead, they would wait until a formal vote in the House of Commons put them in a minority position, at which time they would resign. Things greatly improved in the twentieth century and the process became much speedier, to the point that when governments now realize they no longer have the confidence of voters, they do not wait for a formal vote in the House of Commons to step down. So, there were some adjustments made, although the process was slow, of course.

• (1215)

I will come back to the motion put forward by the hon. member for Edmonton Southwest, but let me digress for a moment to mention that the readjustment of the electoral map is being debated in each and every province and is an issue of great concern for our voters. Public hearings on this matter are expected to be held.

As a member whose riding straddles two areas, the region of the National Capital, and by that I mean Quebec City, of course, and Eastern Quebec, let me point out that in Quebec in particular, one region stands to loose an elected representative with this bill. In fact, the riding of Matane will be incorporated into the constituency of Gaspé and my own riding of Bellechasse will see its population grow with the inclusion of nine new municipalities.

For example, in this map readjustment project, for most of the rural ridings, where in the past the number of voters was lowered to compensate for the vast territory—as was the case in my own riding of Bellechasse—this weight coefficient by which larger areas included less voters is not taken into consideration any more. This is an example of an issue which we could have debated, and on which petitions could easily have been presented. All we need to do is ask, and we would get many petitions to be tabled. I imagine that we could have a debate, if a reform like the one the Reform Party is talking about was accepted.

On the same subject, that is the readjustment of the electoral map pursuant to section 51 of the Constitution Act, 1867, why did we not use the appropriate constitutional provisions or petitions to deal with such important subjects as the representation of the Magdalen Islands, for example, which are a completely distinct entity under the present system? I think that we could have obtained consent pretty quickly for the Magdalen Islands to become a riding under section 51 of the Constitution Act, 1867, that is a riding in which there is a sufficient number of voters without having to include voters from the mainland. And that does not apply only to Quebec; it could be the same for the riding of Labrador.

I wanted to mention this in order to show that we are quite willing to comply with the democratic wishes of our fellow citizens.

As for the wording of the motion of the hon. member for Edmonton Southwest, it is obviously extremely vague since it gives examples such as serial killer cards, the Young Offenders Act, the recall of members of the House and I think I heard the mover of the motion talk about capital punishment in his speech.

I find it a bit unfortunate that members of this House would use a motion to amend the Standing Orders in order to bring back the issue of capital punishment, which was abolished in 1963. It has been more that 30 years since the last execution took place in our country. I find it a bit unfortunate that some people would want to introduce such an issue in this debate today when, as Quebecers and Canadians, we have shown our tolerance and, as a country, we have shown the world that it is not by killing people that we will teach Canadians that it is wrong to kill. This topic has been widely debated, and it would be a pity if, when foul crimes occur, often rousing public condemnation, people were rushed into signing petitions which under our rules would become votable immediately; this would be somewhat like a breathalyser or a heart–rate measuring device that prompts an immediate reaction when a peak is registered.

• (1220)

I think the parliamentary system has to handle situations with a deeper and more extensive consideration over a longer term, because in the heat of the moment, it is always easy to have people introduce motions and table petitions which, under terms that have not been specified, would become debatable and votable in this House. I have to introduce a note of caution, here, because I doubt the effectiveness of such a proposition over the long and medium term.

It should be understood also that the proposition being made comes within a certain policy framework. This one is about petitions, but it has to be related to other propositions made by the Reform Party about the recall of members of Parliament, probably about citizens' initiative for bills and of course about referenda, on which we generally agree since the great referendum in Quebec is expected soon, Mr. Speaker. You know better than anybody else that Quebecers will have the opportunity to vote on their national future.

Since the Charlottetown accord, it is established that, in constitutional matters, major changes will not be decided in a vacuum. No more dealings behind closed doors. No more rolling of the dice. Citizens will be consulted. What happened in 1992 is a clear indication at the federal level, for federal purposes. There should be no federal intrusion in provincial jurisdiction. The federal government should use public consultations on federal matters only. We will never accept consultations on matters that are not part of federal jurisdiction.

Our position has always been, and it has now been accepted that the future of Quebec should be decided by Quebec citizens under laws passed by the Quebec National Assembly and not under some federal law of this House. This is the fundamental right to self–determination. That right was recognized in the San Francisco Charter, which is the basis of the United Nations as we know them.

I would even add, Mr. Speaker, that the motion put before the House today has more in common with an election program than with a simple routine question, in the sense that during the election campaign, which ended on last October 25, the Reform Party suggested many of the reforms that are put before the House and on which Reform members asked questions to the Prime Minister and the government House leader. The answers were quite clear and precise. I believe the government said clearly that it would not allow free votes systematically, but rather on a selective basis.

Second, the government House leader clearly indicated that he really wanted questions raised by free votes to be examined by the Standing Committee on Procedure and House Affairs. We must also take that into account. The government has the political will to do things that way.

What the government has decided after the elections, I feel, is that profound changes will not be made during this Parliament.

• (1225)

The Reform Party may be putting forward a nice and interesting agenda when it speaks of people initiatives, the recall of Members of the House and other such initiatives, like petitions that can be debated as well as voted on. Unless the Reform Party is preparing for the elections that will precede the 36th Parliament, I do not see how changing or trying to change the Standing Orders will reverse a rather well established position by the government with which we can disagree but which was spelled loud and clear.

Oddly enough and unfortunately, the free vote advocates in the House have given us no example of free votes since the opening of the session. If I am not mistaken, none of my

colleagues from the Reform Party stood here to express a personal point of view, unless they always have the same personal point of view or those who share the same point of view stand at the same time. This is not my problem but the problem of the caucus of that party that has to live with its decisions. But I look forward to the day when the Reform caucus will not really reveal a split in its approach but rather allow expression of divergent views, when there will truly be an exchange of opinions on the floor of the House. But that is not what we see now. Perhaps they could give us a foretaste of this by debating freely a given bill. Perhaps they will announce it soon, but we have not seen it yet.

Of course, and I am happy to mention this to my distinguished colleague for Kingston and the Islands, the government has not given us either many examples of free votes in this House. We were told there would be free votes but none has been announced yet.

Mr. Milliken: Did you not hear Mr. Gray?

Mr. Langlois: That is not in *Hansard*, but may I quote him as saying that it will come soon? So, in the next few weeks, we will see if what the hon. member for Kingston and the Islands has been saying is true. So, since that will be in *Hansard*, starting February 21—and the hon. member from Kingston and the Islands did not deny that—the government will soon have free votes in the House. Should the Leader of the Government in the House talk to the chairman of the Committee on Procedure and House Affairs? Perhaps we will see that soon.

It will be another way of going about the business of this House, but one where the initiative should come from the government side. We could see this in a lighter way by saying that the Reform Party has yet to put its program into practice; but it is easier for an Opposition party to allow free votes, which would be much less significant. On the other hand, it would be far more significant for the government to allow its members a free vote, a free discussion. When the Prime Minister rises on a bill and states that confidence in the government is not on the line, we will be able to see how this new procedure will work. We will see what transpires.

I assume there will be an adjustment period—perhaps a difficult one. Indeed, one only needs to look at our neighbour to the South to witness the systematic arm twisting that goes on within the same party in the case of certain bills, even though members are supposedly free to vote according to their conscience. Our system, which allows discussions in caucus, may not be that bad. This may be the best place to discuss an issue so that members can agree on a common position and then try and reach a consensus. It may be so. I am asking the question. It is not an answer. However, systematic free voting would impede the quest for a consensus, so important to our parliamentary democracy.

In any case, Quebec will have to consider this matter once it becomes sovereign. I have no desire whatsoever to reform this House. Though a comprehensive reform is necessary, I prefer to live by the rules we have accepted and with which we comply willingly, namely the rules of British fair play we have come to learn and to respect. I feel that, on that score, the Official Opposition demonstrated complete respect for the British parliamentary system which we inherited along with our very first institutions in 1792.

• (1230)

Perhaps this way we feel more comfortable than others members who seeked to be elected with the mandate of changing many things in this House. As far as we are concerned, we want to change many things but elsewhere. We want to change many things in Quebec and as a result, Canada will of course benefit from all those changes we want to make through Canadian and Quebec constitutional reform since there will be an ongoing interaction between both.

This is what I have in mind when I look at the present debate. We have on one side a party which is perpetuating its electoral campaign, a party which is gradually tearing to pieces some pages or some passages of its red book and finally a party which, since it was elected on October 25, says the same thing it was saying before, during and after the electoral campaign.

We have on the other side the Official Opposition party, the Bloc Quebecois, which is dedicated to defend and to promote the interests of Quebec and ultimately, not in the years to come but in the near future, bring about, not a procedural reform or some amendments to Standing Order 36, but a much more exciting project which will consist in creating without animosity and with an open mind our own country, while living in harmony with our most wonderful Canadian neighbours.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I enjoyed listening to the member for Bellechasse. I want to pursue the part of his remarks where he talked about the Bloc Quebecois being devoted to the interests of Quebec.

Does the member feel that when he is talking about the interests of Quebec it is appropriate to include all of the things that are being done for Quebecers by this institution? For example, the Government of Canada provides useful services in terms of setting standards in the area of the environment and in the area of small business support. In other words, there are a whole series of things that are being done not just for citizens of Quebec but citizens right across this country.

Does the member feel it appropriate to only talk about the duplications and the problems with Canada, or does he also feel that it is part of his responsibility to inform his constituents about some of the good things that the federal presence brings to the province of Quebec?

[*Translation*]

Mr. Langlois: Mr. Speaker, I want to thank my honorable colleague for his remarks. Perhaps I have not made myself clear or perhaps the member misread what I said. It has to be one way or an other. Maybe we could make a compromise and say there is a shared responsibility.

Throughout my speech, I talked about the legacy of the British Parliamentary system and the chance we have had to live in a democracy. The idea of granting sovereignty to Quebec simply by casting a vote, by counting the ballots and by declaring that the majority shall decide is a legacy from the British democratic tradition. Without such a legacy, we could not hold this debate about the sovereignty and the future of Quebec, and also about the future of Canada because our destinies are closely linked. We just could not hold such a debate.

• (1235)

If we have a civilized debate, I think it due to the fact that for 200 years now we have had free and democratic elections—some more free and democratic than others—and we have been able to capitalize on them.

The question asked by the hon. member and my answer complete my speech and lead me to a point raised by the main motion of the hon. member for Edmonton Southwest. I was wondering about petitions, about special interest groups and about paying to organize the signing of petitions. Who would pay?

Court decisions in Saskatchewan confirmed that any citizen, whether a natural or artificial person, could invest any amount deemed appropriate during an election or referendum campaign, and this could apply to petitions. At the present time we have no clear benchmarks set by law or recognized by the courts. Some day we might have a Supreme Court decision since the Solicitor General expressed the desire to refer to the Supreme Court the decision of the Appeal Court of Saskatchewan.

Personally, considering this lack of benchmarks, I would prefer to keep the status quo and its well known guidelines, rather than follow a risky road.

[*English*]

Mr. Randy White (Fraser Valley West): Mr. Speaker, I listened with great interest to the comments made by the hon. member. I have heard many comments and statements since coming here as a new member, statements such as "we Canadians and Quebecers", the separation between Canadians and Quebecers. I am most disturbed about the final comments in the hon. member's speech. I do not know if he wrote them down or was just expressing them. However, they were something to the effect that the Bloc be able to achieve two countries, independence, without animosity. I am greatly disturbed by that.

Certainly there will be animosity. That kind of statement is not taken very lightly by a person like me, one who has lived in most provinces in Canada and travelled throughout Canada extensively. As well, I have lived in Quebec.

I would like to ask the member how he feels the Bloc as the Official Opposition represents either eastern Canada or western Canada when in fact it has an agenda, I would suggest, totally alien to either one of those geographical areas in this country.

[*Translation*]

Mr. Langlois: Naturally, Mr. Speaker, the Bloc Quebecois is devoted to the defence of Quebec interests, but voters gave us the role of Official Opposition and we have, therefore, the mandate to speak for all Canadians irrespective of their province of residence. We have already demonstrated that fact in this House by giving our consent to the passage in one day of the bill to end the strike of longshoremen at the port of Vancouver.

We have been actively involved in the business of the House, we gave our consent, we asked questions on bills and other matters of interest to Canadians from the maritimes, the prairies or the west. Of course, our basic mandate comes from Quebec, the hon. member is right about that, but nobody can accuse us of refusing to defend the interests of Canadians when action was necessary to protect justice and fairness.

Mr. Dan McTeague (Ontario): Mr. Speaker, I would like to make a few comments for my friend and colleague, the member for Bellechasse, concerning the value of our responsibility to represent our riding. Before October 25, it was recognized that the Bloc Quebecois could not act as the Official Opposition.

• (1240)

I would like to put a simple question to the member: Does he not agree that it is important for him to represent all Canadians, including franco–Ontarians, franco–Quebecers, franco–Newfoundlanders and franco–Manitobans?

I think it is very important that the Bloc Quebecois deal with subjects that concern Canada as a whole.

Mr. Langlois: Mr. Speaker, I thank the hon. member for Ontario for his question. The fate of French speaking minorities has been a concern of mine ever since I was in grade school and we were asked to give a silver coin for the survival of French. In those days, that silver coin was a nickel or a dime we could have used to buy a chocolate bar or a pop, but we brought it to school because we knew it was for a good cause. Everybody pitched in.

Today it is gratifying to see the member express himself in perfect French.

Think of all the money they collected in Quebec, and not only money; think also of all the Quebec clergy who went to other provinces as missionaries in dioceses where sometimes their work was far from easy. Let us pay homage to those men and women who worked outside Quebec.

In conclusion, I would like to remind the House that a few days ago, the Bloc Quebecois, elected only by Quebecers, gave proof of a great openness and understanding of the problems in Eastern Canada and particularly those of the Atlantic when it voted in favour of the constitutional resolution allowing for the construction of a bridge between Prince Edward Island and the mainland whereas our Reform colleagues voted against that project. . . .let us ask ourselves: who in the opposition best defends the interests of all Canadians from the Atlantic to the Pacific, the Bloc Quebecois or the Reform Party?

I think if we asked the people of Atlantic Canada today we would get a very clear and precise answer to that question.

Mr. Speaker, allow me to mention also the extremely positive comments we received from the press and from distinguished personalities from western Canada when we took position on the issue of the lockout in Vancouver harbour.

[*English*]

Mr. Ted White (North Vancouver): Mr. Speaker, on behalf of the whip of the Reform Party, I would like to advise the House that, pursuant to Standing Order 43(2), our speakers on this motion will be dividing their time.

This motion brought forward for discussion by the Reform Party is another indication of our party's commitment to find ways the people of Canada can have a greater input into the decision making process of government.

We want to encourage ongoing discussions of important issues in every community right across Canada. We feel that this does not always have to involve the government. It does not have to be sponsored or funded by the government.

People like to discuss important issues with their friends and their neighbours. They like to write letters to the editors of the local newspapers and they like to call local talk shows on both television and radio.

Some start petitions as a way of highlighting the concerns of the community. These things happen spontaneously without any cost to the government and they certainly do not require government input or interference. Government attempts to influence the outcome of community discussions on issues can easily backfire.

Huge sums were spent by the previous government funding the yes side of the 1992 referendum but the people of Canada made up their own minds on the issue and the majority voted against the government position.

The politicians at the time refused to apologize for their attempts to manipulate the result of the referendum and the will of the people. To this day many are unable to accept the result and continue to criticize the referendum process.

• (1245)

The Reform Party takes the opposite position entirely. We strongly supported the right of voters to express their will through the 1992 referendum and we absolutely accepted the result. We continue to actively push for a regular set of referendum questions to be placed on a separate referendum ballot at the time of each federal election. The cost would be minimal, whilst the benefits to the people of Canada would be enormous. By allowing them to take an active part in important decision making we would be showing the people of Canada that we the politicians are prepared to listen to their concerns.

We believe this type of referendum plays an essential part in the new democracy which is finding its way into our parliamentary system. Petitions are a form of mini referendum. Initiated by citizens they are sometimes very localized in nature with just a few thousand signatures. Sometimes they are of national importance, carrying as many as a million or more signatures.

Unfortunately governments, because they are often absorbed in their own agenda, tend to ignore petitions or these mini referendums. Ministers are photographed accepting this petition or that petition, taking the opportunity to be in the news instead of taking the opportunity to follow the will of the people.

Many petitions specifically seek to change a government direction or policy. There is a public perception, perhaps accurate, that instead of seeing this as a way of building voter confidence and a way of correcting flaws in policy, a government will shuffle the petition off into a black hole somewhere and will continue on with what it calls its mandate.

Governments are failing to recognize the key to re–election in the information age is to be responsive to the will of the people. Future political stability rather than depending on party unity is going to depend on being responsive to voter concerns. Failure to introduce at least some basic forms of participatory democracy will condemn us to many years of political upheaval and uncertainty.

One government member has stated that petitions are acknowledged and do not disappear. That is not the perception of members of the public. Most adults have probably signed a

petition at one time or another—I know I have—and have probably been as disappointed as I have that no matter how many signatures are on a petition there is no real way to turn the petition into legislation which addresses the concerns of the petitioners.

Regular open consideration and debate of major petitions presented to the House would go a long way toward showing citizens that their concerns are being discussed in Parliament, that their signatures on a petition really does count, that a major petition will be discussed here, and that the government may take notice and act to change or introduce legislation to deal with the concerns.

If something is worth doing it is worth doing it well. More credibility would be added to the process if a free vote could take place at the end of the debate. Instead of being partisan we would have an opportunity as MPs to work together, to actively support or reject the direction suggested by a petition.

There is no threat to the government in agreeing to amend the standing orders in the way our motion suggests. There simply are not any downsides to this suggestion. What harm can possibly be done by the occasional debating of petitions?

I urge all members to join me in supporting this motion. I hope many of them will speak in its favour. I am very disappointed government speakers so far seem to be taking a negative position simply because this is a Reform motion. The opportunity to debate petitions before the House would show constituents across Canada that we really care about their concerns.

I would like to relate the discussion today to the red book. Government speakers regularly imply that because people voted for a Liberal government every one who voted Liberal supports every single policy position in the red book.

● (1250)

Either government members are naive—and I do not believe that to be true of the majority—or else they are taking an unreasonable position that can be seen through by every clearly thinking Canadian. Obviously not every person who voted Liberal agrees with every policy in the red book. They probably voted Liberal after feeling that on balance they were making the best choice, even though some of the policies may have been unacceptable to them.

Even government members will have to admit there are probably a few policies in the red book the majority of Canadians would like to see changed. That is not because the original research was faulty but because times change and opinions change. What is wrong with adapting to changing times? What is wrong with recognizing that a particular policy has outlived its usefulness and is no longer appropriate? What better way for voters to indicate this than by starting a major petition?

If the government acted upon a major petition following an open debate in the House, its popularity would be enhanced and it would be more likely to win again in the next election. This is my free advice to the Liberal Party.

This seems like such a simple principle to me that I do not understand why governments continue to regularly defy voters. Why do they force through their mandate and then wonder why they are defeated at the next election? If all of us here value the opinions of our families, our neighbours and our friends, by extension we must value the opinions of all Canadians.

We must work together to give them a greater say in the House by allowing the debate of petitions on their behalf. Treating petitions more seriously is one way to gain the confidence of the Canadian voter, especially on major petitions such as the one requesting changes to the Young Offenders Act.

The process of debating petitions would be new and would no doubt need to be modified in the light of experience after the first few sessions. There would have to be a fair way of selecting petitions for debate as we could clearly not handle every one that was presented to the House.

If selection were made on the size of the petition there would be an automatic built in judgment as to the importance of the subject to be handled in the House. Clearly a petition with a million or more signatures will have been well organized and will probably deal with a matter of national importance, while petitions with a few thousand signatures are probably in response to an issue of a localized nature and would be better dealt with by municipal or provincial governments. Once those governments see that we are debating major issues developed from major petitions in the House, they will have much greater confidence in us as their representatives.

Once again I urge all members of the House to show their constituents that they are listening to the opinions of constituents and are conducting themselves accordingly. I urge them to support the motion.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I listened to the comments of our colleague across the way. Many of the things he is trying to achieve are certainly not impossible and are not contrary to some things I believe in.

However, we are dealing with a motion today that asks the government to amend the standing orders. At last count those were the standing orders of the House, not of the government. Apart from all other things that are wrong with the motion, Mr. Speaker, you would be offended if the government unilaterally tried to change the standing orders.

All of us in Parliament in the last session were objecting because the government of that time decided to change the standing orders pursuant to a recommendation of the parliamentary committee but chose only to amend some of the things the parliamentary committee had asked for, thereby creating an imbalance in the House which was felt to be objectionable to the opposition; in other words, it could not pick and choose from the report. I do not know of anything before the committee that recommends a change of the standing orders. At least nothing has been proposed by the hon. member's party to do that which is asked in the motion today.

• (1255)

The Deputy Speaker: I think the question is clear enough. Would the member wish to reply.

Mr. White (North Vancouver): Mr. Speaker, I thank the hon. member for his comments, but I cannot help feeling that they were directed well away from the topic of the debate and certainly the spirit of the debate.

I reiterate that the motion before the House today was placed there by the Reform Party because we want to help voters of Canada have a greater say in the running of their government. For them to see that occasionally major petitions actually get discussed in the House in front of the television cameras so that the whole of Canada can see it would be going a long way toward opening up that process for Canadians.

Miss Grey: Mr. Speaker, I rise on a point of order. It seems to me that if the motion were found in order by the Table certainly we should not be disputing whether or not it is a legitimate motion. It is as simple as that.

The Deputy Speaker: That is certainly debate.

[*Translation*]

Is the hon. member for Kamouraska—Rivière-du-Loup rising to make a comment? Very briefly please, there are only two minutes left for both of you.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, I would like to say to the hon. member for Vancouver North that I would probably have preferred to see the Reform Party introduce a motion proposing ways to modernize the members' representation role rather than strenghtening direct democracy. Indeed, I think the implementation of means such as electronic vote by telecommunications or teleconferences should be considered more urgent than presenting to the House petitions immediately after an election during which most of the issues at stake, at least for the coming year, were dealt with by the population.

I would like to ask the hon. member to clarify a point: could he explain what criteria would make a petition more acceptable than another because we would obviously have to answer questions such as how many signatures are required, or must a petition be signed by voters in each and every province? Could issues such as constitutional amendments be raised on a regular basis? Otherwise we will be discussing everyday matters.

[*English*]

Mr. White (North Vancouver): Mr. Speaker, I would take the hon. member's suggestions under advisement and perhaps suggest that his party use its opposition days to introduce topics of its choice.

On the matter of how we would choose petitions, that was a subject of my speech. I mentioned that perhaps selecting petitions with the largest number of signatures would automatically place them in the realm of being a petition of national importance. That would certainly be one suggestion.

Mr. Randy White (Fraser Valley West): Mr. Speaker, there is not a lot of difference between Fraser Valley West and Fraser Valley East; they are both in the Fraser Valley.

It is a little difficult not to duplicate some of the comments made here by virtue of the subject in itself. It is not as large a subject as the finances of the country and so on. Nevertheless it is an important issue. It is quite fundamental to many issues on which the Reform Party is looking for change.

I am happy to speak to the issue of petitions. It is a petition that expresses one of the oldest forms of grass roots populace input of citizens to express their aspirations and their grievances. Ordinary citizens are provided the opportunity to bring these issues directly to the House of Commons. Petitions can also become a vehicle for members to strengthen their own representations or those of their party on important issues.

I also recognize this particular issue has been referred to the procedure and House affairs committee. I am a member of that committee and it is on the agenda. Nevertheless it is important to express our positions at this time.

Compared with bills, motions and oral and written questions, petitions appear to rank low in importance. Their greatest apparent drawback is that after they are presented the House takes no prompt visible further action, much like the situation we have in the House when members give a speech. Often it is not recognized that something happens immediately after the speech and it takes some prompting to get things done.

• (1300)

We have over 200 new members in the 35th Parliament. It is my belief that the House will see more basic reforms to its operation than any of the previous 34 Parliaments. The existence of the new prayer this morning is one example of that. I am reminded of a saying: "If we continue to think the things we thought we will continue to get the things we've got". Basically it says that if we do not start looking at new issues and pressing

for reforms then we will continue to get those things we have had over the last 125 years.

With this in mind, the process of petitions is another reform that is required as much, as was mentioned here today, as free votes, elections every four years, an elected Senate, recall, referenda and improved question periods. These are things that need to be changed and they all deserve a day when we can discuss them.

To understand the need for change I wish to provide a history of petitions in Parliament and then an opinion of what is wrong with the current system. Finally I will provide some recommendations for change.

We have heard a little bit of that history already this morning but it bears repeating in some cases. The right to petition the crown for redress of grievances dates back to the reign of King Edward I, as my hon. friend from Edmonton Southwest mentioned this morning. That was in the 13th century. It was from petitions that legislation by bill was gradually derived.

The practice of putting petitions before the Canadian House of Commons was adopted from the mother Parliament in Great Britain. In Great Britain petitions were debated in the House until 1842 when the practice was discontinued because the debates left no time for other business. That in itself leads us to understand that since it was so busy with debates on petitions it meant that people actually wanted to have some say. At the time of the discontinuance approximately 33,000 petitions each year were being submitted for debate. Would it not be nice to have that kind of interest in this country?

After 1842 in Great Britain, petitions were read and then could be referred to a committee of petitions, although debate was not generally permitted on them. If petitions related to personal grievances they could be designated as urgent and be debated immediately.

Again in Great Britain, the committee of petitions published a report of petitions and had similar powers that standing committees have in this House today. On the other hand, the committee of petitions in Great Britain had no power to investigate or report on the merits of a petition or to call witnesses for investigation.

In 1974 Great Britain discontinued the practice in favour of its current practice which is that the petition goes to a minister of the crown who must make a recommendation or an observation to the House which is tabled and printed.

In the early days of Confederation, public petitions played an important role in the proceedings of the House. Petitions were frequently referred to special committees. Orders for return were made for copies of particularly topical petitions and debates and divisions sometimes took place on whether petitions should be received.

Over the years, the number of petitions has dropped significantly. People began to turn to the courts and other administrative bodies for redress of grievances. Lobbying took place at other levels. MPs became more sensitive to public opinion and began to use other procedures such as oral and written questions to articulate the needs of their constituents. It was and continues to be today the fact that the House does not promptly and visibly act on a petition that causes the most frustration. From my perspective there is more formality and bureaucratic red tape put on the front end of a petition process.

We really have to look at the process after the petition is received. That is where we get into the meat of it. Standing Order 36 is completely dedicated to format with the exception of subsection (8), which indicates:

• (1305)

> The Ministry shall, within forty-five days, respond to every petition referred to it.

If you look at the response given it appears to be merely lip service. Is it any wonder why petitions are seen to be an exercise in futility when the government's own standing orders do not acknowledge their importance?

In 1994 just when our citizens most need their voices to be heard on issues like our failing criminal justice system, the poor quality of fiscal management of government and change is desperately needed to the reform of our parliamentary system, the members of our Canadian Parliament cannot make a speech to a petition, they can merely make a brief statement. They cannot present a motion referring to a petition so that action can be taken. They cannot be assured that the petition will go any further than the Clerk of the House. They cannot provide constituents the confidence their concern will be dealt with and they cannot refer the petition to a committee of the House of Commons.

I would propose the following changes to the petition process. The first change is that every petition should be presented to an all party parliamentary committee which selects a specified number of petitions each month for debate.

My second recommendation is that each debated petition shall be presented as a motion to be decided on by the House.

Third, all petitions should be responded to by the minister showing that the government is not paying lip service to the issue.

Fourth, the petition committee should have the same authority as any other parliamentary committee, which is another topic in itself because they too need to change.

Finally, it is necessary to say that citizens do not lightly petition government. We are all aware of how difficult it is to have citizens take a more continued interest in their own affairs and in their own Parliament.

I sincerely hope this has not just been another speech in the House of Commons that will be ignored. A note from my research indicates that many such speeches regarding the petition process have taken place over the years and next to nothing has been done to the process.

[*Translation*]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, I would like to thank the member for Fraser Valley–West for his remarks. I have listened carefully to the different speakers, and more specifically the one who just talked about the subject in front of us this morning.

The first point I would like to stress—and I am going to pay them a compliment, even though they belong to a different party—has to do with the fact that the aim of their motion is to increase democracy and get Canadians interested in what is going on, in other words, in their own fate. For that, hats off to them.

But, where I have some reservations, as some of my colleagues may have, is with the vehicle they want to use. Today, we are talking about making greater use of petitions in the House. I am not opposed to the idea, in principle, but as any theoretician would, I want to know how it is going to work.

For example, on our side, different petitions carry more or less weight. What I mean is that not everybody has the same understanding of how to use petitions. Some clever people, good at manipulating public opinion, might see how to make use of them for their own purposes and apply financial leverage to that end. Therefore, in a spirit of fairness for all, it might be important to define clearly the new framework for petitions and set limits for financial contributions.

• (1310)

[*English*]

Mr. White (Fraser Valley West): Mr. Speaker, I am not sure what the question was but I know the statement I picked up refers to the importance of a petition and the weight given to it. After campaigning and talking to as many people as all of us have in the House, it is surely recognized that people do not feel they have enough effect on the role of government. For instance, look at the petitions that poured into this place on the GST and it went through.

There has to be a way to allow people to express themselves and the vehicle of a petition is noteworthy. It is the proper way. The problem is when the petition gets into the House of Commons and what happens to it. What kind of effect can the average individual Canadian have on the political agenda of this House of Commons?

My response to the hon. member's comments is that we believe in petitions. We think petitions should come to the House of Commons but we think subsequent to it receiving them there has to be some teeth in it so that we are made to listen to the people.

The Deputy Speaker: Will the Parliamentary Secretary to the Minister of Fisheries and Oceans be mindful of the fact that there is a minute left for him and the response.

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I listened closely to the comments of the hon. member for Fraser Valley West. I have a couple of questions which have been asked before but they have not been answered in a clear, concise fashion. I would like to say that getting greater democracy in the House is always important for everyone but in a democracy one must always be pragmatic.

We want a workable government. We want a government which is practical and can work efficiently. We should always keep that in mind. I believe the example given earlier where 33,000 petitions were received makes it unworkable to continue debating petitions.

My first question concerns special interest groups. Does the hon. member feel special interest groups have an advantage in that they may have resources, financial and otherwise, to take advantage of a situation in determining the agenda of Parliament?

My other question is in terms of priority—

The Deputy Speaker: The member will have to deal with just the first question because the time is up. Please be very brief.

Mr. White (Fraser Valley West): Mr. Speaker, the hon. member touched on my favourite topic, the funding of special interest groups. The fact is that in special interest groups everybody has an interest. For those that have an extraordinary amount of funding it is normally found that the money comes from this very place.

Time and time again we see where both Liberal and Conservative governments have funded special interest lobby groups and quite frankly we are opposed to that. To answer the question it is exactly that. The difference comes from eliminating the broad funding levels and trying to get all special interest groups to act with some relative amount of equality and then all petitions could be considered equal.

The Deputy Speaker: The time is up. We go back to debate.

[*Translation*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am very pleased to take part in a debate on such an important issue. As chairman of the Standing Committee on Procedure and House Affairs, this matter is of great interest to me, since it has already been referred to my committee.

I know that the previous speaker, the hon. member for Fraser Valley West, will want to share his ideas with the committee, as well as the hon. member for Bellechasse who spoke earlier.

[*English*]

I welcome their participation in the debate and look forward to it continuing in the committee. I think it is important the record show that in fact the rules of the House relating to petitions are not wholly out of date and are not so unrepresentative as are suggested by the hon. member for Fraser Valley West and indeed by his colleague, the hon. member for Edmonton Southwest, who led off the debate for his party this morning.

• (1315)

In my view today's debate on petitions is really part of a larger debate on the whole parliamentary system that has been launched by members of the Reform Party. Their agenda includes more than debate on petitions. It includes proposals for recall of members of Parliament, referenda among the Canadian public, consultation on various legislative proposals, vague proposals for direct democracy that I am sure we are going to hear more about, and other suggestions they have put forward for changing the way this place operates in relation to the general public, particularly in respect of free votes.

I suggest part of the reason the Reform Party has put this forward is its lack of policy alternatives on other issues. We have witnessed in the last week or so Reform members dwelling on this issue in question period to the exclusion of virtually any other question in the national interest. They are pursuing this particular agenda for the reform of Parliament as their sole policy option at this stage. I find that slightly regrettable, interesting though the proposals are and worthy as they are for debate.

I am happy to be able to participate in that vigorous public discussion on each of these issues which is important. However, it may mean a vigorous defence of a system which has served Canada extremely well for 125 years and more and which has served the United Kingdom for hundreds and hundreds of years and has worked. The system is flexible and allows for change. That may happen but I do not think it is necessary to change all the rules of the game in order to make it work that way.

Part of the reason for this concerted attack on our parliamentary institutions—and I call it that because I think it is an effort to diminish Parliament in some ways in a broad characterization—is very well founded. I know it is why many of the Reform Party members and indeed virtually all members were elected to this House.

It was because of the strong revulsion to the policies and proceedings and manner of dealing that characterized the Conservative government which occupied this side of the House for the last nine years. I do not need to go into all the reasons for that revulsion but the people of Canada clearly spoke. The sad witnesses to that fact are the two remaining Tories who sit as independents in the back row on the opposite side. Canadians were sick and tired of the frankly deceitful practices exhibited by the previous government almost daily in its dealings with Parliament and with the people of this country by putting forward policies that said one thing but did another.

Canadians saw through that and instead of accepting it as a fact of a bad government, they took it as a bad Parliament. They blamed the failure on the institution and on the way government worked, rather than on the particular people who occupied the government benches and got it so mucked up.

If members of the Reform Party had been here in any number in the last Parliament they would have heard me speak frequently on the evils of the previous government and pointing out its deficiencies. I was not alone. There were 80 of us in this party who did the same thing. Some members who were obviously less effective were in the New Democratic Party and some of them have had to leave. However, the fact is we were faced with the situation of very poor government. Canadians felt deceived by that government and therefore thought that Parliament was at fault somehow in not dealing with this deception.

The majority was there. The majority held throughout the Parliament and we were unable to secure the defeat of the government. Had we done so, respect for this institution would have gone up immeasurably in the eyes of the public but we could not. Therefore it took an election to clear the House and get rid of the supporters of that government. We now have them replaced with a good number of Liberals on this side and a number of Reform members—I will not mention the Bloc in this particular context.

However, a group of Reform members decided to join in and monopolize the public chant that something was wrong with Parliament when in fact the problem was with the government. There is a difference. The difference was exhibited by the hon. member for Fraser Valley West in his speech when he said that government's rules do not allow for certain things to happen. The rules he was referring to are the rules of Parliament, not the government's rules. These are the rules of the House of Commons.

• (1320)

There is a difference and I cannot stress that too greatly. This House is not the government. It may have a large number of government members in it. Members of the government sit in it. They participate in it. They debate in it and they may control it from one day to another. They certainly have to have its confidence throughout the time they are in office. However, it is a parliamentary House, not a government House.

It is here for us to debate government policy. Members on the other side particularly are given ample opportunity to make criticism of government policy. When members on this side feel critical they are also given certain opportunities to make remarks along that line.

The purpose of the Chamber is not to decide government policy. It is to debate the wisdom of it and to call the government to account. Those are its primary functions. As members of Parliament we are given various places where we can exercise those rights and responsibilities. I believe if the new government shows the responsiveness Canadians demand of it Canadians will lose their interest in major sweeping reforms in the way our system works.

The system worked well for at least 100 years. Only in the last few years has it come into disrepute. Part of that has been the enormous swings in public opinion which have resulted in huge majorities on the parts of government such as we saw in 1984 and I can think back to one similarly disastrous election in 1958. These massive swings in public opinion are becoming more pronounced. They were most evidenced in the 1993 election when three parties were elected, two on a very regional basis and one on a national basis with a very large number of seats in every case. It indicates again the electorate's volatility and unwillingness to stand by traditional party disciplines or to stay with a party in the belief that a party will do the best thing for their part of Canada.

That volatility has meant that members of Parliament have to react differently. However, it does not mean they have to abandon the principles and their own feelings about how public policy should be shaped and developed. The purpose of political parties is to aggregate interests so that members trade off their various interests for the good of the whole. What we see in the opposition parties quite frankly is a breakdown in that normal relationship where the party has become the single policy vehicle and members are expected to adhere firmly to that policy vehicle.

That is particularly so with the Reform Party. I have pointed that out before on various occasions. I am not being critical of the party in this sense. I am simply stating the obvious that to be a member of that party one has to believe in the whole policy platform of the party such as it is and if one does not, then that person is not in. Naturally, there is a fair bit of unanimity in that party which is lacking in this party and may be lacking in the Bloc on issues other than Quebec sovereignty or separation, whatever it wants to call it.

I know I have to speak to the motion and I turn to that. I want to deal first with the role of a member of Parliament in a broad sense. It is important to look at some of the remarks made by famous people on other occasions dealing with the role of a member of Parliament.

This morning the hon. member for Edmonton Southwest referred to Edmund Burke but he did not quote him. I would like to do so because what Edmund Burke had to say on this subject is of importance. Of course members will recall that he was a member of the British House of Commons. In his famous speech at Bristol in 1774 he said several items that are significant. Unfortunately I cannot find the words leading up to this quote so I cannot quote him precisely.

He spoke for the need for a member of Parliament once elected to speak for the national good and not to be the mere delegate or representative of his or her community dealing with narrow community interests. He said it was important that a member represent a community, but in addition the member should have some eye and some ear for the national good and seek to represent that in his or her dealings. He said in the closing remarks: "You choose a member indeed, but when you have chosen him he is not member of Bristol, but he is a member of Parliament".

I cannot stress those words too strongly. With respect we were not sent here to represent just Kingston and the Islands in my case or just Edmonton Southwest in the case of the member who spoke earlier, or the riding of Elgin—Norfolk only. We are required to look at the country as a whole, support Canada as a whole and look to the national good. Edmund Burke said that. I agree with that and we all have that obligation.

• (1325)

Of course these words may be a little out of date today, but in the same speech he said:

> Certainly, Gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinions high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasure, his satisfactions, to theirs,—and above all, ever, and in all cases, to prefer their interest to his own.
>
> But his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure,—no, nor from the law and the Constitution. They are a trust from Providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

The same distinguished gentleman said in the same speech at Bristol to the electors:

> I did not obey your instructions. No. I conformed to the instructions of truth and Nature, and maintained your interest, against your opinions, with a constancy that became me. A representative worthy of you ought to be a person of stability. I am to look, indeed, to your opinions,—but to such opinions as you and I must have five years hence. I was not to look to the flash of the day. I knew that you chose me, in my place, along with others, to be a pillar of the state, and not a weathercock on the top of the edifice, exalted for my levity and versatility, and of no use but to indicate the shiftings of every fashionable gale.

Those words, said over 200 years ago, still reflect in some measure the duties and obligations of a member of Parliament. I would venture to suggest they are not obligations that are taken lightly by any member of this House. While they may be a little strong and we may be more cognizant of public opinion today than Edmund Burke was in 1774, partly because we can measure it more easily, the fact is members of Parliament do have their views. They do make their own opinions and they are required to do so.

We as members are often forced to make decisions on issues that were not current or discussed and debated during an election campaign. Issues come up subsequent to a campaign yet we have to make decisions on those and are obliged to do so. I do not want to shirk my responsibility in that regard.

I think back to the last Parliament when there were votes on a declaration of war. No one suspected in the 1988 campaign that we would be faced with such a decision in that Parliament but we were. We faced it and we voted on it. It was a tough decision. Members found it very difficult and very disconcerting to be put in that position. Yet it was a situation that had to be faced and it was faced.

The same thing will happen on other issues throughout the four or five years we serve in this House. I do not suggest as members of the Reform Party do that every time we get cold feet on something we should run off and have a referendum or do a poll and decide how we should vote based on the results. We were elected to exercise our mature judgment. That is what we are here for and that is what we will do.

There is one other interesting quote. It is more amusing than not, but I find it particularly relevant to petitions. In many cases petitions are signed by organized groups across the country. They decide to get signatures on a series of petitions and present them to Parliament to show members of Parliament that their point of view is particularly important or correct or one that is shared by a tremendous number of people.

Mr. Nault: Interest groups.

Mr. Milliken: Interest groups certainly arrange these petitions, as the hon. member for Kenora—Rainy River suggests.

Let me read what Mr. Burke had to say in another writing. I believe this one is a discourse on the French revolution. It is an interesting quote:

> Because half a dozen grasshoppers under a fern make the field ring with their importunate chink, whilst thousands of great cattle, reposed beneath the shadow of the British oak, chew the cud and are silent, pray do not imagine that those who make the noise are the only inhabitants of the field; that of course, they are many in number; or that, after all, they are other than the little, shrivelled, meagre, hopping, through loud and troublesome insects of the hour.

• (1330)

I would not want to suggest that quotation would apply to all interest groups, not at all. The fact is it does happen that some interest groups reflect that kind of difficulty not just for governments but for oppositions as well. They come to members of Parliament and demand that members present petitions on their behalf. The member may not agree with the petition and yet feels duty bound to make the presentation and does so.

I can assure hon. members on all sides that occasionally a member will be asked to present a petition with which the member does not agree and the member will be placed in some difficulty. There are two ways. One can do it through the back door, filing it with the clerk, or one can stand up and make a presentation in the House and have it handed in in the way we normally do.

That option is there under Standing Order 36. Members can choose. They can do it whichever way they want.

What happened with petitions in the past? In the last session of the last Parliament, 5,282 petitions were presented. In the session before that, the second session of the last Parliament, 14,581 petitions were examined. Of those, 8,631 were presented in the House.

We had a tremendous number of petitions presented over the five years during which that Parliament sat, over almost 14,000 petitions presented in Parliament during the two sessions. I do not think any were presented in the first session. If so, there were very few.

The bulk of those petitions presented dealt with the goods and services tax. Are we going to have a debate on every one of these petitions every time the GST comes up? There is ample opportunity for debate of petitions. There is room for improvement, and as the chair of this committee I will be listening very closely as to how this can be improved.

Look at the opportunities. First of all, many of the petitions deal with government business and the GST was debated in this House, although for a very limited time because the government was closure hungry and used closure at every turn. There was an opportunity for debate.

On other subjects members can move motions under Private Members' Business and those motions can not only deal with the substance of petitions, but the motions can move that the subject matter be referred to a committee for detailed study. Those motions are debatable in this House in private members' hour, admittedly for a limited time but they are debatable and a reference could be made to a committee by virtue of that motion.

There are opportunities for asking questions about petitions. There are opportunities after a question has been asked for a debate on the late show that can concern the subject matter of petitions.

Government business generally deals with matters that are subjects of petitions and debates will be held. Many of the petitions being presented today deal with recall. I think the members from the Reform Party have been presenting those items.

We had a debate on that subject the other day. We referred the matter to the committee I have the honour to chair for detailed study and we will be looking at it further.

These subjects are debated in Parliament. They may not be debated the same day the petition is presented but usually if the matter is important there are thousands of petitions on the same subject presented over an extended period of time and I hope it is not being suggested that we have a debate every time one of these is presented.

In addition, the government is required to respond to petitions. The hon. member for Fraser Valley West said these were ignored by the government. That is not true. It is required to respond within 45 days and I have no doubt that within a few days I will be tabling government responses to petitions in the House.

The member says the minister does not respond. These responses are signed by the minister and are made available in the House to members who have filed a petition. If others want copies, they are available. These are not something that are ignored. These petitions are presented and dealt with.

I am sorry my time has run out. It is hard to believe that it has gone so quickly and I am sorry I cannot continue.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I listened to my colleague's comments with great interest and would like to make a few comments and also ask a question.

First of all, he commented that my party, the Reform Party, seems to have only one agenda which is illustrated by our questions in question period. Specifically, we deal quite often with matters of more direct democracy.

• (1335)

We think that Canadians' priorities are economic issues and we have been trying to ask those types of questions but have not been able to get answers from the government. It keeps saying it cannot answer those questions until the budget is delivered. In the meantime we have been asking questions about another issue Canadians spoke to us about regarding their lack of involvement and input on the decisions that are made in this House.

I was glad to hear the hon. member say that he feels there could be some improvements and would be willing to have the procedure and House affairs committee look at changes to the way we handle petitions. I think that is the gist of this motion, and the motion only calls for at least once during a session that petitions be considered by this House as a whole.

My major concern is that this House has lost its concern and respect for Canadians as individuals. The member quoted Sir Edmund Burke and while he was quoting I almost thought I was listening to a Tory politician from days gone by. It was that type of attitude that saw them practically eliminated from this House, saying if we do not like what they are doing, judge them on their record, come back in a few years and kick them out. That is what Canadians did.

As it turned out, they gave the Tories two mandates because they had this lagging memory of what Liberal governments had done previous to that and they were not prepared to make a change until that memory because so faint that the Conservative memory was more direct in their minds and they said we have to change this government. They were not yet knowledgeable enough about Reform. We will to do some things to correct that situation so that the Reform Party could form the government.

The problem is that politicians appear to be far too elitist.

The hon. member also mentioned interest groups. Interest groups play a vital role in what happens in Canada, the issues of the day. Would he rather see interest groups use government funding to lobby, to use paid advertising, oftentimes with that advertising paid for by taxpayers through their grants by government?

Would the hon. member rather see those interest groups have to go out to the public, to individual Canadians, who are really important, and see if they could get their support by putting their name on a petition that would be brought to this House with the potential that it might actually be debated?

Mr. Milliken: Mr. Speaker, I think the hon. member for Kindersley—Lloydminster in his comments is being perhaps a little unfair in judging the previous Liberal government. Those of us who ran in the 1988 election had fond memories of the very excellent previous Liberal government and we feel that Canadians were duped into voting for the Conservative Party in 1988 because they seemed to believe that free trade would bring unbounded prosperity to Canada. We now know that has not been the case. That was discovered by Canadians, unfortunately, in the period between 1988 and 1993 and the situation has therefore been corrected.

In 1988, in my view, there was no recollection of any disastrous previous Liberal government.

The hon. member for Kindersley—Lloydminster, as I say, has I think altered history a little in his question. Perhaps when he

reads my remarks again tomorrow his memory will be refreshed, although I can see it is not sinking in at the moment.

With respect to the question he asked, he knows that what he is trying to do is get me to denounce government funding to interest groups and say that somehow this government funding is inherently bad where interest groups use the money to lobby government. Obviously, some interest groups become a bit of a thorn under the saddle, as it were, for governments, particularly so where the government is already funding the group and paying for it to be such a thorn under the saddle. I am sure he would agree with me that cutting such funding would be very worthwhile.

On the other hand, it is very important that interest groups sometimes be paid, moneyed, in order to represent the interests of the groups that they are seeking to espouse or advance because sometimes the groups are unable to fund themselves and pay for necessary representation. For one reason or another, they are under–represented in our system.

I can think of examples of that, examples that I will not give to the House today because it might exclude some others. I think there are reasons for government to be involved in the funding of interest groups, even where the interest group is using the money to lobby government. Governments sometimes need this kind of lobbying, in part to convince others of the benefits to be derived from government activity or interest in that particular area.

• (1340)

There is an educational role for governments to perform that governments are aided in by interest groups. While the activity may be directed at the government, the effect is to educate the general public on the importance of the subject and sometimes that happens.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, the hon member has made a very eloquent attack upon the reforms of government that the Reform Party has put forward through this motion. I find that what he had to say is quite different from when he spoke to the Reform Party caucus at the time he was presenting himself as we approached the election of the Speaker. I see the difference between what he indicated to us at that time with regard to the reform of this place and some of the reforms that we are advocating.

Some of the things he said in his speech were very interesting to me. He quoted Mr. Burke as stating it was the duty of the member to take into consideration all facets and represent the national good. During the referendum of 1992 we saw all members of this place follow the party line set by their leadership. We saw that of most of them, the vast majority of them. They were not listening to the people.

Therefore, the national good, if it was a national good that was decided in that referendum, was not decided by the elected members of this country. It was decided by the people through a free vote offered by the referendum of that time.

The member has indicated that the system has served us well for 125 years and that all is going smoothly. He has failed to mention the national energy program that was foisted upon the west and decimated the oil industry, the energy industry in that part of the country, and our focus upon the need to reform the Senate, the upper House of Parliament, that could have stopped that unfair legislation at the time, unless he supports the national energy program.

I ask him a general question of whether he sees no merit at all in the attempts that the people of Canada have made through the election of not only reformers but many new members in this House to bring about a more democratic change within this place.

Mr. Milliken: Mr. Speaker, the hon. member for Crowfoot seems to be under a slight misapprehension. I want to say very clearly that I support discussion of some of these proposals and I am not adverse to all of the proposals being put forward by the Reform Party.

However, a fundamental change in our system, such as would happen if recall were adopted for example, I am not a supporter of. I will hear the arguments on it but I have very grave doubts that it will enhance our system. In my view it will damage it.

I quoted Mr. Burke because I think it casts an obligation. The words he used indicate the obligation that is cast on members of Parliament to vote in accordance with their best judgment and it did not mean, and I am sure the member knows this, voting as a block, voting with your party on all occasions. Your best judgment is what is required. That is what Mr. Burke said. He did not say one voted with one's party on all occasions and I did not read any such quote. That is a significant difference. One of the planks that Reform is pushing here is free votes and I did not say I disagreed with that.

The government House leader in his speech on the throne speech debate a few weeks ago indicated that there would be freer votes in this Chamber. I urge the hon. member to read the government House leader's very clear speech that elucidated extensively the government's view on free votes. It was a masterpiece of clarity.

The hon. member indicated that he thought that in the referendum campaign somehow I was ignoring the wishes of my electors. I can only say to the hon. member for Crowfoot that the electors of Kingston and the Islands voted yes, agreeing with me fully in my stand in respect of the national referendum. The yes side won by a narrow margin in Kingston and the Islands and I was very pleased that it agreed with me in my views on the referendum. I suspected it would when I took my position on that whole issue. I supported that cause in the House and as we

went to the people in the referendum campaign. For him to suggest that somehow members on this side ignored the wishes of their electors is false. I fully represented the wishes of my electors then as now.

• (1345)

Finally I note the member went on about the national energy policy. I was not here when that was devised. I can only say I think it has been blamed for everything that has gone wrong in western Canada since it was implemented, and I do not think that is accurate.

Mr. Ken Epp (Elk Island): Mr. Speaker, when citizens take the initiative of creating, organizing and collecting a petition I have observed that they are always highly motivated to do so. A trivial matter does not normally elicit that kind of response. A matter which the people hold dear, something that is very important to them, will result in their coming together, organizing a petition, getting it circulated, collecting names and doing so because they believe it is very important.

It takes a great deal of effort and personal sacrifice on the part of organizers of petitions. The people who sign petitions usually do so with total sincerity and with a genuine support of the cause being promoted. I believe it is very seldom a person will sign a petition without asking very seriously the question: "What am I signing?" I also believe once a petition is started it has another very desirable effect: it generates a lot of discussion so the issue being brought forward is debated by a great number of people in the community. The level of information or the understanding of the topic is enhanced because of the debate.

Therefore the question should arise of what politicians or decision makers do with these petitions. I believe it is the perception of a great number of Canadians that the process by which a petition is handled is that an MP is given a small amount of time in the House to make a supporting speech when the petition is presented. It is recorded in *Hansard* and other documents as having been presented. Then it appears that the petition is trucked off to a warehouse somewhere. It is very seldom we have any action on the petition. In any case it is extremely seldom that we have any precipitous action or fast action.

I think of one example. In the last little while many petitions have been presented in the House on killer cards. There appear to be a great number of Canadians like me who are more and more concerned about the growing element of violence in society. They say that this is an area where we need to put our finger in the dike, that we need to stop this.

The petitions are pouring in here, but what is done with them? At this stage apparently nothing. I emphasize the word apparently. It is undoubtedly true it has been recognized that the government will respond. However the fact is there must be an increased level of communication with Canadians so they have assurance that when they speak they are heard.

We in Parliament are embarking on a new era. This a new Parliament. Things are now being done differently. We have approximately 200 new members in the House who, like me, are eager to make an impact on the way our country is governed.

I cannot resist quoting from the now famous red book. Some of the ideas in the red book were found earlier in the Reform Party's blue book. That ought not to be surprising since the red book came out during the election period, at a time when politicians seeking re-election had a great interest in finding out what people were thinking. They probably conducted polls, listened to the people at the doors and heard what they were saying, and as a result those things were included in the red book.

• (1350)

We were doing the same thing over a number of years. The process by which our blue book was derived was really quite similar in the sense that we were listening to the people. We heard a great number of people say over and over: "We do not have a true democracy; we have an elected dictatorship". That is a bad word, yet that is the word I kept hearing. They were saying: "We elect these people and once they are elected they have a free hand and they do whatever they want; they do not listen to us on an ongoing basis".

As a result the blue book reflected what the Canadian people were thinking. It came up with these wonderful and much needed concepts about the way our government works: things like petitions, citizens' initiative of which the petition is a form, referendums and recall so that not only at election time but also between elections the people of the country have a say in how they are governed.

I quote one very important sentence from the red book that accurately expresses the feeling of the Canadian people: "The people are irritated with governments that do not consult them".

We must stop to think about the implications. We have had elections anywhere from six months to five years. That is how our elections are occurring and when the people are being heard. If that is satisfactory why are the people irritated with governments that do not consult them? Clearly it is because they are not being consulted between elections. That is the crux of the matter when we think of an efficient way of dealing with petitions, citizens' initiatives, the subjects of recall and of referendums.

If the people are irritated when we do not consult them, how much more irritated they must be when they voluntarily, by petition, bring an issue to us in the House and we leave the perception that we are not paying attention. How much more irritated they are when we ignore the hard work that went into

the collection of a petition with thousands or tens of thousands of names. We must start listening and acting on what they say.

There is a very important fundamental question. A member opposite made reference not very long ago to the fact that we in the Reform Party keep coming up with these reforms to the parliamentary system. I contend that is really fundamental to everything else. Unless we have a true representative democracy, we will probably never be able to solve the other problems that come to us from time to time. In particular I am thinking of the question of the national debt and the disaster being brought on us by its ever increasing size.

The people are clearly saying that government spending must be brought under control, yet in the context of how the House operates there seems to be no real mechanism to say we will have a balanced budget. There is not a final authority in the House to determine that. The budget is announced to us and we have no real input into it other than to debate it and hope to influence the outcome.

In a true democracy who then holds the final or ultimate authority? We seem quite ready to accede that it is the people. I find it interesting, being a new member of Parliament and from talking to many who have been here before and a great number who are here for the first time, that no one in the House would question the wisdom of the voters in choosing the person they sent here.

• (1355)

The Reform Party and all of us who are members of that party are thinking the people in the west chose very wisely. I am sure members opposite are convinced the voters expressed great wisdom in sending them here. If we can trust the voters to make a decision on whom to send here, on which party to vote for and on which leader to support, should we not also be able to trust them with other issues? This touches on the subject of referendums as well as on the subject before the House today.

There is a large demand out there among the people for a more representative government, for representation in a more democratic style. The people are beginning to insist that they be heard. Their willingness to be governed by legislatures will be withdrawn if we act like dictators.

Furthermore, if we listen more to our people and the message they give through referenda and through petitions, I am convinced we will have wiser decisions. There are many examples where the people in the broad context make better decisions for the country than do those who sit in little islands of isolation.

I look forward to questions or debate of other members.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, the hon. member for Elk Island talked about the motion making petitions the subject matter of debate, which I find totally ridiculous, especially the part where it says that petitions will be brought to a vote at the end of the debate.

If Reform members had sat here for the last five years, as I have done, they would realize all the problems this would create. Reform members keep saying that this government and this Parliament spend too much. Does he not recall that the last referendum cost more than a quarter of a billion dollars and does he not realize that holding referendums on almost everything, year in and year out, will cost billions of dollars?

[*English*]

The Reform Party is suggesting that for every petition there be a major debate and major vote. That kind of law or rule could be absolutely divisive. We have heard the Reform Party contest the official languages, for example. It is trying to divide the country further? That is the intent of the Reform Party.

If any of you have ever sat on municipal council, you would probably remember that homeowners on a single street—

The Speaker: I know the hon. member would want to address the Chair in his question.

Mr. Bellemare: Mr. Speaker, they would experience, sitting on a city council or municipal council, that often when petitioning a street people are divided on the same topic. They could get 100 people signing the petition, signing yes. Yet on the same street people would be signing on the no side.

How do we verify the correctness of the signature or the age of the people? Who does all of that? What kinds of expenses would we get involved in trying to make sure that every signature was bona fide, that every person signing was of age, that every person signing was not half drunk, or that we are not getting a bunch of loonies or bigots constantly signing petitions who do not believe in the proper process?

We have seen in the case of the member from Markham that people are banding together like lynch mobs in a village trying to hang someone without due process.

• (1400)

Maybe lynching was good in the thirties or sixties of the 19th century in Alabama. In Canada this is not what we want. We are not made up of bigots.

Mr. Epp: Mr. Speaker, I would simply comment that if the member for Carleton—Gloucester insists on demeaning his

electors and saying they are bigots when they present their petitions or when they vote on a referendum, that is his choice.

I would choose rather to listen to my constituents, to take very seriously what they say in terms of a referendum or a petition which they present. There may be some difficulties administratively but they can certainly be overcome in our modern technological age and there is great gain to be made by listening more and more to the people who sent us here.

[*Translation*]

The Speaker: It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

ACADIA CENTRE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, I rise today to extend my congratulations and support for the Acadia Centre for Small Business and Entrepreneurship.

Today this centre kicks off a week–long conference at Acadia University for people considering a career in self–employment.

The conference, entitled "Exploring Your Future: Learning About Entrepreneurship", will allow participants to determine if self–employment is right for them and if so how they go about starting a business.

Following this conference, 35 participants will be selected for a 14–week employment training program.

Not only does such a conference play an important role in promoting the local community network but it also provides valuable services and information for those wishing to get their new ventures off the ground.

I fully support the efforts of the Acadia Centre for Small Business and Entrepreneurship and ask that the members of this House join me in congratulating the organizers of this important conference.

* * *

[*Translation*]

SNOW SURFING WORLD CUP

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, for the second year in a row, the Parc du Mont–Sainte–Anne in the magnificent riding of Beauport—Montmorency—Orléans will play host to the Snow Surfing World Cup from March 9 to March 13, 1994.

The 1993 world cup drew more than 10,000 spectators to the site and the event received extensive media coverage.

Millions of television viewers in Europe, Asia and America watched the competition and in the process, they became better acquainted with Quebec, and in particular with Côte–de–Beaupré and the Parc du Mont–Sainte–Anne.

[*English*]

The second Snow Surfing World Cup at the Parc du Mont–Ste–Anne should once again focus world–wide attention on Quebec as a region, highlighting its distinctive character and the extent of its sports and tourism facilities.

From March 9 to March 13, 1994 the whole world will be watching the Parc du Mont–Ste–Anne.

* * *

THE BUDGET

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, my constituents have overwhelmingly opposed any reduction in the RRSP contribution limits. Reducing these limits is increasing taxes for those ordinary Canadians such as small business owners and employees who use RRSPs as their sole means of preparing for retirement.

I have also received literally hundreds of letters of support for the home buyers plan which is due to expire at the end of this month. This plan utilizes the RRSP program to make home ownership a viable option for many Canadians and has been that rare bird, a successful government program that does not cost the treasury a cent.

I hope that the finance minister has considered these voices of ordinary Canadians as he prepares his upcoming budget.

On behalf of my constituents in Okanagan—Similkameen—Merritt, I ask the finance minister to stop speaking in code. Broadening the tax base means raising taxes.

* * *

[*Translation*]

NATIONAL HERITAGE DAY

Mrs. Eleni Bakopanos (Saint–Denis): Mr. Speaker, I am pleased to address my colleagues in the House on the occasion of National Heritage Day.

The diversity of our country and of its people is expressed in many ways and makes us unique within the community of nations.

Our wealth of cultures, languages and traditions enrich the everyday lives of all Canadians.

• (1405)

National Heritage Day is an opportunity for all Canadians to reflect upon the meaning and richness of their heritage.

[*English*]

On this Heritage Day Canadians should take this opportunity to remember with pride the contributions of those who have helped to form this great land, appreciate and share the diversity in which our heritage is expressed, strengthen and celebrate the multicultural fabric of Canada.

We in this House have much to celebrate since we are very much an example of that multicultural fabric.

* * *

GIRL GUIDES OF CANADA

Mr. John Cannis (Scarborough Centre): Mr. Speaker, last Friday evening the Girl Guides of Canada in the city of Scarborough awarded the Canada Cord to five young women from Scarborough Centre.

The Girl Guides' Canada Cord recognizes an individual's dedication and contribution to the Guiding movement, their community and our country.

The five young women are Jennifer Barnes, Analese Campbell, Jandy Morrow, Kristi Tumbling and Jennifer Wright. They have committed their time and efforts over the past three years to earning this award. As valued members of our community, they can be regarded as fine examples of what every young Canadian can aspire to be and I congratulate them.

* * *

KATE PACE

Mr. Bob Wood (Nipissing): Mr. Speaker, on behalf of all Canadians and in particular on behalf of the people of Nipissing I would like to congratulate Kate Pace of North Bay, Ontario for her outstanding performance in the women's Olympic downhill race this past Saturday.

As the reigning world champion, Kate once again finished among the best downhillers in the world and is looking forward to competing in the remaining World Cup races to defend her world championship title.

A capacity crowd of over 1,000 people jammed the North Bay Art Centre at four o'clock in the morning in order to watch Kate compete in her race. This show of support for Kate Pace by the people of North Bay and area is due to Kate's commitment to her sport and to her community and to her country, Canada.

I am very proud to congratulate Kate today after a terrific performance at the Olympic Games and I wish her all the best as she defends her World Cup downhill title later this year.

* * *

[*Translation*]

FONDS DE SOLIDARITÉ DES TRAVAILLEURS

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, it is with great pride that I inform the House that owing to an investment from the Fonds de solidarité des travailleurs du Québec, the Trois–Rivières plant of Canadian Pacific Forest Products Limited will reopen on February 23 under the name of TRIPAP after having been closed for two years and will start producing paper again, thus giving jobs back to 300 workers.

Over the past few years, the Fonds de solidarité has made it possible to create or maintain more than 700 jobs, in particular at FABRON of Trois–Rivières, Cadorette Marine of Grand–Mère, in the Prime Minister's riding, and Nova Quintech of Pierreville, a total investment in excess of $41 million.

On the 10th anniversary of its setting up the extremely useful role the Fonds de solidarité des travailleurs du Québec has played in the Mauricie—Bois–Francs region had to be brought to the attention of this House.

* * *

[*English*]

NATIONAL DEBT

Mr. Ken Epp (Elk Island): Mr. Speaker, I am very excited about an initiative being taken by several women in my Elk Island riding. Maralyn Benay and her colleagues are undertaking the formation of an organization which will receive voluntary donations by citizens to be applied directly to the national debt. They are receiving a great deal of positive publicity and the momentum for the plan is growing by leaps and bounds.

While warning her about the magnitude of Canada's debt and over–spending problem, I compared the efforts with spooning water into a rain barrel while ignoring the fact that the bottom is out of the barrel.

We have citizens who are ready to tackle our huge debt problem with the same fervour as we accepted the emergency situation of our country during World War II. How wonderful it would be if we here in Ottawa could do our part by stemming the flow out of the bottom of the barrel.

Mrs. Benay and her group deserve all the encouragement they can get and all the people who are ready to donate, whether a small amount or a large, are to be commended as Canadian heroes.

[*Translation*]

BILINGUALISM

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, last Friday, it was very amusing to hear the statements made by two members of the Bloc Quebecois.

The member for Richmond—Wolfe condemned those who oppose official bilingualism. I am very happy to hear that the Bloc supports official bilingualism.

For his part, the member for Louis-Hébert congratulated Isabelle Brasseur on winning a bronze medal. But he did not even mention the name of her partner, Lloyd Eisler, who comes from Ontario. Does he think that Ms. Brasseur would have won in pairs skating by herself?

This reminds me of the Canada Cup tournament held a few years ago when we won with Wayne Gretzky and Mario Lemieux. Many people said that we could not have won without both of them, for is it not true that unity is strength?

These statements by two members of the Bloc Quebecois show the contradictions and weaknesses in that party's positions.

* * *

• (1410)

[*English*]

HERITAGE DAY

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, today is Heritage Day.

It comes as no surprise that Canada would choose to celebrate diversity among its peoples. This is a country where cultural differences are considered a strength rather than a weakness. It is just one of the reasons Canada has acquired a sterling international reputation for fairness to all people.

While some Canadians may take their freedom for granted, those who worked hard to emigrate here will never do so. Canada is secure enough in its own virtues that it allows and encourages new Canadians to retain their own culture.

We should remember that most countries force immigrants to purge themselves of their heritage. Canada, however, sees the value of heritage and celebrates it from coast to coast.

Happy Heritage Day, one and all.

HERITAGE DAY

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, Heritage Day holds great significance for our country. Today we reflect on the many faces of Canada and celebrate diversity and unity.

I am reminded of my own immigration and of how my wife and I have been blessed with four sons born and raised in this great nation. I am privileged to live in Canada, honoured to serve the constituents of Winnipeg North and proud to be part of the beautiful diversity that is the Canadian mosaic.

Heritage Day is also about our national institutions, our railways, schools, parks and system of government. It is about the building of our nation which touched generations of Canadians' lives in numerous ways, politically, economically and socially.

It is also about governments playing a major role in preserving our cultural landscape, fostering closer relationships with our First Nations peoples and sustaining official bilingualism in a multicultural framework.

The sum of all defines our national values—democracy, freedom, social justice and peace.

* * *

[*Translation*]

IMMIGRATION

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I want to denounce an inhuman situation experienced by a Romanian family from my constituency, Mr. and Mrs. Maraloï and their two sons, who have been in Canada for three years. As soon as they arrived here, they started the procedures with the department of immigration to straighten out their situation in Canada. These people made a lot of effort to integrate themselves to the Quebec community. They never asked for any form of government assistance. The academic successes of the children illustrate how well integrated they are. This is a model family.

Yet, the applications made by that family have been rejected because authorities feel that there is no proven risk of persecution if they return to Romania. So, after three years in Canada, they are told they must go back. This is inhuman. Are we going to celebrate the International Year of the Family by uprooting these people from the community in which they have settled and are appreciated, and by deporting them to a country where they no longer have anything and where they have every reason to believe they will be in danger?

[*English*]

FORESTRY

Mr. Jim Abbott (Kootenay East): Mr. Speaker, last week I had the privilege of taking part in a series of meetings in Vancouver with the Canadian European Parliamentary Association. We had an extensive field trip in the air and on the ground at Clayoquot Sound.

As the House may know, the Europeans had brought forward a resolution to the European Parliament which would have seen a boycott of up to $2 billion worth of Canadians softwood lumber products. They had based their tentative decision to boycott on the basis of information and representations made by certain B.C. protectionist forces and they are to be applauded for taking the time to view first hand the practices which are so soundly denounced by those certain protectionist groups.

I am pleased to report that after thorough discussion and observation we have arrived at a reasonable approach to the resolution of their concerns. The environmentalists should consider the progress that has been made in sustainable forestry management practices. I suggest they consider compromise instead of confrontation and co–operation instead of controversy.

* * *

ELECTORAL REFORM

Mr. Nick Discepola (Vaudreuil): Mr. Speaker, I rise in the House today to express my total disagreement with the proposed electoral redistribution and ask that steps be initiated to halt the process immediately.

Last Friday over 30 municipal leaders of my riding, as well as the West Island of Montreal, were consulted. They agreed unanimously that the proposal does not reflect the reality of our region. In these difficult economic times, when tomorrow once again in this very House Canadians are going to be asked to make difficult sacrifices, can we really afford the millions of dollars that this reform will cost, let alone ask ourselves what it will accomplish?

• (1415)

I have consulted with many of my colleagues from Ontario, Quebec, the west and the Atlantic provinces, and we all agree it is our duty to be frugal with the taxpayers' hard–earned money. We can save millions of dollars by simply passing a bill to delay electoral reform until the next census.

I do not believe Canadians are under represented by the current 295 MPs. Allow me to conclude by reminding the House that it is quality, not quantity that should be the focus here.

[*Translation*]

CANADA SCHOLARSHIP

Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine): Mr. Speaker, allow me to express in this House my most sincere congratulations to eight young students in Bonaventure—Îles–de–la–Madeleine who received scholarships from the Canadian government to maintain their academic excellence in post–secondary science, engineering and mathematics.

These fields of learning are important to the economic future of the region and of Canada and I count greatly on the professional contribution of these scholarship students from Gaspé and the Magdalen Islands for our economic future. I offer my sincere congratulations to Frédéric Aspirot, Nadia Bouchard, Julie Cummings, Anik Henry, Pascal Poirier, Steve Renaud, Stéphane Thériault and Serge Vigneau.

With this Canada Scholarship worth up to $10,000 at the university level and $7,500 at the college level, these young people will be able to excel in their studies.

These scholarship recipients will help maintain Canada's scientific excellence and I am very proud of that.

The Speaker: Dear colleagues, for several weeks, some of you have been asking me about Standing Order 31.

[*English*]

You have addressed the Chair and asked if I could give some kind of indication as to the length of Standing Order 31s. I am happy to report to you that after five weeks, if the statements are about 150 to 160 words, everyone seems to be able to get them in. So I report to you that this seems to be going well.

I would like to thank again those of you who have prepared statements and sent them to the interpreters. It does help in the translation and I do thank you on behalf of all colleagues.

ORAL QUESTION PERIOD

[*Translation*]

BOSNIA

Hon. Lucien Bouchard (Leader of the Opposition): My question is directed to the Minister of Foreign Affairs. Yesterday, NATO and UN leaders decided against authorizing air strikes at Sarajevo. It seems that UN peacekeepers are taking control of Serb positions and that at last peace will come to Sarajevo.

I want to ask the minister whether he could report to the House on the situation today in Sarajevo and give us assurances that the withdrawal of Serb heavy artillery was sufficient to justify cancelling the air strikes.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker the withdrawal of heavy artillery or its transfer to UN control has improved the situation very substantially, and the process is definitely producing the results expected by UN and NATO members.

The demilitarization of Sarajevo will continue, and that is why we felt it was important to maintain the threat of air strikes for the use in cases where either the Serbs or the Muslims would be inclined to bring back and use this heavy artillery.

However, we think the diplomatic initiatives produced results and the peace process has definitely been started and we hope that no air strikes will be necessary under the circumstances.

• (1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I must agree that this is good news and that the government was right to join its partners in order to produce the results we see today.

However, the war goes on in other parts of Bosnia. I would like to ask the minister whether he could tell us what strategies are being considered by Canada and its partners to end the fighting in Bosnia and thus prevent the Serbs from taking the heavy artillery withdrawn from Sarajevo and using it to fight elsewhere in Bosnia?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, we feel that diplomatic initiatives by the Americans and the Russians helped to create a climate that is far more promising than has been the case so far. We feel that these diplomatic initiatives must continue and should be pursued in order to get the three parties involved in this conflict—Serbs, croats and Muslims—to agree to a peace process that would extend to all of former Yugoslavia. Meetings will be held in Europe tomorrow and at some time during the next few days in order to put in place, at the highest levels, a mechanism that will bring a durable peace to the region.

[*English*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, given the fact that the ultimatum for the lifting of the siege in Sarajevo has expired, can the minister indicate what the new timetable will be for the withdrawal of Canadian troops from Srebrenica? Can we now expect a rapid withdrawal under conditions that guarantee the safety of the troops?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I am happy to report that the decision made in regard to the changing of the guard in Srebrenica is implemented. It is in the process of being totally implemented.

Unfortunately because of the weather conditions and the numerous points of control that the Dutch troops have to go through in order to arrive there, they are not there yet. However they are en route and I am optimistic that this will take place in the coming weeks.

* * *

[*Translation*]

NATIVE AFFAIRS

Mr. Michel Gauthier (Roberval): Mr. Speaker, last Friday, the grand chief of the band council of Akwesasne, Mr. Mike Mitchell, handed in his resignation saying, and I quote: "I have put plans forward to initiate collaboration between Mohawks and the government, but the infighting has worn me out".

Would the Solicitor General not agree that the sudden resignation of Mr. Mitchell is proof that Mohawk authorities are powerless when it comes to enforcing the law on their territory?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, my colleague should ask Chief Mitchell, if he wants to know the reasons for his resignation. I can say that the RCMP has tried to enforce the law everywhere, and continues to do so, but I see no link between the resignation of Chief Mitchell and the work of police forces, including the Sûreté du Québec.

Mr. Michel Gauthier (Roberval): Mr. Speaker, should we conclude from the resignation of Mr. Mitchell and the assurance given by the Solicitor General that there would be no police action on Mohawk territory, that the government has given up enforcing the law on these territories and leaves a small band of armed men the opportunity to pursue, with total impunity, their criminal acts and illegal activities?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I never gave the assurance that there would be no police action on Mohawk reserves. I said exactly the opposite. I said that it was in the hands of the RCMP and that they would make their own decisions regarding inquiries and action if warranted. I never promised anyone that there would be no such action.

* * *

• (1425)

[*English*]

GOVERNMENT EXPENDITURES

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Deputy Prime Minister.

Whatever proposals the budget contains for deficit reduction, most members agree that their effectiveness would be strengthened if Parliament had more and better tools to control overspending.

Can the Deputy Prime Minister tell us whether the government has any specific plans and proposals for giving Parliament such tools and, if so, what those plans might be?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the government House leader has already laid out his plans for making Parliament not only more accountable but more responsible to the needs of the taxpayers.

When the estimates are tabled, as they will be this week, I am sure the hon. member and his friends in the Reform Party will be as scrupulous and as active as are members of the government in ensuring that the taxpayers' dollars are well spent in every department.

Mr. Preston Manning (Calgary Southwest): A supplementary question, Mr. Speaker. The Lambert commission recommended the introduction of sunset clauses whereby statutory authority to spend on certain programs would cease after five years unless Parliament voted specifically to renew.

Could the Deputy Prime Minister tell the House whether the government agrees in principle with sunset clauses as a tool to control government spending?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the Government of Canada is not waiting for sunsets to control spending. We are constantly reviewing the necessity for every program because we realize that the responsibility we have received from the taxpayers is to spend their dollars wisely every day, every month and every year.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, a further supplementary for the Deputy Prime Minister. The last Parliament, as some members will remember, considered a spending control act which provided that program spending would not exceed certain specified limits.

Could the Deputy Prime Minister tell the House whether the government agrees in principle with legislated spending controls as yet another tool for getting spending under control?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the best legislated spending control that we are going to have is the budget that will be tabled tomorrow.

[*Translation*]

BUDGET

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, in the last stretch before the budget, all the signs are there that this government, which listens to the people, or so it says, will ignore the interests of Canadians and increase the tax burden on middle income families.

My question is directed to the Deputy Prime Minister. Would she agree that the direction her government appears to be taking goes against the very principles of fiscal fairness and economic recovery it apparently wants to defend?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the government is not being hypocritical, but speaking of hypocrisy, on the weekend I heard the opposition's finance critic say we had to deal with our financial problems and do our best to take care of Canadian taxpayers, but we could not touch any programs that benefit the middle class or the government's tax programs or RRSPs. I have a question for the finance critic: How would he meet his commitment to balance Canada's budget?

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, I am delighted with the Deputy Prime Minister's question, because it happens to be the same question we have been asking her government and the Minister of Finance since January 17.

Does the government intend to get the money where it is to be found, in other words, from Canada's big corporations which have not paid a penny in taxes since 1987, even when their profits are sky–high, and from the wealthiest Canadian families that use family trusts to avoid paying taxes? That is where the billions to cover the shortfall in the government's annual budget could be found.

Does her government intend to cut in those areas and spare middle income Canadians?

• (1430)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I am sure the finance critic for the Bloc Quebecois would not, for instance, want us to touch the tax shelters available to the Fonds de solidarité. I believe there are a number of government instruments that are very important for economic development.

The member says we should review these tax shelters to deal with the problem, and of course we all agree that the tax burden should be shared. We cannot put the whole burden on only 2 per cent of the population because that is not going to solve the problem. We must all be prepared to do our share. I would like to see the opposition be part of this process, which will not be easy

but which is necessary to guarantee our fiscal health and jobs for Canadians.

* * *

[*English*]

IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the Deputy Prime Minister. This matter was brought to my attention by members of the Somali community and the media.

It appears that an alleged human rights abuser from the brutal Barre regime of Somalia now resides in the Ottawa area. When will the Deputy Prime Minister see to it that this individual is investigated and that these allegations of brutality are substantiated? If they are substantiated will deportation proceedings begin immediately?

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I thank the hon. member for his question and tell him that as we speak departmental officials are investigating these allegations.

There are provisions in the Immigration Act to remove persons who are senior officials of a government engaged in gross human rights violations. Should it be confirmed that this subject was a senior official of the Barre government, the Minister of Citizenship and Immigration will ensure, as he has done in the past, that removal action is taken.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, a supplemental to the Deputy Prime Minister.

Last week I asked the minister of immigration how many more examples of abuse Canadians should have to tolerate. Stories of criminals and human rights abusers entering Canada surface regularly in the media despite the minister's assurances to the contrary.

When does the Deputy Prime Minister, or the Prime Minister for that matter, expect the immigration minister to start doing his job rather than leaving it to the media?

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, we can say the immigration minister is doing a superb job under due process of law.

This country has long been an open one and one that is delighted to receive immigrants and refugees from those countries not as fortunate as Canada and this process will continue.

There are laws in place and occasionally those laws are broken. When they are broken there is due process to ensure that offenders are punished to the fullest extent of the law. If this turns out to be the situation in the present case, then that will be the end result.

[*Translation*]

INCOME SECURITY

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development.

On Friday, February 18 last, the minister announced the make–up of the expert committee which will have slightly less than two months to advise him on the ambitious proposed reform of Canada's income security system and labour market.

However, the House committee will have only 12 days to hear testimony from individuals and groups and to advise the minister on the concerns and priorities of Canadians.

Considering this unrealistic timetable, my question is will the minister concede that in fact, his action plan is already in place, that it is the same as the Conservatives and that he prefers to consult a committee of experts at $500 per day rather than allow enough time for public consultations?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I have far more confidence in the abilities of members of Parliament and the committee than the hon. member seems to have.

• (1435)

The hon member should not underestimate the capacity of this Parliament to provide an open forum for Canadians to be heard, making sure there is broad consultation and to perform the valuable task of ensuring that a range of opinions from one coast to the other is clearly brought forward as the first stage in consultation. Then the committee can get on with a longer review of an action plan so there can be something specific.

The attempt by the hon. member to try to subvert or short change the work of this committee does not do much credit to her role as opposition critic. It is very important that Parliament get down to work and give Canadians an opportunity to be heard so that we can come together with the reform all Canadians want.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, first of all, I want the minister to know that my role as a parliamentarian on this committee cannot be questioned. I pushed for more time, but despite everything, we will still have only twelve days to conduct hearings.

I would also like to quote, if I may, from an article which appeared in this morning's edition of *The Globe and Mail*:

[*English*]

"Finance Minister Paul Martin has indicated that reducing Canada's $45 billion deficit will have to wait while the government deals with fundamental issues such as reforming the social safety net".

[*Translation*]

My supplementary question is as follows: Will the minister concede that if he is in such a rush, it is because he wants to give the Minister of Finance the opportunity to make cuts in social programs next year?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I say in response to the hon. member that may have been the agenda of the previous government. She could ask the leader of her own party about that because he was a member of that government.

However, that is certainly not the agenda of this government. Our agenda is to provide a more fair, just and equitable way to allow Canadians to get back to work, to have the opportunity to be properly supported and to make sure there is an up to date system, one that gives Canadians a real platform to fully participate in the life of this country.

* * *

ABORIGINAL AFFAIRS

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question today is for the Minister of Indian Affairs and Northern Development.

Canadian Press yesterday reported that the minister walked out of a meeting between the representatives of the Lesser Slave Lake band council and the Sawridge Indian band. Apparently the minister found the Sawridge band's approach to aboriginal self–government unacceptable. As I understand it, the Sawridge proposals call for a municipal government approach and an opting out of the Indian Act.

Could the minister please tell the House today what he finds so objectionable about this approach?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Sawridge bill does not address the issue of Bill C–31, returnees now before the court.

When the Sawridge bill came before the former government, probably aided and abetted by the former minister, it was not accepted by cabinet. It was not accepted by the Department of Justice which said that it did not respect the crown's obligations to a band as a whole.

This was rejected by me, by my leader and by this government. We are looking at Bill C–31, the Cree nation as a whole when we say that the inherent right of self–government exists and we will work within that framework.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, the Sawridge band has put forward a practical approach to self–government, one that meets the needs of the Sawridge community.

Is the minister looking to impose a single model of aboriginal self–government on Canada's native people, or is he open to negotiating agreements on a band by band basis?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are looking at all the cultural aspects of self–government.

It is very serious. For instance, further north the elders pick the chiefs and sometimes when the chiefs get back to their villages they are no longer chiefs. With the Ojibways, the elders sit as advisers. With the Mohawks it is a longhouse culture. There is no one set model of self–government in this nation.

However, I will say that the Sawridge band is probably one of the richest bands in this country. It is sitting on tens of millions of dollars. That band is saying to its people that it will not share. That is not the way this government or Canadians should operate.

* * *

• (1440)

[*Translation*]

FEDERAL GRANTS

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, in *La Presse* this morning, Mr. Jerry Peltier was reported to have received various federal subsidies both before and after becoming Grand Chief of Kanesatake. Apparently, in 1991, Mr. Peltier received in excess of $58,000 over a period of just six months.

Could the Minister of Indian Affairs confirm these allegations to the effect that Mr. Peltier has been paid retroactively $25,600 in fees for services rendered to the government during the Oka crisis?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, if my hon. friend is going to ask that question he should ask his own leader. If the funds were paid inappropriately, they were paid during the tenure of a former government.

We have inherited this problem of overpayments. The accounting firm of Raymond, Chabot, Martin and Paré are in there addressing a problem we have inherited. It is developing a special relationship with the manager to address this problem.

If that particular leader was not there at that particular time, he was certainly there during the period the money was paid to that band. If the money was spent inappropriately the question

by this hon. member should be why did his leader not address the problem when he was there and had the chance?

An accounting firm is addressing the problem. We are working on a management agreement. I am prepared to share the problems of the management agreement with the hon. member because we certainly do not want the problem or the overpayments to continue.

[*Translation*]

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, I think that the minister has his dates wrong, because our leader was not a minister when those events took place; he had resigned before 1990. He could not have authorized that particular payment.

Could the minister tell us in what capacity Mr. Jerry Peltier worked for the Minister of Indian Affairs before the Oka crisis?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, they can claim all they want that the leader of the Leader of the Opposition was not in office exactly at the time of the Oka crisis, but in an article from the Saturday edition of *Le Soleil*, the president of the police association, Mr. Jocelyn Turcotte, is reported as stating that the smuggling problem on native reserves started in 1988, when the Leader of the Opposition was a member of the Mulroney cabinet.

If we go back as we did 100 days from today, it is obvious that this government is addressing a problem that has gone unaddressed for four years by our friend the Leader of the Opposition.

[*English*]

The Speaker: I know that all hon. members will be interested in things which have gone on before. However, I would ask that we restrict ourselves as much as possible to questions and answers for which this government is responsible. To the extent that we could do that, I am sure we could get questions and answers which would be acceptable to all participants.

* * *

NATIONAL ENERGY BOARD

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, my question is for the Minister of Natural Resources.

During January of this year the National Energy Board held lengthy meetings in southern Ontario as a result of an application made by Interprovincial Pipeline and Intercoastal Pipeline to extend a line from the U.S. to Canada.

Hundreds of landowners had legitimate concerns and wanted to intervene. The federal energy act has no provision for intervener funding. As a result of this line crossing the Canada–U.S. border the applicant corporations did not have to payintervener funding which amounted to millions of dollars. The farmers, school boards and other landowners were required to pay this out of their own pockets.

What will the minister do to persuade Interprovincial and Intercoastal Pipelines to pay reasonable costs of interveners? Does the minister have any plans to amend the legislation to ensure that this does not occur again?

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, I thank the hon. member from Sarnia for his question. As the hon. member has pointed out, under the present National Energy Board Act there is no authorization for the National Energy Board to provide for reimbursement of expenses to interveners in these particular circumstances.

• (1445)

Let me say, however, that the National Energy Board is very sensitive to the cost implications of these hearings and attempts to hold hearings in affected communities, as it did in this case, to ensure that costs are minimized and that we can maximize local community participation.

Let me also say that it is not possible for me to order the two pipeline companies the member has mentioned to pay or reimburse intervener expenses as there is no legal requirement for them to do so.

In conclusion, however, let me reassure the hon. member that I am very concerned about the issue he has raised. I have instructed my department to consider all feasible reimbursement mechanisms that we might look to in the future.

* * *

UNDERGROUND ECONOMY

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, my question is for the Minister of National Revenue.

A growing number of Canadians are joining the underground economy and evading taxes. The chairman of the finance committee suggests that it is the fault of the GST. On the other hand, the Minister of National Revenue suggests that chartered accountants and lawyers are somehow responsible.

Is the government looking for scapegoats or does it really know why the underground economy is exploding?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I thank the hon. lady for her question, particularly as my wife who has two law degrees is sitting in the gallery today.

I would point out that the underground economy has many facets. We are attempting to deal with them as best we can on a number of fronts, including the smuggling we have talked about before, including increased enforcement, and including efforts to make sure the tax system is fairer.

I point out to her that the remarks I made with respect to the specific questions she asked me concerning lawyers and chartered accountants were simply that all people who cheat, no matter what their profession, are subject to investigations by Revenue Canada and to prosecution.

I assure her a distinction that was not made in some of the CBC reports on this interview was that there is no effort made to target any particular profession; only those people within professions who cheat and who cheat their fellow citizens by failing to pay their fair share of taxes.

Mrs. Jan Brown (Calgary Southeast): I have a supplementary question, Mr. Speaker.

I thank the Minister of National Revenue. I appreciate his lengthy response. However, I have to ask again does the revenue department have a real plan to reduce taxes in order to solve the problem of the underground economy?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I apologize to the hon. member for the length of my reply, but the subject is a very important one involving many billions of dollars.

With respect to the supplementary question as to whether my department has a plan to reduce taxes, I can assure her we have many proposals which would make the tax system fairer. However issues as to a reduction of taxes and policies that might lead to reduction of taxes are the responsibility of the Minister of Finance who will be speaking on this very subject tomorrow afternoon.

* * *

[*Translation*]

INDIAN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Minister of Indian Affairs. Can he tell us what Jerry Peltier's responsibilities and status in the Department of Indian Affairs were during the Oka crisis in the fall of 1990?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the question is about what was his response at that time. We were not here at that time. I believe there are two members on the other side of the House who were. If my learned friend wants to ask them that question he might do it at the recess.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, again, this is for the Minister of Indian Affairs. I would like to know what he has to hide. What is he trying to avoid? Was this government elected to carry out its duties? Does this government not have all the information in hand? Does the minister not read the newspapers, does he not prepare to answer questions? What is this minister trying to hide from us?

• (1450)

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, no matter how much yelling and how much clapping occurs over there, in no way, shape or form will they ever explain or rationalize that their leader was sitting here doing what he was complaining about at that time.

* * *

VETERANS AFFAIRS

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, my question is for the Deputy Prime Minister.

A distinguished Canadian war hero and later head of the civil aviation department died in 1990 at age 75. Six months prior to his retirement Mervyn Mathew Fleming and his wife of 29 years were divorced but shortly thereafter were reunited and remarried.

Despite 37 years of marriage, because they were technically divorced when he retired Mrs. Fleming has been denied a widow's pension. In 1992 as leader of the opposition the Prime Minister agreed that this was wrong and promised to pursue the situation with Treasury Board.

Will the Deputy Prime Minister assure us the government will now take action to see justice done?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, we are well aware of the problem. As the hon. member mentioned our leader has shown great concern about it.

I have had some discussions with the President of the Treasury Board because we are trying to see if there is a legal way that we can remedy what is a very unfortunate situation.

Mr. Jack Frazer (Saanich—Gulf Islands): I have a supplementary question, Mr. Speaker.

At age 77 Mrs. Fleming has recently been admitted to hospital with cancer. Will the hon. minister admit there is a sense of urgency to this matter?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Yes, Mr. Speaker.

* * *

[*Translation*]

NATIONAL ARTS CENTRE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Deputy Prime Minister.

We have been informed that the hasty departure of the National Arts Centre's director general, Mr. DesRochers, has cost taxpayers over $350,000. On January 14, the board of directors decided to spend this staggering amount to fire Mr. DesRochers before his term had expired.

Does the Deputy Prime Minister not think that this $350,000 pay-off is a shameful waste of public funds?

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, as the hon. member is aware, Mr. DesRochers was appointed by the National Arts Centre's board of directors during the previous government's mandate, and the decision to fire him was made within the powers granted to the board of directors.

The details of his contract are confidential. As the hon. member knows, it is inappropriate to comment on an internal management decision since the National Arts Centre is, as she knows very well, an independent crown corporation.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, I am a little surprised to hear about the confidentiality because, although the director general is appointed by the board of directors, his salary is determined by the governor in council. So I am a little surprised about the confidentiality.

Does the Deputy Prime Minister not agree that this kind of waste could further undermine Canadians' trust in government institutions?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is obviously the government that determines salaries by order in council. It is also obvious that the Prime Minister has already ordered a review of all salary levels set by order in council to ensure that Canadian taxpayers' money is not wasted. It has already been done.

* * *

[*English*]

MINING

Mr. Benoît Serré (Timiskaming—French River): Mr. Speaker, my question is directed to the Minister of Natural Resources.

On February 10 the bodies of the two miners who had been trapped underground at the Macassa Mine in Kirkland Lake were recovered. These men died as a result of a severe rockburst that occurred on November 26, 1993. Unfortunately such occurrences happen all too frequently and are extremely difficult to predict and to prevent.

• (1455)

Is the minister prepared to allocate funding toward research and study of rockburst occurrences in order to reduce or prevent such tragedies in the future?

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, let me thank my colleague for his very important question and let me take the opportunity publicly in the House to express my deepest sympathies to the families of those who lost loved ones in the unfortunate rockburst at the Macassa Mine in Kirkland Lake.

Since 1984 my department has been actively involved in rockburst research. In 1990 funding for that program was extended for another five years in the amount of approximately $10 million.

Let me say to the hon. member that my department and I understand the importance of this research to the safe future of mining in the country. Therefore I have every reason to believe my department will continue to be involved in this important area and continue to fund research in relation to rockbursts.

* * *

FISHERIES AND OCEANS

Mr. John Cummins (Delta): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The Peat Marwick audit requested by Treasury Board of the expense accounts of the deputy minister of fisheries and oceans and his assistant deputy minister of policy absolves them of any wrongdoing. Yet, as the report acknowledges, they could not seem to manage their expense accounts in a careful and prudent manner.

Would the minister tell the House if the manner in which the deputy and his assistant have managed their expense accounts and have in fact managed taxpayers' dollars is consistent with his expectations for the management of his ministry?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I know the hon. member would want me to be absolutely crystal clear in the major findings of the report which was conducted entirely outside government, not by the department of fisheries, not by Treasury Board, but as the member pointed out by Peat Marwick Thorne and by the chief forensic auditor of that firm.

The major findings were two: first, that all of the travel in question had been authorized by the minister of the day and, second, that all expenses claimed were in compliance with Treasury Board guidelines.

Mr. John Cummins (Delta): Mr. Speaker, the terms of reference in the Peat Marwick report were: "The goal of the review was to determine whether the deputy minister and the assistant deputy minister had respected government travel and hospitality policies, not to excuse their conduct".

Would the minister not agree that to offer an opinion as to the appropriateness of the deputy minister and the assistant deputy minister's conduct goes beyond the terms of reference of the audit and beyond the capabilities of the auditor?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I would say to the hon. member that it is quite extraordinary to have an audit conducted by an outside auditor, by a chief forensic auditor, and to have such a straightforward conclusion arrived at.

It is my view that once the conclusion is arrived at—and we are dealing with senior public officials—it is then the responsibility of members of Parliament and the responsibility of those who made allegations which caused this investigation to occur in the first place either to accept the advice of an independent auditor or to bring new evidence forward.

We ought not to call into question the reputations of long serving public servants for our own political advantage at any given point in time.

* * *

[*Translation*]

MINING EXPLORATION

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, the mining sector, one of the most important in terms of jobs and economic benefits, is currently in a very serious situation. In 1987 the federal government decided to reduce its fiscal effort regarding flow–through shares, which were designed to boost mining exploration. This unfortunate decision, which was denounced among others by the Quebec government, is a major cause of the serious problems experienced by this sector.

My question is for the Minister of Natural Resources. Does the minister agree that a recovery of the mining exploration sector can only occur by increasing flow–through shares to 133 per cent?

● (1500)

[*English*]

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, I thank the hon. member for his question. Let me say that ours was the only party in the last election that produced a mining policy. In that policy we are committed in the coming years to review a number of options which we hope will once again make the mining industry a viable and profitable one.

* * *

THE BUDGET

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, my question is for the Minister of Finance and is inspired by Mr. Earl Christenson of Oshawa, Ontario.

Many Canadians are suspicious that senior bureaucrats and politicians favour eliminating the lifetime $100,000 capital gains exemption because they have already taken advantage of it.

Will the minister quell this public cynicism by committing to preserve this one–time $100,000 exemption.

An hon. member: You should talk to your leader.

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the Minister of Finance will bring down the budget tomorrow at five o'clock, just 26 hours from now. Any comment on it will be reserved for that time.

* * *

FISHERIES

Hon. Roger Simmons (Burin—St. George's): Mr. Speaker, I have a question for my friend and compatriot who has freshly arrived from his success in Brussels with the Northwest Atlantic Fisheries Organization, for which I congratulate him and the government.

The point is that there were three abstentions, the European Union, Norway and Denmark. I wonder if the minister would take a moment to tell us what is going to happen. What are he and the government going to do to see that those three comply? Failing that, what is plan B? What happens if they do not comply?

The Speaker: The hon. minister of fisheries.

Mr. Simmons: Mr. Speaker, do not forget the oceans. They are kind of short of fish but they are still there.

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I want to thank my colleague and friend for his question. I want to assure him because I know of his particular interest in this matter, having one of the largest fishing constituencies in Canada, that we have received assurances from the European Union, Denmark and Norway, even though they abstained on the vote which put in place a moratorium on 3NO cod stocks, it is their intention to abide by the decision of NAFO not to use the objection procedure. It means that the government, as was committed by the Prime Minister, has achieved a beginning in the battle against overfishing.

It is not the end of the battle but it is a first important victory because of the tough and determined new position of this government with respect to the resources of the ocean.

ROUTINE PROCEEDINGS

[*English*]

EXCISE TAX ACT

Hon. Douglas Peters (for the Minister of Finance) moved for leave to introduce Bill C–13, an act to amend the Excise Tax Act and a related act.

(Motions deemed adopted, bill read the first time and printed.)

• (1505)

[*Translation*]

PETITIONS

MARALOÏ FAMILY

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I have the honour to table a petition signed by more than 2,000 people from my riding of Québec–Est and from several regions of Quebec.

The petitioners want to draw Parliament's attention to the situation of the Maraloï family, now living in Vanier. This family has been in Canada for three years, is fully integrated to the Quebec community, and is self–supporting. That family was denied the right to remain in Canada, and it is believed that its members will be in serious danger if they return to Romania.

Therefore, the petitioners ask Parliament to convince the Minister of Immigration to reconsider his department's decision to deport the Maraloï family and allow that family to remain in Canada. I give my full support to that petition and I urge the government to act on it.

[*English*]

MARKHAM—WHITCHURCH—STOUFFVILLE

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, on behalf of 30,000 and more residents of the constituency of Markham—Whitchurch—Stouffville, I present the following petition with an estimated 30,000 names affixed.

This petition reads as follows: "To the House of Commons and Parliament assembled, we the undersigned residents of the electoral district of Markham—Whitchurch—Stouffville draw the attention of the House to the following: that our elected member of Parliament was given a mandate by his constituents to sit as a member of the Liberal caucus and, effective January 28, 1994, resigned his membership in the Liberal caucus as a result of a request by the Prime Minister of Canada to do so; that our member has admitted to inexcusable behaviour involving former employees and that this information was withheld from the electorate before his election; that our member intentionally misrepresented his credentials to the electorate and to the Liberal Party of Canada; that our member has stated that he will continue to sit in the House as an independent member despite requests for his resignation by an overwhelming majority of his constituents including the undersigned; and that we the petitioners have absolutely lost all respect and confidence in our member to represent us—

The Deputy Speaker: The member perhaps does not realize that he is not to read the whole petition. Would he please sum up in one sentence.

Mr. Harper (Simcoe Centre): Mr. Speaker, I am assured that many thousands more names will be sent along shortly on this matter. I present 30,000 petitioners.

THE SENATE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have another 850 to 900 names affixed to a petition noting that the Senate is unelected, unaccountable and home for recipients of Liberal and Tory patronage.

The petitioners note that sections 41 and 42 of the Constitution Act provides that an amendment to the Constitution of Canada in relation to these matters may be initiated by the House of Commons. Therefore they call on the House to initiate a resolution to abolish the Senate.

[*Translation*]

RURAL POSTAL SERVICES

Mr. François Langlois (Bellechasse): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure of submitting a petition signed by the postmaster of my parish of Sainte–Claire–de–Dorchester, and by residents of that parish. The petitioners ask not for an indefinite moratorium on postal services in rural areas, but for a permanent policy regarding postal services. They also ask that postal services be reinstated in rural parishes where it was eliminated because of the previous government's ineptitude.

* * *

• (1510)

[*English*]

WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, pursuant to Standing Order 83(1) I wish to table a notice of a ways and means motion to amend the Excise Tax Act and I ask that an order of the day be designated for consideration of the motion.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Today, Mr. Speaker, marks the beginning of answers. Question No. Q–3 will be answered.

[*Text*]

Question No. 3—**Mr. Taylor (The Battleford–Meadow Lake):**

What is the government's intention with regard to the Environmental assessment act (1992 statutes, c. 37), and what steps have been taken, since October 26, 1993, to deal with the regulations and the proclamation of this act?

Hon. Sheila Copps (Deputy Prime Minister and minister of the Environment): Mr. Speaker, as noted in the speech from the throne, the government is committed to proclaiming the Canadian environmental assessment act as soon as possible. Further, in the red book, "Creating Opportunity—The Liberal Plan for Canada" and its accompanying backgrounder on environmental issues, a commitment was made to strengthen and enhance the act after proclamation. The government intends to keep its commitments.

The four regulations essential to the implementation of the act were published in part 1 of the Canada Gazette on September 17, 1993. The period for public comment was to expire on November 17, 1993, but, noting concerns expressed by Canadians, the government extended the comment period to December 17, 1993. The comments received have been compiled by the Federal Environmental Assessment Review Office (FEARO) and changes to the regulations based on these comments and the government's commitments are currently being prepared. These changes as well as the amendments promised will be examined by the government shortly.

The act must be proclaimed quickly in order to reduce the uncertainty associated with the application of the guidelines order now in force.

[*English*]

The Deputy Speaker: The question as enumerated by the parliamentary secretary has been answered.

Mr. Milliken: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—PETITIONS

The House resumed consideration of the motion.

Miss Deborah Grey (Beaver River): Mr. Speaker, I am pleased to take part in the debate today on our supply motion. I will be speaking specifically to paragraph (c):

a petition which will be presented requesting the government to bring forward a bill which would make recall of members of the House of Commons a part of the law.

Parliamentary reform has been a subject of intense interest in the House for many years. Our party, in response to the views of the Canadian public, has proposed several measures and several reforms designed to restore powers to Parliament and improve the state of representative democracy.

Representative democracy is improved when citizens are both willing and able to express their views to us as their representatives. I say willing in the sense that Canadians must believe that their views will be received by us, their views will be listened to by us, and their views will be seriously considered by us.

Regrettably many Canadians do not participate in the political process. Too many have become disillusioned, alienated and cynical about the entire political process. Those who actively participate in the political process, who still believed that an aroused and informed citizenry can make a difference, should be given every encouragement, should be given every reasonable means to express their views. That is why we chose this topic today.

A citizens' petition is an ancient, traditional and sensible way for ordinary citizens to put their views before their government. We should encourage its use. One form of citizens' petition that the House can and should adopt as soon as possible is a citizens' petition for recall. It is my firm belief that recall legislation would provide voters with a greater sense of control over their representatives between elections. Recall would provide a means to counter the feelings of cynicism and alienation expressed by many Canadian voters about politicians, political parties and government.

Recall would provide a disillusioned electorate with an instrument and a public process for some sort of practical action. Recall would enhance the role of constituents between elections and hence would improve dialogue between constituents and their representatives. Both parliamentarians and their constituents would be winners. Recall legislation would improve representative democracy.

Members of Parliament should have nothing to fear from the introduction of recall legislation. Sensible provisions would be included in the legislation to prevent superfluous or mischievous use of this democratic reform. For example, a petition must be signed by a sufficiently high number of electors in a constituency to prevent mischief. Second, there would be a grace period after the general election before a recall petition would kick in. Third, a recall measure could only be used once per constituency, per term of an elected Parliament. Fourth, the recall process would be subject to strict regulation, verified by the Chief Electoral Officer, for example, procedures for verifying that all signatures are genuine and obtained through legitimate means. If that did not happen, a fairly severe fine would be in place.

• (1515)

When talking about recall we need to say this is not something radical we are just thinking about doing now in Canada's Parliament. The citizens of ancient Athens had a democratic process to ostracize wayward politicians through banishment from Athens for a period of 10 years.

Think of the number of members in this place. If our constituents were displeased with us they would banish us, or shun us to use a cultural term from my area, for 10 years. That certainly would make us consider strongly what kind of representatives we were.

Some writers say this ancient process is the foundation for recall legislation we are discussing today. Recall has been a facet of the Swiss system of direct democracy for a long period of time. Fifteen U.S. states employ recall for elected state officials; 36 provide for recall of locally elected officials. No American state has ever repealed recall legislation once it was established. Recall has only been used successfully nine or ten times in that entire history. Obviously the system is not abused.

The recall mechanism utilized in Alberta in 1936 was incorporated into a public law, but it had its defects. The Alberta recall bill was mentioned earlier, but in this case the law was too easily open to abuse by opposition parties and interest groups, and we have heard lots about them today.

For example, the bill contained no provision prohibiting the purchase of signatures for a recall petition. Its first use was marred by this abuse when a group of Calgary lawyers reportedly offered the good citizens of High River up to $5 a signature to sign a recall petition against the premier. It is for that reason among many others whereby we believe very sound safeguards should be in place.

When the Alberta recall bill was repealed by the Alberta legislature, it was done by a free vote. The premier at the time, William Aberhart, voted against that repeal, as did Ernest C. Manning, who was a cabinet minister at the time. The repeal was carried by a majority of the backbenchers who considered the bill to be defective.

Some opponents of recall claim that members are elected primarily to carry out a mandate as detailed in their party's election platform and must often sacrifice the good of their constituents for the good of the whole. Recall, they claim, would encourage short term or parochial thinking to the detriment of the whole.

Reformers agree that members must consider factors solely beyond the wishes of their constituents, but stress that a member's primary duty should not be to the party but to the constituents, to represent their concerns, their needs and their interests.

Thomas E. Cronin, in his discussion of the pros and cons of recall in his book entitled *Direct Democracy: The Politics of Initiative, Referendum and Recall*, published by Harvard University Press, 1989, states:

> Today's critics of the recall device continue to view it as an invitation to unruly, impatient action and as a potential hazard to representative government. They also say it is another media age factor that could weaken the party system. No evidence exists to support either contention.

That bears repeating. Thomas Cronin said that no evidence exists to support either contention.

> Power may not always corrupt, yet it does have this tendency. Recall strikes at incumbent arrogance.

All of us in this place must pay attention to that. We must perk up our ears when we hear a sentence like that. It touches all of us because we are elected officials. Recall strikes at incumbent arrogance.

I stand here in this Chamber today talking about MP recall not as an outsider, but as someone who has been elected once, in fact re–elected once also in the general election of October 1993. I am subject to MP recall as is every other member in this House. Therefore it cannot be said this is someone who is criticizing the process from the outside.

In summary, as parliamentarians we should encourage citizens to express their views at all times and by all legitimate means. The citizens petition remains a valid and legitimate means. Its use should be respected and encouraged. The petition for recall would enable our citizens to rid themselves of those who violate their trust. It would encourage members to be more responsive to the views of their constituents and enhance the role of ordinary parliamentarians. It would promote representative democracy in this nation.

• (1520)

Let me conclude with a couple of comments from the *Globe and Mail*, February 19, 1994. Kenneth Whyte in his article entitled "The West" says that the real problem with the government's response to all the questions we have asked in the last several weeks about representative democracy, member of Parliament recall, whether the government would allow a referendum on the issue of physician assisted suicide, is that it demonstrates the government has not a clue about what it is dealing with. He says that the issues of referenda and recall are of enormous symbolic importance. Nothing could be more true. He went on to say: "The bottom line is that traditional political institutions will either open themselves to greater public participation or lose still more credibility".

Mr. Speaker, I lay it before you that MP recall is something we will need before the life of this Parliament is out.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I begin by acknowledging the member as someone who has always been a strong advocate of

reform and works very aggressively in this House and not just during the last Parliament.

Let me be specific. Does the hon. member not believe when a member of Parliament is accused of something not suitable for this House that he or she should be subject to due process? What criteria would the hon. member use to put the recall process into motion?

Miss Grey: Mr. Speaker, I thank my friend from Broadview—Greenwood. We have agreed on many things and I suspect on this issue probably we are not totally in disagreement.

We had a chat earlier about the whole idea of what due process is. If we were to look at a particular example—we would be naive if we did not address it—there is a situation in front of us in which we are looking at a member's credentials.

When talking about the due process of law, I am all in favour of that. I am sure both sides of this House are. The question would be what I asked my hon. friend this morning. I will ask him again. I know he cannot respond but I am sure many others will talk about this as the day goes on.

Why was due process not followed initially in the case of the member for Markham—Whitchurch—Stouffville? If this had gone through due process we would have seen that. If the issue of credentials was the only thing in question perhaps it would have been short circuited had the Prime Minister gone through due process by looking at the credentials and saying he would hold off on a decision until he had reviewed the situation.

It is a pretty big step to throw someone out of caucus. We witnessed it in the last Parliament. We have witnessed it here again.

Mr. Mills (Broadview—Greenwood): He resigned.

Miss Grey: Let us make sure that due process is followed on both sides of the issue and not just from one.

In terms of the criteria for the process of recall, we would need 50 per cent plus one of the number of voters who cast their ballots in the last election and there would be a waiting time, a period of grace as mentioned in my Bill C–210. It talks about a waiting period of 18 months. I will add an amendment which says that unless blatant misrepresentation has happened it could be triggered earlier. It would only happen once in the life of a Parliament so we would not be able to gang up on people over and over again.

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I would like to move the debate away from individuals and into the theoretical if I may do so. I am a historian by avocation. One of the things I have observed in my reading is that dictatorships as in the cases of Hitler and Mussolini are always founded in support from the people, usually massive support. Once dictatorships have captured the imagination of the people that tremendous support is used to implement things that are contrary to democracy.

• (1525)

When it comes to something like this petition I see a danger when there is a very popular government. Would the hon. member for Beaver River be afraid that a government could take advantage of its popularity, get a petition and get rid of the dissenters thereby getting rid of the very people we would want to have in a democracy.

Miss Grey: Mr. Speaker, I must confess I am not a historian. It seems to me that my entire speech was theoretical and it was only in response to a question from the hon. member for Broadview—Greenwood that we got into any specifics.

Maybe it is a weakness in this Parliament in always talking about things theoretically, who knows. Let us be very clear about this danger to which the hon. member refers. If there is such a thing as a popular government, certainly maybe in the first 100 days it might be popular until it starts making demands on the public purse for instance. That is obviously what hurts people the most.

Let us look at this specifically. The referendum a year ago indicated the specific mood of the people. They want power in their hands. I was asked if I see a danger in that. No, I do not. I do not think there is any danger whatsoever in being able to relinquish power, saying that this is what we think is important but we turn it over to the common sense of the people right across the country. The only thing that would be dangerous would be not to do that.

I am always asked what the cost would be to check names and signatures on recall. I fire back the rhetorical question what is the cost if we do not do it? We see what is happening in this country from sea to sea. The people think their elected representatives are floating away.

I do believe there is a real danger and a real cost of not instituting these essential parliamentary reforms which should be instituted in the life of this Parliament.

Mr. Dan McTeague (Ontario): Mr. Speaker, I wish to commend the hon. member for Beaver River on her insights in terms of recall, but we do come back to this issue again and again.

Earlier the hon. member's colleagues made reference to the citings of the great parliamentarian Edmund Burke. The suggestion was that Edmund Burke lost his election after he made the famous statements about judgment versus rubber stamp.

That is what members are elected to do. In my riding over 45,000 people elected me. I was a candidate who wished to stand on the principle of judgment, that my best principles and my

best ideas are put forward and to the extent possible I am able to represent majority as well as minority interests.

Since the hon. member has spent a considerable amount of time on this issue, given that Edmund Burke was never defeated, given that two members of her caucus have suggested that Mr. Burke was defeated, and that he ran consecutively from 1765 until 1794 for all ridings of Wendover, Bristol, Malton—Yorkshire in that period of time would she not agree that the system proposed under recall is one that smacks—

The Deputy Speaker: The hon. member for Beaver River.

Miss Grey: Thank you again, Mr. Speaker. To my friend from Ontario, I appreciate his comments but I think we are just about out of time.

Edmund Burke probably has been mentioned more today than, who knows, when he was in the House. Maybe he was in for a long period of time. We are looking at many years ago in England. Certainly with the advent of television if nothing else, politics now goes into people's homes and they need to talk about it.

Although I am sure Edmund Burke was a wonderful fellow, he believed firmly in the mandate theory: You have given me a mandate; I have come to serve you. We are not just mandated or delegated. We need a fine balance saying: "If in my judgment this carries the weight of the people, yes I will give my judgment, but if in fact there could be a clear consensus that my constituents are instructing me in a particular way I must do that or I will go the road of Edmund Burke".

• (1530)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to participate this afternoon in the debate on an opposition motion. The opposition, at least the third party in this Parliament, starts off with the premise that Parliament, as an institution, is broken. Parliament is not broken.

Yes, the previous government lost the trust of the Canadian people. Yes, it was defeated because it lost that trust. However, that is not to say the institution itself is wrong. I say that to both parties across the way. I see that in their speeches, in their comments and elsewhere.

When I hear from members of the Reform Party that Parliament as an institution needs to be turned completely upside down and changed because it does not work, I say they are wrong. When members of the Bloc Quebecois say that they think the country should separate because people disliked the previous government, I say they too are wrong. What was wrong was not Parliament. What was wrong was not this great institution. What was wrong was the public office holders of the last Parliament and that is not the same. It is high time we started to think on those terms.

I read this motion today. Listen to it, Mr. Speaker, you who are so knowledgeable in all our rules. It states:

> That, in the opinion of this House, the government should consider the advisability of amending the Standing Orders—

Whoever heard of anything so preposterous. The government does not have standing orders, the House has standing orders. I say to my colleagues across the way, many of whom have not been members very long, surely they could learn that the rules of the House are the rules of the House and not the rules of the government. Changing the rules is not done by the government. If the government decided to change the rules arbitrarily they would be the first to criticize.

[*Translation*]

The standing orders of this House are amended by and on the advice of a parliamentary committee which usually presents a unanimous report to the House. This committee report is tabled in the House and adopted by the House and then the rules of procedure are changed.

[*English*]

Some members will remember in the last Parliament when the then government took a report from a standing committee on amending the rules and chose to adopt only some of the rule changes. It was condemned by everyone, not because it had changed rules unilaterally but because it had not changed all of the rules at once as recommended in the unanimous report. It had upset the balance which is so vital to ensuring that the government can govern and that the opposition can hold the government to account. That was seen as wrong.

The member across the way and her colleagues are proposing that the government on its own change the standing orders of the House. With due respect, it is absurd. It is completely absurd that a government would try to do that.

The member wants the government, in changing the rules unilaterally, perhaps even against the wishes of the oppositions, to produce some sort of a formula to debate and to vote on petitions.

I bring members' attention to today's Order Paper of the House of Commons. I highly recommend it to members of Parliament. It is a very useful document. It tells how this place works.

• (1535)

Like many other members, I have Motion M–218 on today's Order Paper.

[*Translation*]

I can see for instance that the hon. member for Laurier—Sainte–Marie has one, and so does the hon. member for Anjou—

Rivière–des–Prairies. It is unusual that not one member from the Reform Party has a motion on the Order Paper of the House. None, not one member from the Reform Party.

An hon. member: It is impossible.

Mr. Boudria: Yes, yes, it is true. None of them does.

[*English*]

Does the member realize that she and her colleagues can take the contents of a petition and put it up for debate through this mechanism? It is at page IV of the Order Paper. The process already exists. We can put a motion on any subject and ask that it be debated in the House, including the subject of a petition.

I have put a motion on the Order Paper that reads:

> That this House affirm its support for Section 241 of the Criminal Code of Canada which forbids the counselling, procuring, aiding, or abetting of a person to commit suicide—

I do not think we should change that provision. The member and I can disagree on that point when we can debate it. We can debate whether the point originated in a petition or elsewhere and we will vote on it in the House. That provision exists right now pursuant to our rules.

Why are we offered this suggestion today? We already have the means to do it.

[*Translation*]

The hon. member tells us that she wants the Young Offenders Act changed, but did she put a bill on the Order Paper asking for such a change? As you know, all the members of this House can put forward private members' bills, bills which will then be debated and voted on by this House. Is there a need to create some new mechanism? Not at all. Mechanisms already exist and all these tools are already available to this House.

[*English*]

No, Mr. Speaker. Perhaps our rules need to be changed and modified. I sit on the committee that deals with such matters, along with my colleague from Kingston and the Island, our colleague across the way and others. Many of them have done good work. However, some people are sucking and blowing at the same time.

On Friday we proposed to change the prayer that we say in this House. Who was the first to complain? A member of the Reform Party said we should not touch it. It was a unanimous report of the committee voted on by the House. Even that was seen as being inappropriate even though it had the consent of virtually everyone.

When members across the way talk about changing our institution, we agree. We have made it part of our red book. However, we want those changes to occur based on the consent of members of the House for the betterment of this institution, not just in a way to sell the doctrine to the people back in the riding that some have come here to Ottawa to turn this place upside down.

The right to petition Parliament that has been talked about today existed in British parliamentary democracy since 1669. It has been a very important tool. I have used it. I have tabled petitions in this House. On Thursday I will be tabling 100,000 signatures on petitions asking for the banning the importation of the serial killer board game.

Some hon. members: Hear, hear.

Mr. Boudria: What did I do? I put a bill on the Order Paper asking to do just that, Bill C–203 if members will read their Order Paper again. Bill C–203 proposes to ban the importation of that product by modifying the Criminal Code. Those 150,000 signatures I will be tabling plus the 50,000 I have tabled already are a testimony to the kind of support that initiative has.

Therefore, I can ask my colleagues to vote on this. I will be using the mechanisms of petition to demonstrate that which I am proposing is worth while.

● (1540)

What is the motion we are debating today supposed to do? It is supposed to give us an opportunity to vote on such things as the Young Offenders Act. That act requires no royal recommendation, so any private member can have a bill to change it. Any member can introduce a private member's motion to deal with a petition. Finally, on the issue of the serial killer cards, I have a parallel initiative right now on the Order Paper of this House.

[*Translation*]

So, as you can see Mr. Speaker, it is not all to present motions because someone who perhaps was not too familiar with the procedure of this House could be led to believe that Parliament presently has none of the tools mentioned in this particular motion, while in fact it is quite the contrary. All these tools that the hon. member form the Reform Party for Edmonton Southwest is requesting are already available to the House. All of them without any exception already exist as described in his motion.

[*English*]

Today the member for Beaver River introduced something new. She said: we should have recall mechanisms. That has nothing to do with this motion of course, although I profoundly disagree with it.

Miss Grey: I rise on a point of order, Mr. Speaker. I hate to be rude and interrupt, but our motion, first of all if it had been out of order, as this member has stated, would have been ruled out of order and inappropriate by the Table.

Second, the hon. member has now had a few seconds to read it, my speech was entirely on paragraph (c) in the motion.

The Deputy Speaker: The hon. member has made her point. I think we all appreciate that is a matter of debate rather than a point of order.

Mr. Boudria: Mr. Speaker, I rest my case about people learning about the rules of this place. When members purport to claim a point of order because they disagree with the content of the speech of another member it is not a point of order. In most cases—

The Deputy Speaker: Perhaps the member for Glengarry—Prescott—Russell, rather than trying to rub it into somebody, might get on with debate rather than go back to the point of order.

Mr. Boudria: Mr. Speaker, as I was saying before I was so rudely interrupted by the member across the way, the motion today proposes to give to the House the possibility of voting on petitions. All of that too exists now.

I say to the hon. member, read Beauchesne, read the standing orders, read the Order Paper and then members who propose initiatives like this will know that those tools exist already.

Finally, it is wrong for us to pretend in a motion or otherwise that the standing orders of the House are the standing orders of the government. That is wrong. The standing orders of the House belong to the House.

I sat in opposition for a very long time and defended the privileges of this House on numerous occasions. When it was the government trying to run roughshod over the rights of MPs never in my wildest dreams would I have thought that an opposition member would be asking for those things that normally government members do not even dare to ask.

Members of the House should vote against this motion. They should soundly defeat a motion that pretends that the standing orders of the House are the orders of the government and not the standing orders of Parliament. Members should vote to change the rules pursuant to reports from the Standing Committee on Procedure and House Affairs. A member of the Reform Party sits on that committee.

We have just started our work. We have done good work as a committee.

• (1545)

If a report from such a committee proposes to change the rules of the House and the report of the committee is not even unanimous, we will see, mark my words, that the same members who are now proposing that the government change the standing orders would rise in their seats in defiance if the government even tried to do that with all members of the committee except one who was perhaps dissident on a report.

That is the irony of what we see today.

[*Translation*]

The motion before us today should not be adopted.

I conclude by reiterating that it is not the same thing, and all the members of this House should be aware of the difference, to say that the previous government had lost the confidence of the Canadian people as to say that Parliament, as an institution, does not work.

[*English*]

This is one of the greatest freedoms that we have, to have an institution like this which has evolved from time immemorial, from the days prior to the Norman invasion of Britain. As my colleague the historian will know, there was even a form of representative institution in the days of the Witan, prior to the Norman invasion of Britain. This institution has evolved for perhaps 1,500 years.

Just like when I sat across the way, as I now sit in government I want the changes to the rules to be changes that are acceptable to the House, to make us respond better to the wishes of our constituents, and to make us as well better equipped to make wise and sound decisions for those who have sent us here to speak on their behalf.

Miss Deborah Grey (Beaver River): Mr. Speaker, I would like to make this short. We are not demanding that the government change the standing orders. If the motion is read carefully, I will state that the government should consider the advisability; in other words, seek unanimous consent throughout the House if this is something wise.

Again I say, not on a point of order but as a comment, that if this were out of order it would have been ruled out of order by the table.

Second, my hon. friend said in concluding his remarks that he encourages his colleagues to vote against this. Is he aware that this is a non–votable motion, as it says so clearly at the bottom line?

Mr. Boudria: Mr. Speaker, I am perfectly aware of the fact that no vote was sought, although the opposition has the right to seek votes on any opposition motion. Such a vote would be a vote of confidence.

Second, it is not a matter of whether the motion itself is out of order. Of course it is not out of order. As a matter of fact, placing the words "consider the advisability" in any motion makes it virtually always in order. As one who has proposed a number of motions when I sat across the way, whenever in doubt include the words "consider the advisability" and one will be pretty well always safe, as the Speaker will know.

By including words like that it is obviously not out of order. That does not mean that the motion is worthy of support or that its contents are appropriate or that they are those which should be adopted by the government or by the House or anyone else.

Mr. Ted White (North Vancouver): Mr. Speaker, the hon. member started his speech by stating that the Reform Party thinks Parliament is broken. I would just like to inform him that we do not really think it is broken, we just think it needs a little refurbishing.

We want more openness in this Parliament and we want more opportunity to allow the people of Canada in this information age to have more input into this House and to be able to see that we are actively debating issues that are of importance to them.

The hon. member knows that the rules are changed by the government, in effect, because it has the voting power in this House. The standing order will be changed only with the approval of the government. The member also knows that motions on the Order Paper are extremely unlikely, by sheer volume, to ever come up for debate.

The hon. member consistently refuses to agree to a new system that would bring better representation for his constituents. I would like to ask the member why he is afraid to debate petitions in this House in front of television cameras. Is he afraid that his constituents might see that he does not represent them properly in this House?

An hon. member: What was your last majority, Don?

• (1550)

Mr. Boudria: Mr. Speaker, my colleague reminds me that the electors of Glengarry—Prescott—Russell were kind enough to send me here with a substantial majority. We are equal as members, whether elected by one vote or two votes or whether the majority was larger, as I was fortunate enough to have received in the last election. Once we are here we are all equal and I recognize that.

I made the case to the House and to the member that there exists a procedure right now through which the content of any petition can become votable through a motion. There is not one motion on the Order Paper in the name of any Reform Party MP. I have a copy of the Order Paper in front of me. It has six motions by the member for Richelieu who is a Bloc Quebecois member, one from the member for Winnipeg North, one from your humble servant from Glengarry—Prescott—Russell, two from the member for Kamloops, one from the member for Laurier—Sainte–Marie, one from the member for Saskatoon—Clark's Crossing, and one from the member for Anjou—Rivière–des–Prairies. None of those ridings is represented by the Reform Party.

Mr. Ken Epp (Elk Island): Mr. Speaker, I would like to say that I listened with great intent to the member opposite and I understand that the Liberals during the last campaign as shown in the red book were very eager to turn around this misconception or mistrust that the Canadian people have in government./ They included things which I referred to earlier today regarding the fact that people are irritated with governments that do not consult them.

My question is if the member is so opposed to the proposals we are putting forward in terms of referendum, recall, and today we are talking about the question of petitions, what does he propose as an alternative to open up government to the Canadian people as they seem to be demanding and as the red book acknowledges?

Mr. Boudria: Mr. Speaker, I hate to put it this way but I am going to repeat this slowly.

The motion today asked the government to change the rule of the House—this is the first thing that is wrong with it—in order for us to have a vote on petitions. There is already such a mechanism and many members have availed themselves of the privilege of putting motions before the House—everyone except Reform Party MPs.

If they need any help with drafting those motions I will gladly go across and give them a hand.

The Deputy Speaker: I think the time has expired. I would hope that members would understand that the member for Glengarry—Prescott—Russell and I were in the last House and, with respect, the kind of comment he just made a moment ago is one reason we got into trouble in the last House.

I hope that members would avoid that sort of comment in the future.

[*Translation*]

Mr. Maurice Godin (Châteauguay): Mr. Speaker, the first provision of the standing orders of the House of Commons that we should deplore is of course the one that allows a political party to table around two o'clock on Friday afternoon a motion to be debated the following Monday morning.

Standing Order 43, which allows such little notice, should be the subject of today's debate because it shows the weakness when some groups in Parliament are not guided by a sense of fair play. But let that pass. This motion gives us an opportunity to dwell on our role as members of Parliament. We do not intend to deal with specific cases that were presented as examples in support of the motion today.

What I want to do today is to deal with the nature of a petition, its meaning, the origin of such a form of representation to Parliament and the attitude we should have toward such means of communication which more often than not show that considerable effort was made to reach us as elected members.

When the parliamentary system began in Canada with the Constitution Act, 1791, citizens' groups clearly understood that they could express their grievances and demands by appending their signatures to a joint declaration. Petitions are an integral part of the political system, whereas the actions of members and

their respective parties are not influenced either by the electronic media or by laws governing lobbyists.

• (1555)

In the purest sense, a petition is a mechanism employed by a group of citizens who agree on a problem and on how it should be resolved. Quite often, sound ideas translate into co–operative efforts. In many cases, petitions have reflected a good deal of common sense and quite aside from broad expert analyses, they have often brought to light alternatives that legislative assemblies had not thought of or had not dared contemplate.

We must, however, consider the flip side of this issue. We are not fools and each one of us has seen petitions supported by organizations with significant resources, and capable therefore of producing a disproportionate number of petitions, more than could be processed.

In today's highly technological, computerized and mediatized society, it is more important than ever to distinguish public interest from personal interest, and actions taken in good faith from those taken with a personal goal in mind. The whole issue of petitions opens the door to a much broader issue, namely that of representations made to those who wield legislative power.

Last week, a documentary called "Les chemins de l'influence" was shown on Radio–Canada's *Le Point*. This program clearly showed how lobbyists are organized and how they go about influencing decision–makers. When compared to such specialized lobbying techniques, petitions come across as the poor relation, to say the least. Yet, lobbyists are never directly quoted in the House of Commons, even though we know full well what kind of influence they have on those in power. The program I just mentioned gave the example of the pharmaceutical industry which succeeded in securing commitments from the Mulroney government and from the Minister of National Health and Welfare, Benoît Bouchard, by dangling before their eyes the promise of job spinoffs and major investments.

Would a petition have been as effective in this instance? Would it have produced the hoped–for results? Certainly not! Why then do people persist in using petitions to make requests of the government? No doubt they do so for two reasons. First, for lack of an alternative, because this is the only means available to them to get the government's attention. Then, since it is probably preferable, from a moral standpoint, to act openly through a very public request instead of going through the corridors of power.

A petition, however visible, remains in current practice something that is merely tabled. Since the opening of this Parliament, 84 petitions have been presented in this House, but there has not been a single response yet. Everything is there. The credibility of this provision in the Standing Orders depends in large part on the response provided. Standing Order 36(8) now gives the government 45 calendar days to examine a petition and respond to it. The government should not evade this obligation.

Any member has the right to table a petition. This act of tabling, which is not currently open to debate on the form or content of the petition, enables the member to freely fulfil his or her responsibilities as a representative of the people without having to endorse the petitioners' claims. It would be against my principles to table a petition without endorsing it, but the Standing Orders give some flexibility to members whose top priority is to speak for the people they represent.

• (1600)

Beyond the tabling as such, the possibility of debating and voting on petitions, as suggested by the Reform Party's motion, creates many difficulties. First, the main difficulty would be to decide whether we should debate all petitions. If yes, it would probably be by grouping them, but if some groupings are obvious, depending on the form and origin of the petition, others are not so obvious.

On the other hand, if we wanted to sort or select petitions to be debated and disposed of, what criteria should be used? Should there be a random draw, as provided for in Standing Order 87 regarding private members' business? Should the number of signatures be a factor? What about the purpose of the petitions? Whatever the method favoured, it is clear in my opinion that it would be criticized as a form of discrimination.

Most important today's motion would open the door to a new practice that would put into question our role as defenders of the common interests. Many governments have been accused of governing by polls. This criticism could be extended to any government or Parliament governing by petitions.

The members of this House and the political parties to which they belong have all campaigned by openly promoting various policies and solutions to solve our modern problems. Mr. Speaker, these members have been elected and their first obligation now is to do everything they can to respect their commitments.

How would they always be able to reconcile the commitments they made to get elected with the petitions giving them directions on what to do and even how to vote? If this were possible, what would prevail in case of a divergence of views? Would it be the party line? Would it be the personal beliefs of the member? Would it be the commitments made during the election campaign? Would it be the petitions, and if so based on what: their content, their volume or their origin?

We must make a distinction between our role and that which innumerable sources want us to take on. Being the elected representative of a constituency, as well as a member of a parliamentary group sharing the same political views and a member of the first deliberative assembly of the country, each

member of Parliament must face all kinds of representations and limitations.

It would be a useless constraint to add to the already existing resources in the Standing Orders of the House of Commons and allow debates on petitions. There are numerous other possibilities to review issues, including those resulting from the tabling of petitions. Indeed, petitions are sometimes grouped together in a motion, then in a bill which is reviewed by a committee before finally being passed by the House. This avenue exists, regardless of all its limitations.

In conclusion, I would appreciate it if the sponsors of the motion could answer our questions and propose some solutions to the problems which I underlined.

[*English*]

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I congratulate the hon. member for Châteauguay on his very thoughtful comments. I share many of them. I want to share some of my concerns with him and get his response. One of my problems with the petition concept is the thought that the people who are signing the petition may be acting on the basis of bad information.

We are hearing from the Reform Party about a petition being used as a means to recall a member. My concern is about a situation in wich the information being supplied to the people is incomplete and the people who are going to sign the petition are reading it in their local media. They may be signing a petition that is calling for recall when they do not have the full story.

• (1605)

I will take that analogy further with due respect to Bloc members. I hope they will not feel it is partisan when I say as a former journalist I have always been concerned the information French speaking Quebecers are receiving has been coloured by French speaking media.

In that context, when a regional group is restricted in the type of information it is receiving I would question, if Quebecers were undertaking a petition of similar import to recall, whether the information they were receiving was based on only one viewpoint and whether the petition, no matter how it came out, would be valid.

I will extend that one step further and suggest that the same flaw exists in a referendum. If people who are to vote on a subject of great import like sovereignty association, the separation of the country or any kind of referendum for that matter or a referendum such that the Reform would put forward, are receiving information with only one slant, would the hon. member for Châteauguay tell me whether he feels a referendum or a petition under such circumstances would be legitimate?

[*Translation*]

Mr. Godin: Mr. Speaker, no, but I appreciate the hon. member's question. To me, a referendum and a petition are two entirely different things. We should realize that a petition more often involves a small group of constituents, unlike a referendum. For instance, the referendum on Charlottetown involved the whole country, not just a small group. At the time, millions and millions of dollars were spent, and if these people did not get the yes they wanted, it was not because people were not informed. It was simply because an attempt was made to impose a solution people did not want.

To me, there is quite a difference between a petition and a referendum, but I am afraid pressure groups are using petitions to force the government to consider their real issues, their real demands.

[*English*]

Mr. Bryden: Mr. Speaker, I say to the hon. member for Châteauguay that my analogy is a petition and a regional referendum such as there might be in Quebec where one group of people is being asked to decide on one specific issue.

I am not trying to prejudge that vote or what Quebecers should do in that instance. The nature of the question is how does the hon. member feel if the people coming to that vote, be it a regional petition or a regional referendum, have very narrow and restricted sources of information and are not getting the full story?

[*Translation*]

Mr. Godin: No, Mr. Speaker, I do not think so. I do not think people were poorly informed, because there was certainly no lack of resources during the referendum. In fact, people were so well informed that in places where there was no money, people voted no just the same. I think there is a tremendous difference. A petition is a request. Constituents ask for something, and a petition is a way to get that request to the government. In a referendum people make a decision, and the majority decides.

• (1610)

Mr. François Langlois (Bellechasse): I would like to know the position of the hon. member for Châteauguay on Quebec's referendum legislation. Would he agree that this legislation, which provides for creating umbrella committees during referendums, for the yes side and the no side, and gives the same amount of money to both and prohibits corporations, unions, and other corporate entities from contributing to the campaign funds of the yes committee or the no committee, is, in a democratic society, the most sensible and practical approach we have in Quebec for settling a matter that concerns the entire population?

Mr. Godin: I think the hon. member is absolutely right. And I think that once again, Quebec, as it has done in so many other areas, has led the way in seeking truly democratic solutions.

I remember the last referendum on the Charlottetown accord, where money was being spent left, right and centre. If only, and I think the hon. member answered the question I was asked earlier, if only this policy had existed across Canada instead of letting people be inundated with all this advertising, because sometimes, getting too much information is just as bad as not getting enough. I think this policy ensures that people really get the information they need, and I am convinced this will get the desired result in Quebec.

[*English*]

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, on reading this motion I have some difficulty with it, quite frankly. It seems we are trying to structure members of Parliament to the extent that they do not have the leeway to do the job they must do.

Petitions are a very important part of the democratic procedure. There is no question about it. They are the voice of the people through their members of Parliament. They are asking members of Parliament to put a particular point across. Through the petition they are stating how they want this advocacy in Parliament to take place.

That is fine and that is as it should be. There is time allotted in the daily procedure of the House of Commons to put forward petitions. The petitions are accepted by the House of Commons and a reply is sent to the petitioners.

If we take that further and say that instead of doing that or in addition to doing that we should take the subject matter of each petition and debate it in each session, we are in effect structuring the actual work of the House of Commons. We are dictating what the House of Commons determines as the most important subject matter with which it will deal.

That is not the actual form of democracy that most people in the country want to see in the Chamber. They want to see their concerns put forward. They are instructing members of Parliament to deal with their concerns. Through petitions they are saying they want these matters brought before the House of Commons as they are under the proper procedure dealing with petitions at the present time.

If we start getting into the question of debating each subject matter, how do we determine what subject matter we are going to debate? If we are debating all subject matters how long do we debate each point? How long do we give to each question? If we are saying we are going to choose certain areas of subject matter to debate which ones do we choose? Certainly we can pick private members' bills that are coming before the House, but those bills are put forward by individual members of Parliament. Here we are talking about the people of Canada giving us feedback on their concerns. How can we say that some motions or some subject matter will be debated and others will not?

• (1615)

I do not think this is going to work. I say to the people of Canada, through your petitions your concerns are reaching all members of the House of Commons. I also want to say there has been very good work on behalf of Canadians in getting these petitions together. A tremendous amount of work has been done in bringing these concerns to the House of Commons.

I want to deal with the point made by the member for Edmonton Southwest with respect to serial killer cards. He says that the subject matter of the petition prohibiting the importation, distribution, sale and manufacture of serial killer cards is an example of such petitions.

We have heard a good deal on this subject. There have been many petitions on this subject. I am certain the Department of Justice is studying this area very carefully in the hope of bringing forward some legislation to deal with this. However, this is not an easy subject because of the charter representation section 2 of the charter deals with freedom of speech and this is a question here. We must however deal with the concerns with respect to the importation, distribution, sale and manufacture of such materials and that is being examined now. It is offensive to think people are making money from that sort of material.

We are aware of petitions such as the ones of Mrs. Debbie Mahaffy. She was able to get together 500,000 signatures on a petition. Léna Cléroux of Rockland, Ontario presented a petition with 14,000 signatures. The hon. member for Glengarry—Prescott—Russell who spoke just a few minutes ago collected 50,000 signatures on a petition to ban serial killer board games. He has introduced a private member's bill on this subject.

The matter is being dealt with. The petitions have worked. The advocacy of the citizens of this country to their members of Parliament has worked. If this subject matter is debated again, what are we going to achieve? The government knows this is a concern. All members of the House of Commons know it is a concern. What is needed now is to ask questions from time to time during question period and before the Standing Committee on Justice as to how this matter is proceeding and how the Minister of Justice and the government are dealing with it. That is how we must deal with it.

Another matter is the Young Offenders Act. There are concerns about the Young Offenders Act. The Liberal Party recognized that during the election campaign and mentioned it in the red book. It was given a prominent place in our position paper on justice released on April 22, 1993 which indicated that changes are needed to the Young Offenders Act, that there have to be tougher sentences for violent crime and that we have to recog-

nize that there were violent offences with which we had to deal more strongly. We have to look into that whole question.

The Minister of Justice has stated he will be dealing with the recommendations of the red book and of the position paper. As a second part he has stated that the whole subject of the Young Offenders Act will be studied carefully with the full intention of bringing forward a more comprehensive bill before the House to deal with the concerns.

• (1620)

Once again the concerns of the Canadians through their petitions and through their members of Parliament have been brought to the attention of the government, regardless of whether it is this government or the former one. The subject matter is being studied.

What remains is the government's determination to act upon the information and the concerns brought forward by the people of Canada. The government is doing just that. It is doing it very quickly and intensively. This is a serious question as are the serial killer cards. These two problems must be dealt with and the government is dealing with them.

There are other concerns which are not mentioned in the motion. What do we do with these? Certainly the third one is one which the member's party has taken a great interest in. That is the recall of members of Parliament. Certainly there are going to be petitions on this. There are petitions on a great many subjects, but how do we deal with those? How do we deal with a government that is mindful of that concern?

Members of the Reform Party have stated they want the capacity to be able to recall members of Parliament. The government has said it does not think that is advisable. Does anyone think that if we were to debate this question that the answer would be any different because it was the subject matter of a petition?

What has happened is that through petitions, through the advocacy of the Reform Party questions, this matter has been transposed to the consideration of the government, just as with the other two cases. However, it is different from the cases of serial board games and serial killer cards and amendments to the Young Offenders Act. The government takes those issues very seriously and recognizes the concerns of Canadians. It is going to deal with those two issues, but on the third issue the government has said no. That is it, no. The fact of the matter is that the consideration has been given.

This House has to be able to deal with the concerns of Canadians who are not sending in petitions. We have to be able to look to what we as members of Parliament envision this country is going to need and the urgent matters which come up. We must also be able to anticipate how we as members of Parliament can make this a better country in the days ahead.

We have to have the freedom to bring forward bills and concerns which this country must have addressed. These concerns are brought forward in committees represented by all parties of the House giving them due consideration. Certainly the government has the majority to be able to finally determine what is to be brought forward and this is the way it should be. There has to be a mechanism to break a deadlock as far as this is concerned. This is why it is the government and why it was elected to govern.

I want all members to know that the concerns of Canadians are being addressed by this House. Three of the concerns which the hon. member has mentioned are being dealt with. One has already been dealt with and two are being given very important consideration.

We have a tremendous concern about the country's financial situation. With the deficit as it presently stands and the debt as it is, are we to debate that issue with equal time along with all the other subject matter because it is the subject of a petition? It takes away the scope of government and members of this House to determine what needs the most attention at any particular time.

People elect members of Parliament to do the job. If we are going to say as some members evidently are that the people do not trust their members of Parliament to make the right decisions and therefore they are going to shackle them any way they possibly can to follow a narrow structured course then we are only compounding the problem.

• (1625)

The problem may be that members of Parliament and politicians are not as highly thought of as we in this House and those in other legislative bodies would like. The fact of the matter is it is up to us to change that and only through our actions can we change that. If we do not the results will be derogatory for those who do not convince the electorate that we want to change it and that we are actually moving to change it.

It really comes down to members of Parliament acting in the interests of Canadians, acting as they see fit, as they have heard their constituents telling them they should act. Members of Parliament are the voice of the people. That voice must remain with members of Parliament to do as they see fit.

Mr. Paul Szabo (Mississauga South): Mr. Speaker, I congratulate the member on a very fine intervention in this debate on the opposition motion. His constituents would be very proud of the way he spoke. His speech was presented in a very informed and logical fashion. That is part of what Canadians are looking for in their members. It has to do with appearance and optics.

One of the last points the member raised really goes to the heart of the issue. The hon. member said that members of Parliament should be representing the interests of Canadians. The member said Canadians. He did not say members of his own constituency. This is a very important point because we come here as members of Parliament to reflect the best interests of our constituents but in the context of Canada as a whole and of all Canadians. Some very important regional and local differences must be balances.

Thinking of the election campaign, there were 30,000 homes in my riding to be visited. I could not possibly get to all of them. There were over 67,000 voters. How could I possibly presume I would get to know them all and get to know exactly what they were thinking on every issue and be able to come here and represent that interest? I have no mechanism other than using my best efforts and presenting and availing myself to use my best judgment. That is what the Prime Minister has been saying.

I thank the member for raising the issue that we are here to represent Canadians. It is an important distinction which the opposition motion has not taken into account.

Mr. MacLellan: Mr. Speaker, I thank the hon. member for his comments. It is significant that we as members of Parliament represent constituents. We are the voice of the constituents in our particular ridings. We cannot assume that anyone else is going to speak for them because we are the people they have chosen.

While there are individual concerns, Canadians from coast to coast to coast realize their individual concerns must blend with the concerns of all Canadians. The number of constituencies really develops and relates to a larger whole which is the country itself. The strength of Canada is the people of Canada acting together.

There are individual concerns and national concerns. By looking at each member for whom they have voted in this light, the people have chosen the members they feel will represent these concerns nationally and locally. The idea, of course, is when we get here we should honour the commitment and honour the reasons constituents have voted for us. We should do as they had assumed we would do and not fall back into a position of disinterest or cronyism, and continue to relate as we stated in the campaign when we looked for their votes.

• (1630)

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I too want to thank my colleague for reminding us all that we are here not only for our constituents but for all Canadians.

In a previous presentation some reference was made to the fact that had the party which proposed this particular debate known of the mechanisms existing so certain issues could be brought forward, that they could represent constituents fairly, perhaps it would not have been done. It had crossed my mind as well because of the references to serial killer cards, to the Young Offenders Act, to the whole notion of recall, that the particular party may be trying to use this to its political advantage.

We know these are issues that concern Canadians. We have heard petitions on each of those issues and many more. I wonder if my colleague, who has been in the House for a number of years and who has a reputation for fairness, would care to comment on what the motivation might have been. I would be very much interested in his insights.

Mr. MacLellan: Mr. Speaker, I think this is an attempt to structure members of Parliament to the extent that there will remain a very narrow scope with which we can use our objectivity and our determination as to what we should do in this House of Commons.

What bothers me about this motion is the cynicism, that members of Parliament are not capable of determining how they should work to govern the people of Canada. The more structure in what we do, the less we are going to deviate from what they feel the people of Canada want.

What the people of Canada want is good representation, members of Parliament acting on behalf of Canadians, whether it be in their local interests or their national interests, but being objective and fair and dealing in a straightforward manner with their concerns.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I must first thank the Parliamentary Secretary to the Minister of Justice for his speech. He dealt in particular with the priority of petitions to be debated in the House, but I notice that all the motions, and the three examples given by the Reform Party, could become bills or motions discussed here in the House.

I would like the parliamentary secretary to add a little to what the previous speaker said when my colleague was questioned about referendums and petitions. I would like to know either his view as parliamentary secretary to the Minister of Justice or the distinction he makes between referendums and petitions.

Mr. MacLellan: Mr. Speaker, this is a good question, because those are two ways to obtain information from Canadians. A petition is a document provided by Canadians.

[*English*]

It is a document we receive from the people of Canada stating their concerns. A referendum is a document in which we say we are aware of a concern on a particular question and we are going to the people of Canada to tell us how they feel. The petition tells us that the people are concerned and they want us to know they

are concerned. The referendum says that they are concerned. We know of their concern. Do they think this is going to be suitable?

• (1635)

Mr. Ken Epp (Elk Island): Mr. Speaker, the member who just spoke indicated he feels there is no need to change to the way we presently handle petitions.

I get that message quite strongly. I wish he would confirm if it is correct. Then I would ask simply for his response to this. First of all I do not think those of us on this side are doing this for political gain. We really do want to provide the people of Canada the kind of government they are telling us they want. They want a representative, a member of Parliament who listens, hears and acts on what it hears.

The perception is that these petitions sort of hit a wall. My question is this. Should we abandon the ability of citizens to give us petitions since we can find out by other means what it is they are thinking if we are not going to use the petition method directly in making our decisions in this House.

Mr. MacLellan: Mr. Speaker, I do not feel exactly the way the hon. member does.

Petitions have a very real purpose. They make an impact in the House of Commons on all members of Parliament. We cannot help but hear the petitions read without feeling that the subject matter in the petitions is of concern to the people of Canada. We have to believe that in order to sign a petition.

The fact is that we then reply to them and tell them that we are concerned. The subject matter of two of the areas brought forward in the motion have been dealt with and are being dealt with. The serial killer cards and the Young Offenders Act are getting a great deal of consideration and work in the Department of Justice.

As I mentioned regarding the recall of members of Parliament, the Prime Minister has said this is not something we feel is justified. All three points have been considered or are being considered.

I am not saying we should not change the way we handle petitions. All I am saying is the method put forward in the motion is not the way to go. If there are other suggestions, certainly they should be considered. I do not think we should be rigid and unbending in the way we deal with the business of the House.

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, I appreciate the opportunity to speak in favour of the motion. The motion itself is basically an administrative one as it requires a change to the standing orders to allow petitions to be debated in the House.

One member suggested that petitions could be presented to the House for debate through a private member's bill. We are suggesting that is one mechanism but we would like to see petitions also have a mechanism or vehicle of their own and not be dependent on a member presenting them as a private bill.

As we know, petitions arrive and are either tabled or verbally presented to the House in a statement and then tabled for a recording procedure. From there they go to a ministry to be answered within a set period of time.

This brings a couple of general points to mind for reasons for putting petitions on the table for debate. Petitions can be seen as a symptom of a weakness or a problem in existing legislation or petition topics in many cases can involve the mandates of more than one ministry. These two points would provide good reason to debate the subject matter of petitions.

Petition topics in many cases address specific or single issues. These issues tend to be an end result or an outcome of a policy or law. It is a cause and effect kind of thing. The end result can be seen as a problem to the Canadians bringing it to our attention but it is not necessarily the main problem or the underlying cause. It is an outcome suggesting there is a weakness in the process or in the law itself. It can be seen as a symptom or a warning of a problem somewhere within the policy or the law. This concept, cause and effect, raises a few options to examine also. One could be that there is a deficiency in some aspect of the content of the legislation; another could be there is an actual omission to the content; still another could be that possibly a different set of circumstances in some areas of our country are causing different outcomes from the policy or law that are not necessarily occurring in other areas. Of course there could be a combination of the various options already mentioned.

• (1640)

Considering all the possible options available to us if we do address petitions as a symptom of an underlying problem, it seems a logical step that we would present this subject matter to the House for debate in order to identify the cause and the possible solutions to resolving these associated problems.

We could treat the symptom and not worry about the cause of it, but it would eventually return either as a larger or a more serious problem or both. At some point we would have to do a full investigation and identify the cause and correct it.

The second point offering rationale for debating of petition subject matter is that of the possible involvement of more than one ministry's mandate. This is important possibly for several reasons, but the one that comes to mind first is the advancements in our knowledge base which may shed new or a different light on a policy or law than when it was originally debated.

This new information may involve mandates of ministries not previously involved in the original decision making process or possibly not involved to the degree necessary at the time. The classic example of this today would the Department of the Environment. Its present day role in the outcome or effect of

many decisions made in the past by other ministries is quite obvious.

I submit that health care is in a similar position today. The end result or effect of many policies or laws in the past today are producing health hazards or concerns to some degree that are basically unacceptable to today's standards. The concerns about health may not be the main thrust or objective of the petition but the health care issues are usually involved to some degree, be it direct or indirect.

For example, any petition regarding the use of pesticides on crops or antibiotic drugs or other drugs used in livestock, could be sent perhaps to the ministry of agriculture but it definitely has a health care concern and that should be addressed as well.

Another example would be a factory dumping contaminated waste into a nearby lake or stream. This could be sent to either the Ministry of Industry or the Ministry of the Environment for a response. Yet again, there are great health concerns and issues apparent in this that may not have been addressed at the time of the original debate.

Also sentencing for assault has an indirect impact on health. If the sentence is reduced and that happens to be the complaint of the petition, then possibly it is because the assault rate has increased, more people are getting injured and consequently requiring treatment.

Most petitions today have some bearing on health issues. These issues need to be addressed and resolved in such a manner so that we can continue to promote a healthy environment for us to live and grow in.

Identifying and resolving health care problems found in the subject matter brought to our attention by petitions is essential if we want to help reduce our health care costs and promote good health through a wellness approach versus an illness approach. We must proact and not react to health care issue concerns regardless of how they are being brought to our attention. Petitions can be an excellent resource, especially if one views them from a feedback point of view.

• (1645)

Specific issues raised in petitions may be described as isolated situations, exceptions to the rule or extremely small percentages of the whole and may not be seen as being very significant in relation to the overall effects of the law or policy. However, there are still signs and symptoms of a bigger problem if we do not do something about it. It is like a cancer. It starts out small and insignificant but slowly grows to consume the whole. At some point along the way it must be treated and the sooner it is treated the better chance we have to save the whole.

In closing, I remind us all that petitions are calling cards. They are calling us to re–examine the various past decisions and all the ramifications of them both direct and indirect in a more in–depth approach than maybe previously or in light of new information that has come up over the years.

To provide for the review or revision and updating of the various laws and policies the opportunity to debate the subject matter of petitions in the House should be available.

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I will thank the hon. member for Surrey North. Those were very well thought out remarks which I enjoyed very much.

I wonder if the member could help me with one aspect of this which has been touched upon by other speakers but it touches me very deeply, I have to say. She was saying that the whole thrust of this motion is for petitions to be debated.

I will give the member an example. We are talking about debating and bringing to a vote a petition, for example, on the subject matter involving prohibiting the importation, distribution, sale and manufacture of serial killer cards. My difficulty is that when one debates a motion like that and it is brought to a vote I am afraid that one may be setting the agenda of this Parliament on an important issue that is much broader than just simply saying yes or no, we agree that killer cards should be prohibited.

The issue of prohibiting something like killer cards is a freedom of speech issue. It is a very large issue. It involves wider areas. My fear is that if we do as this motion suggests will we not be setting the agenda for legislation that will require a much vaster debate?

Ms. Bridgman: Mr. Speaker, I thank the member for his question.

I think what the member is saying is possibly what I was suggesting in my remarks. The actual topic of a petition could be seen as an outcome of a process or some such law of policy. To debate that specific topic would be a narrow point of view because it is a symptom or a sign of something major that is happening within the whole process.

I am saying that should come back to this House and we should look at this whole process and find the cause somewhere within this process that is generating that kind of result.

I would think that it would require some of our time for an extensive debate.

[*Translation*]

Mr. Maurice Godin (Châteauguay): Mr. Speaker, I thank my colleague for her comments. I would like to make some very brief remarks on an example just given of a petition to recall members. I find this extremely dangerous. I agree with the hon. member opposite who just said that it would be possible for a

party to put pressure on a member who did not agree on a certain subject and force him to resign. That is the first point.

• (1650)

The second point, also extremely important, would be to limit a member's foresight. In this House, around 1990, we saw five or six Conservative members leave that party to sit as independents; later, they formed the Bloc Quebecois. If the members had had to be recalled by law, I think that we would have simply prevented those people from exercising their foresight, because it was not just five or six members who saw that things were no longer working; in the last election, all of Canada voted that way and eliminated the Conservatives from this House.

For these two reasons I think that it would be rather dangerous to put that position into law.

[*English*]

Ms. Bridgman: Mr. Speaker, I am not exactly sure what the question was. The member is addressing recall and the concerns that we as parliamentarians may have, seeing that as being a threat over our heads.

My response to that is I do not think we should feel limited or restricted in our actions. Possibly what we should do is take a more positive approach versus the negative and put more faith in our constituents and Canadians in assessing our position here in the House and realizing that there are times when we cannot please all the people all the time on everything. We have to have faith in the people to judge and evaluate our performance honestly.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, this is a very interesting debate today which is near and dear to the hearts of Reformers.

During the election campaign just a few months ago the candidates' forums that I attended were very interesting. The Liberal candidate, a very fine individual, had a line in her speech that went over very well with the crowd until I got at it. It was: "In a few days time you people will be the boss. For those three or four minutes when you are in the ballot booth you are going to be the ones who decide what happens for this country for the next four years". That is true.

My response to that was Canadians in a democracy should be in charge a whole lot more than three or four minutes every four or five years.

This debate is important because it goes to a very fundamental, philosophical definition of democracy. It is, do what the people think and want count between elections? I would submit, and I think it is borne out by what happens in our country that right now it does not count for very much. We have heard a number of members argue vehemently that it should not either. To me that is fundamentally wrong.

I believe that many Canadians would like to sit where we sit, would like to have the time and the opportunity to examine the issues before our country and to make decisions based on that evidence. However, not all of us as Canadians can do that, given the time and constraints of our other duties and responsibilities and perhaps other factors. Therefore, on the democratic principle of one person, one vote we elect our own representatives.

We should underline the word representative. In the past representation has been a minuscule element in what happens here in Parliament. In the past it was not what the people we represented thought that counted so much as what the party we represented thought. If that had worked well we would all be happy with it. It really has not worked well.

• (1655)

When we get down to a style of representation that is dependent on what the party thinks, then it is the people who decide for the party who decide for parliamentarians and decide for the whole country. We get to the point at which a very small group of people decides everything because what it decides is supported by the other people in its party who dominate Parliament which decides things for the country.

That is really the problem we are trying to fix. If this small group of people had consistently made wise decisions, respecting our opinions, that carried the judgment of Canadians I think we would all be happy with that system. All of us have a life. We would be happy to live our lives, to pay attention to our business or professional interests or family interests and let this wise small group of people run everything, if it was doing it well. It has not.

The fact of the matter is that this group has buried us in debt. It has not listened to what we want. It has not respected our viewpoints. This has been shown over and over again in the last Parliament in which we had members of Parliament standing up and actually saying bare faced to people in public meetings: "I do not care if 90 per cent of my constituents oppose this legislation, I am supporting it because it is right for Canada".

With respect to some of our representatives in the past, it is our money that is being spent as Canadians, it is our future that is being shaped by these people who seem to know so much better than we do what is right for our country. I do not feel in a democracy it is appropriate or even acceptable for a small group of people to say it knows best for everybody.

What wisdom is invested in people simply by walking into these hallowed halls? We do not know any more than most Canadians in spite of our breadth of background and the education that most of us have. We are simply here to do a job and that job has three elements. It has an element of a mandate because we campaigned on certain things. If we campaigned to balance a budget then we had better balance the budget. If we campaigned

to listen to people and be open to people's viewpoints, then we had better follow through on that. If we campaigned on anything, then people expect us to keep those promises and they have given us a mandate to do that.

There are many things that come up in Parliament about which we have not specifically stood up in a campaign in those 50 days and said we are going to do this in this circumstance. Then we have to follow our own judgment in some cases because we cannot go back to our thousands of constituents and take a poll asking what they want us to do.

There are numerous occasions when the person elected has to use their best judgment. In that I agree with members opposite. There are also a large number of instances in which the issues are so big and so far reaching in consequence and so national in scope that it is only right and proper in a democracy that every citizen, after having an opportunity to make a full and fair examination of that issue, should be able to have input in it.

Otherwise we get into a situation we had in the Meech Lake debates and the Charlottetown accord in which a few people in this House think they know best for the country. It turns out that their wisdom, the wisdom of every single party in the House, is totally disconnected from what Canadians really want.

It is up to us as people who have been given a great deal of trust to fix that situation. In my view the way to do it is through these democratic reforms that we have been talking about. Other democracies use them. They work well. They connect what we do in this House as decision makers with the judgment of ordinary Canadians.

We have ample opportunity to use our wonderful and exalted judgment on any number of issues. We need checks and balances on that discretion, on that judgment, and that is all we are asking.

We have picked the issue of petitions to talk about today. Thousands and thousands of Canadians spend untold time, effort and trouble because they believe so strongly that something should be done and they appeal to us in a petition to do something. What happens? Things drop into the black hole. They are not debated. They are not voted on. They are rarely looked at. Many times people do not even know they were introduced because they were not introduced when the House was full. That is wrong. Canadians need to be able to feel that what they say to us counts for something. Nowhere is it more evident than in the petition making process.

• (1700)

This is only one aspect of where we as parliamentarians must start recognizing that we only represent people. We must be connected and accountable to those people whom we represent. We must truly respond to their wishes, desires and concerns.

I would submit to the House for the consideration of members that these changes are coming. I would ask that they be supported and that we work together to reconnect Canadians with the decision making process on their behalf.

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, once again members across the floor in the Reform Party have set up yet another false straw dog concerning the Canadian people.

It has been suggested that Parliament is not a democratic place. I support what the member for Glengarry—Prescott—Russell originally said. There exists a mechanism to deal with petitions. It is up to individual members who bring these petitions forward to ensure they do the work for their constituents and on behalf of their constituents. As the hon. member for Glengarry—Prescott—Russell pointed out, where are the Reform Party members in terms of their motions regarding petitions?

I sit on this side of the House. As a brand new member I am learning a lot about the traditions of Parliament. The very first day I sat over here on orientation day was most significant. I listened to the previous speaker talk about the fine tradition of Parliament which has existed and developed over hundreds of years.

When we take a tradition like Parliament and decide to throw it on its head, upside down, we cannot control the kinds of things that might happen and the injustices to the democratic process that occur out of naivety. It is not without passion on the hon. members' part on the other side of the House, but I would suggest this is yet again a false straw dog set before the Canadian people. There exists in Parliament a mechanism to do the very things they are suggesting on the other side of the House. If they were serving their constituents well they would be doing just that.

Mrs. Ablonczy: Mr. Speaker, I thank the member opposite for her comments. With respect, however, it is an insult to Canadians to suggest that their thousands of signatures are a false straw dog. They should count for something.

Yes, members can introduce private members' bills based on petitions, but what happens to them? They go into a lottery. Quite often they are not even debated or voted on.

Yes, we can work for these things in committee. But should not petitions signed by thousands of Canadians have more significance and not just go into the mill? Should they not be treated with some sort of acknowledgement and respect by the people they are presented to?

If we go to someone with a request we expect a response. We expect them to say whether they agree or whether they will to support us. The petitions come to us as members of the House. They deserve more than just to be tucked away and perhaps to be the basis of a private member's bill or maybe raised in committee some day.

• (1705)

These kinds of initiatives on the part of the citizens deserve a better response. That is what I am saying. I think Canadians would agree with that. Otherwise why would they bother wasting their time with them?

Mrs. Brenda Chamberlain (Guelph—Wellington): Mr. Speaker, I am concerned. The hon. member for Calgary North said that we do not do what people think and want during elections and asked whether what they think and what they want count. I take great exception to that. I was elected to do exactly that. Most Liberals were elected this time around because we offered a balanced perspective.

The Reform Party, as popular as it may seem to be in the western part of Canada, has not taken a great surge in the rest of Canada. As we know it is not a true party of Canada. It truly is a regional party.

Mr. White (North Vancouver): Wait until the next election.

Mrs. Chamberlain: We will see. The people have spoken very loudly and clearly on our platform. It is important for members of the Reform Party to recognize that those are the wishes of the people.

The hon. member for Calgary Southwest the other day spoke on this same point. I really feel we are elected to learn and to seek out information to which perhaps people at large do not have access. When the Reform leader spoke he said that they would educate them, that they could institute an educational process. I worry about that. I worry about an educational process that a certain party would institute to educate Canada in referendums.

I really feel strongly. The question I want to put to the member is: Does she not feel comfortable in making decisions with the information she gets from her constituents by phone, by meeting with them in public meetings, or by any of the ways that are available? Is she is not comfortable with that information—

The Deputy Speaker: Order, please. I think the question is clear.

Mrs. Ablonczy: Mr. Speaker, it concerns me when we are talking about a fundamental issue of democratic rights and freedoms and it is turned into a sort of partisan attack. It is like saying that since a six–year old party did not sweep the country it has no legitimacy. That is not helpful.

The member says that the wishes of the people are taken into account and the fact that a government is elected is sort of a carte blanche for whatever it decides to do because, after all, it got the mandate. Recent history shows that is not the case. The past government was elected and put in place the GST over the violent objections of Canadians. This government recognized it to the point at which it is prepared to withdraw that tax.

The Charlottetown accord was supposedly put forward by the past government with a great mandate. That was rejected by the people. Just because a government is elected does not mean that whatever it does for the next four years somehow has legitimacy. There have to be checks and balances on the decision making process over the next four years. That is what we are saying.

Why would anybody worry about an educational process? Surely that is exactly what we need to do in the country. We need to let people know the issues, to let them know the pros and the cons of the issues so they can make judgments themselves through us as representatives on the issues of the day.

I hope the hon. member is not saying that Canadians are not capable of receiving education and making good decisions. Surely that would be undemocratic. There must be an educational process. That happened again during the Charlottetown referendum debate. In fact the educational process was very disproportionately weighted on one side of the issue, yet people still made a decision based on the evidence they had. We should not be afraid.

The Deputy Speaker: Order, please. Time is up.

• (1710)

Hon. Roger Simmons (Burin—St. George's): Mr. Speaker, in another life I used to be a superintendent of education. I remember well—and I will document it chapter and verse—the town was Springdale on the northeast coast of Newfoundland and the issue was whether to amalgamate the school services.

As members will realize, under the Constitution, Newfoundland has a denominational system of education. At the moment in 1994 it has in effect three systems: a Roman Catholic system, a Pentecostal system and an integrated system, that being the integration of several of the religious denominations which formerly had their separate services. I am talking now about a point in time just before that integration. We had in a given community a number of individual school systems.

The proposal was that they be integrated, so somebody had a petition. On the petition in that community of 3,000, fully 85 per cent of the petitioners—I do not have the numbers but it represented the overwhelming adult population of that particular community—wanted what we called amalgamation, a bringing together of the separate services, an integration. However, within two weeks somebody else produced a petition with the overwhelming adult population having signed it in which about 58 per cent did not want the amalgamation. Clearly many of the

same names showed up on both petitions within a period of 10 or 12 days.

My point is that petitions serve a very worthwhile purpose but they can be abused. One of the reasons they can be abused is that it is difficult when a neighbour comes to the door to say no to him when all he is looking for is a signature.

Members of the House will acknowledge that very often petitions get signed without due thought. They ought not to be taken as gospel. They ought to be taken as an indicator though. If someone comes to me with a petition on a subject that states 85 per cent of the community is of this particular mind, I take that to be a very strong message.

Do members know what is even better than petitions? A ballot box because there they cannot vote both ways. There they vote one way or the other and they are obliged to stick with it.

Let us understand where I am coming from on petitions. Petitions are a very important instrument, a very important mechanism. That is why we as legislators or parliamentarians have always given petitions—and by we I mean the many people who have gone before us in this Parliament and the British Parliament—petitions a place of pre–eminence in the Chamber.

It is the grievance of the people. It is the people saying collectively that they are for something or they are against something or are concerned about a particular issue. Members of Parliament who make light of that instrument are making light of a lot of people. They are making light of an instrument that has served Parliament and the people of the country very well for a long time.

Having said that, the danger is that we make the illogical transition from petitions as a means of sending a signal, petitions as a means of recording a grievance, to government by petition.

I believe I illustrated the problem with government by petition with my example. Had we followed both petitions back then in the community of Springdale several years ago we would have had two schools. We would have had the amalgamated one because that is what 85 per cent of the people wanted. We also would have had all the separate schools because that is what 58 per cent of the people wanted within the same 10 or 12 day period.

That is the difficulty.

• (1715)

That is the conundrum with petitions. Very often they would have you do things which are mutually exclusive. I put it to any member of this House that if they go out and get a petition on any issue, in the same week I will get a petition with as many names on the other side of that issue. The beauty of petitions is that they send a signal. The weakness of petitions is that they send mixed signals.

The weakness is what happens at that door, as I mentioned a moment ago. It is difficult unless you have a very well thought out position on an issue. If you are publicly known to be, for example, against abortion it is easy to say to the individual who comes to the door: "You know my position on that and I cannot sign your petition which is for abortion". However, with the exception of three or four conscience issues such as abortion, capital punishment and euthanasia, people have to live together in small communities and when a neighbour comes to the door with that petition, often it is easier. I am not saying it is right. I am not justifying it. I am characterizing what happens thousands of times with petitions. Thousands of times people sign a petition and are known in many cases to have signed petitions on opposite sides of the issue.

That is why I started with an example, not a generalization, a specific example in which I was involved in a situation in which people within eight or ten or twelve days had signed opposite sides of two mutually exclusive petitions.

That is why it is dangerous. It is ill advised to make the jump from petitions as a form of grievance, petitions as a way of testing the water, petitions as a way of knowing what people think on an issue, to government by petitions.

Let us look at the essence of this particular motion. It says in effect that petitions are an important vehicle. It says in effect that petitions ought to have more of a role in this Chamber.

I say to my friend from Edmonton Southwest, if that is his real motivation here, and I would suspect that it is, there are ways to do that. His colleague from Calgary North dismisses the idea of private members' bills. A lot of private members bills go down the drain, a lot because they should. However, a lot of others have gone down the drain because the member did not do his or her homework. Very often if a member is seized with an issue, seized with the importance of an issue, that member can stick handle his or her way through the maze here and get a private members' bill passed in this House. I have seen it happen many times.

Before people start denigrating the private members' bill, they ought to check the record in this House and they will find that many private members' bills have made it past the post in this particular Chamber.

Mr. Young: We cannot smoke here because of a private members' bill.

Mr. Simmons: The old anti–smoking stance on the Hill right now, my colleague, the Minister of Transport, reminds us is the direct result of a private members' bill, just by way of example. There are many others we could mention.

If petitions bring to the public eye an issue which is sufficiently important and if the petitioners have a sufficiently energetic and informed member of Parliament, that issue will find its way to the floor of this House in a way that will be productive. That is my first point.

I have already stated my second point a couple of times. Let us not rush to have government by mail. If we think this through, there is no need to come here at all. We just need little buttons in 27 million homes—if you are for this, push that button; if you are against that, push that button. That is not what government is about. That is not what this House is about. This is a forum for debate. I have had members of all parties say to me since they have come here in one form or another that they did not quite realize how it was, the implications of this.

• (1720)

I have had to say to myself and to others many times that is why I am here. I have not come here with a closed mind. I have not been sent here as a proxy by the people of Burin—St. George's. Twenty-five thousand people put their *x* after my name last fall, October 25. Many of them had done it on occasions before. They have had nine occasions to cast their votes for or against me, as the case may be. There is a method of recall. If that is the concern, then I have difficulty.

I have written down what the member for Calgary North said: "Representation has been a minuscule element here". I have to say to her that she might want to look at those words because she might have said them in the heat of debate.

What an insult.

Some hon. members: Hear, hear.

Mr. Simmons: What was I doing when I was out beating my gums for the last aeons of years about the fishery problems on the south coast of Newfoundland? What was that?

How about the times I got up here and talked about the need for better student aid programs? How about the times I got up here and talked about some fairness, some balance in the way that we have transfer payments to the various provinces? How about the time I got up here and asked for tougher laws in terms of gun control?

Was I just pushing my own agenda at those times? Was I maybe representing somebody once in a while? Or, in her words, was it just a minuscule number of times—I was doing it by accident, I came here to push my own agenda. I do not think she believes that for a moment. I do not know her well but what I know of her tells me that she does not believe that kind of nonsense. That is absolute, unadulterated nonsense, I have to say to her.

She might want to retract it because if she does not retract it she has insulted not just me. I have had a few insults. I can take them. There are a few other members of Parliament around here. Even if we exclude all the members of her party who have just come here, let us go back and put them in a special category that they would not dare to do anything but represent. Let us buy that line for the moment. It is the same for my friends in the Bloc who, with the exception of six or seven of them, are here for the first time. It is the same for a number on this side and those who would like to be on this side, those over in the Siberian section over there. We plan to have those numbers for a long time to come.

A lot of us have been here before and a lot of members of other parties have come here. I just had the feeling, perhaps I was completely duped by all this, when I watched them when they got up and presented petitions and raised issues that they were actually representing people. Now I have to accept that all the time they were here they were just flogging their own words, just doing their own thing.

I do not want to make light of the member's comment because she also used an example that I wanted to use so I will use it as well. She used the example of the GST in the last Parliament. There was a clear case in which despite the petitions, the objections of 85 per cent of the Canadian people, the government rammed it through. There is a case in which the system broke down. It broke down temporarily. People dealt with it in spades when the election came. The party that did that has only two members in this House right now.

The system broke down temporarily but it is basically the exception. I can give another example. Around 1983 the government of then Prime Minister Trudeau was contemplating some changes in old age pensions. Then petitions came in. Then the will of the people was heard. We very quickly abandoned any plans we had on old age pension reform at that particular time.

• (1725)

We cannot have an election every day. Is four years not enough? Let us make it three years. If the time between elections is the issue, if we cannot be trusted to come down here for four years at a time, let us haul us back as they do in Congress in the United States every two years or whatever. Let us change the time period.

Let us not dupe the people into thinking that all will be happy and hunky dory if they can mail in their decision on today's problem, push the button today, send in the petition tomorrow morning.

The problem, as I illustrated in my opening example, with petitions and with the will of the people is that it is not always black and white. Sometimes 30 per cent want one thing and 35 per cent want another and the other 35 want something else. What do we do, have three policies?

We cannot beg the essential question that a government is elected to govern. If it does it in accordance with its mandate it can face the people squarely next time around. If it betrays that

mandate, we have a very recent example of what happens to that kind of a government.

There is a notion that somehow we can undermine the electorate all the time. I mentioned 25,000 voted for me, others can quote even more impressive figures. My friend from North York could tell us, I suppose, that over 100,000 people voted for him. Were all those people a bunch of dupes? Were they all absolutely stupid? Every member sitting in this House had either a majority or a plurality. They came here with the direct blessings of many thousands of people in each case.

Now I am being told today that these people did not mean that. What they would rather do instead of all those *x*s is have a lot of petitions. God bless them. Send us the petitions, lots of them. Send us all the petitions they want. If some of the people in Burin—St. George's are signing those petitions I have to say to them, each one of those 25,000 darlings who voted for me, that I will respect their petition, I will hear their grievance but I will not let it cancel out my basic mandate here which is to represent all the people of Burin—St. George's, not just the people who can hustle petitions best. That is my mandate here. That is a mandate I intend to serve to the very best of my ability.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I certainly do not have to ask the hon. member any questions because I know where he stands. That is pretty well for the status quo.

I would like to make a couple of comments that he might want to respond to. He took exception to our member from Calgary when she indicated that she felt the representation has been minuscule. The member's former leader, Mr. Trudeau, made the statement that when backbenchers get 50 feet from the House of Commons they are nobodies.

Perhaps he could take that into consideration and perhaps he could take into consideration what the people think about that kind of representation where a small group of people within a party and within a government decides the direction that the government is going to take on important issues that impact upon individuals so severely.

I have had people say that those who oppose these populace principles of referendum, recall, citizens' initiative, the reform of the Senate, a triple-E senate, are afraid of their own people. They do not trust them. They are saying to them at election time: "Trust us with the authority you will invest in us by way of sending us to Ottawa, but we do not want to have to trust you to hold us accountable for the way that we conduct your affairs on a daily basis".

• (1730)

The hon. member mentioned this whole huge mistake that the former government made with regard to the GST. Look at the damage that was done and has been done and will continue to be done. We are saying that if we had a mechanism in place through which the people could have stopped that damage, that ill-conceived piece of legislation would not have been passed into legislation; and the enormous economic damage that has been done and that has been recognized by the Liberal government would not have been done. This is what we are saying. The people need these checks and balances. This is to what the member for Calgary was alluding.

We are not saying we want to run government by push buttons, as the hon. member stated. We want to place reasonable checks and balances in place whereby when the people are aroused over an issue they have some means of stopping ill-conceived legislation from coming forward that will have such a detrimental impact on their lives and the lives of their children.

Mr. Simmons: I would like to thank the hon. member for Crowfoot. He mentions the status quo. No, I am not very big on the status quo, not very big on change either. If something is worth changing, let us change it. Let us not change it for the sake of changing it.

The hon. member might be surprised to hear this, but I liked most of what he said. I thought his example of Mr. Trudeau was a bit outdated, but that is beside the point. But at the end, the member for Crowfoot particularly talks about checks and balances.

In 1992 in 52 weeks I travelled 49 times from Ottawa to Burin—St. George's. Two weekends ago I was absent from this Chamber on Friday and Monday and between Friday and Monday I flew to Newfoundland and back, which means eight hours on the plane, four hours each way. I spent 26 hours in a car, and I attended 29 meetings of fishermen's committees, town councils, et cetera.

I say to my good friend from Crowfoot there is the check and balance he is looking for. If the member stays in touch with his constituents he cannot really come back here and ignore the advice he has heard. I have to say to you, sir, as faithfully as I can that I reflect the wishes of my constituents here.

Mr. Ted White (North Vancouver): Mr. Speaker, our motion seems to have been a burr under the saddle of the members opposite today.

The hon. member decries a government by petition, as if we had proposed government by petition. Debating the occasional major petition is hardly government by petition. It is certainly sad the members opposite are afraid of reforms that would show Canadians we really care about their opinions between elections.

Would the hon. member consider a petition with one million signatures on it worth debating. I am asking the hon. member the same question I asked earlier of another member: Why is he afraid to debate a major petition? Is he afraid that in front of the television cameras his constituents will see that he does not actually represent them?

Mr. Simmons: The member for North Vancouver, as is the case most of the time, is in a fairly feisty mood. But in the process he should not attribute motives about people who are scared. The degree of scare or fear is not measured by the side of the aisle on which you sit. I sat on that side of the aisle a fair number of years as well.

• (1735)

Actually I will check it out because that is the one my good friend from Kindersley—Lloydminster has as a matter of fact. His question gets lost in the rhetoric which implies that all the people over here somehow are bad guys and bad girls because they sit over here and they are all scared of everything.

No is the answer to his question. Bring in the petition with the million signatures and I will be glad to debate it any day at all. The issue I was talking about was a bit more than that. I was getting concerned because if I am hearing too much on this issue, the member for North Vancouver can correct me. I am hearing that if we had all the petitions debated here and we had referendums on what to put on our toast every morning, the world would be hunky dory. Everything would be happy, happy.

I say to him and to other members of the House that until we change the system, the government is elected to govern. When it governs badly, as the last one did, it reaps its reward during elections.

Mr. Paul Szabo (Mississauga South): Mr. Speaker, let me be brief.

The question has come up whether a petition with a million signatures on it should be debated in the House. Maybe we should consider something like that. What if a petition came before the House with a million signatures saying that official bilingualism should be discontinued in Canada.

I believe there are questions the government could deal with without having to debate them. It is a matter of policy. Possibly the member could comment on this issue. If a petition comes forward for debate, if we follow what the Reform Party is suggesting, how would other members get prepared to debate that petition without themselves going back and somehow doing some sort of work to determine the position of their constituents? It is totally impractical. Maybe the member for Burin—St. George's could comment.

The Deputy Speaker: A colleague wants a quick question as well. The shorter his answer the better his chance.

Mr. Simmons: Mr. Speaker, I thank my friend from Mississauga South. The fact that it is complicated does not rule it out. Most things we do here are confusing and complicated.

If members would look at the Order Paper and the motion put down by my friend from Edmonton Southwest, the one we are now debating, the answer to his question and the question put previously by the gentleman from North Vancouver is answered.

They are both answered in the convention we are using here right now. On opposition days, for example, even if we had a big bad government, members can put down for debate whatever they want to. I would suspect that if the Reform Party, or any other party in this Chamber, received a petition from a million people it would be awfully stupid not to make it the subject of an opposition day motion.

Mr. Benoît Serré (Timiskaming—French River): Mr. Speaker, I want to make a comment in support of what my colleague from Burin—St. George's has been saying for the past 10 or 15 minutes. Let me relate a little experience I had during the campaign.

Repeatedly the polls in my riding said that people were in favour of capital punishment by 80 or 85 per cent. Throughout the campaign I was asked about 50 times whether if I was elected to Parliament, would I support my constituents and vote according to the majority and for capital punishment. My answer was no, that I was against capital punishment on a matter of principle and I would not vote for capital punishment. I said that if they felt strongly enough about this issue, they had one choice, not to vote for me.

Lo and behold when the ballot box came in, I had 60 per cent of the votes. If my arithmetic is right, even if I had the whole 20 per cent of the people who are against capital punishment voting for me—I doubt that because a lot of them are NDP—I still had 40 per cent of the people who are for capital punishment.

I feel I have a mandate to come in the House and make my own decision and vote against capital punishment. This is real democracy.

Mr. Simmons: Mr. Speaker, my friend from Timiskaming—French River makes the very important point that if one governs and makes decisions, and if members are elected on the basis of one issue, the conundrum arises when one has, for example, a healthy majority for capital punishment in the member's riding but on another issue many of that healthy majority are on the other side, and on a third issue it is on a different side. If he pleases the 65 per cent or 85 per cent on that issue, what does he do on the next issue and the next when they are in different camps? That is why the member is elected, I submit, not so much on the basis of his positions on each of 1,015 items, but rather on the basis of his ability to make the right judgment when the time arrives.

• (1740)

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, it is a privilege to address the House on the motion before us today with regard to debate of petitions.

I must confess I am a bit disappointed in the response we have had from the other side. This motion was a request asking the government to consider opening up the House for debate on major petitions. I am quite surprised that in its response it seems to be quite strongly opposed to even considering, debating or discussing what we can do to improve this important facet that Canadians have of dialoguing with us here.

I was a bit disappointed by the hon. member for Kingston and the Islands who spoke quite strongly against considering a time during the session when we could debate petitions. I was also quite saddened by the hon. member for Glengarry—Prescott—Russell for his rather vociferous and fierce presentation in opposition to even considering our motion. He suggested that it was improper for Reform MPs to bring this forward for debate. I found it quite interesting that he would quote Edmund Burke, the father of Tories. It may mean that we will have to change the title of Grits to Tories in the future, but perhaps that is who they look up to and thought they would try to receive their inspiration from that source in the future.

Our motion was put forward in good faith to try to open up some dialogue on the matter of petitions. As members are no doubt aware almost daily petitions are brought to the House, certainly often at great effort on the part of Canadians who have issues they feel are important enough that they would actually petition those of us who are elected representatives to in some way deal with them.

Perhaps it is because I am new here. I know the hon. member for Glengarry—Prescott—Russell said we can introduce motions through private members' bills and so on to bring those petitions to the floor, but it is a difficult and slow process. I do not think it gives proper recognition for the time and effort that many Canadians put into trying to bring the issues that are of vital importance to them to the floor of the House.

I know it is not possible to address every petition brought forward by Canadians and our motion does not purport to do that. It states that there should be a time when the House would deal with serious petitions that are brought to the House, such as the one of 2.5 million signatures brought in the other day. We have heard several separate petitions concerning serial killer cards brought from both sides of the House and there is unanimous agreement that this should be stopped. It is important that legislation be introduced and that this issue be dealt with. These are the types of things that Reform is suggesting should be debated.

I really believe the hesitance of the other side to want to do this is a lack of confidence in rank and file Canadians. Often times all rank and file Canadians see of this House is what they see on their television, usually during Question Period, which I do not think is a totally accurate reflection, at least I hope it is not, of what goes on here.

I want to talk for just a couple of minutes about why I became involved in politics. I believe it relates to the motion before us today. As a young adult my government was a Liberal government. I felt quite alienated from that government. They introduced legislation that in no way, shape or form was beneficial to my industry, to my family or to those matters that concerned me. However, in my area almost all of the members of the House did not sit on the government side. A Liberal was a rare species in western Canada in the 1960s and the 1970s. During that period the Prime Minister told me, a farmer, that I should sell my own wheat, and he said it in rather unflattering terms. He gave me no means by which I could actually sell that wheat. Then his government introduced the national energy program which devastated an industry in my part of Canada. We are still suffering some of the results of the national energy program which so financially and economically crippled my part of the country.

• (1745)

Then the insult to injury was the tax and spend of the last few years of the Liberal government before it was replaced by the Conservatives which began bringing us down the dangerous slope of increased debts by uncontrolled annual federal spending. Western Canada kept voting for the members who stayed on this side of the Chamber, whether they be Progressive Conservatives or New Democrats.

Finally, the Liberals had infuriated enough Canadians that they lost their support in Ontario and Quebec as well. Then there was a government and my member was on the government side and there was strong representation in the House from western Canada, in fact across all of Canada. There was a massive victory for the Progressive Conservative government. There were very few Liberals in the House. If ever there was a mandate to govern, the Conservatives had it. They had 208 seats if I remember correctly. However, they did not maintain any accountability to Canadians. We saw no difference in my part of Canada in the type of government we had under the new administration in comparison to what we had under the old administration.

The light began to go on in a number of our heads. We thought perhaps the people we were sending to Ottawa were not the problem. Perhaps it was the system.

The new Conservative administration followed on the same course as the Trudeau administration had. The Conservatives introduced the GST against the wishes of a majority of Canadians. They said: "We have a mandate to do this. If you do not think we have done the right thing you can talk to us about it at election time".

Adding insult to injury, the Conservatives introduced the Meech Lake accord. I might add they had the support of the Liberal and New Democratic members in this House. They said: "We speak on behalf of Canadians. You can trust our wisdom. We have thought this through very carefully. What we are doing is in the best interests of all Canadians".

Thank goodness not only Reformers but a number of Canadians have demanded more input in the decisions made in this Chamber because it is getting out of control. They have no input, no means by which to redirect the politicians, leaders or members in the House of Commons if they get going in the wrong direction.

Fortunately, the Charlottetown accord was the time for testing the wisdom of this Chamber. Remember there nearly was unanimous agreement in this Chamber in support of the Charlottetown accord. Of course the member for Beaver River vociferously opposed the accord and a few other members were also opposed to it. It turned out that this body had lost total contact with what was happening outside of this place. I have talked to people who were very much involved in the Charlottetown accord who said: "We had no idea they were supporting it. We had no idea that Canadians saw this issue so differently from what we did". They had lost touch.

Perhaps we could begin, and I emphasize begin, to turn the tables, to bring back accountability, to bring back communication between members in this House and their constituents. We start by looking at the little things we could do to keep us in touch with those who sent us here. We are not sent with a mandate to do whatever we pleased. Every time the governing party has changed it has been to kick the other guys out. When are we going to wake up and realize that? We cannot say we have a mandate to govern when Canadians are merely replacing one group of members with another because they cannot tolerate what the first group has been doing. They have lost touch with Canadians. We have to reverse our thinking.

I am disappointed that members on the opposite side who have been arguing against this motion would be satisfied with a substandard form of parliamentary government. They are prepared to bury their heads in the sand to maintain our form of government exactly as it has been for the last 127 years.

We are entering the 21st century and for the most part we are still operating in a 19th century mode. It is truly unfortunate that we do not elect members to the other place. It is unfortunate that we handle petitions merely as a formality and very seldom deal with them in the significant way they deserve because of the effort Canadians have made in bringing them to our attention.

• (1750)

In closing, it all boils down to whether we as members of Parliament want to consider the importance of individual Canadians or whether we want to be merely attentive to the highly efficient lobby groups and special interest groups that are able to bend our ears. Those groups can afford to send their representatives with their glossy brochures to our offices to try to twist our arms to present their views in this Chamber.

A petition is a very inexpensive way for hard working Canadians who love their country and are concerned about a number of issues, some with which we agree and others with which we are opposed, to bring their issues before us. To just summarily dismiss them is not showing the deserved respect to the people who are responsible for our being here. They have entrusted us to make wise decisions and to keep the lines of communication open with them, so that we will act on their behalf and on their stead.

Therefore I would hardly speak for reform of this place just because it has not totally collapsed in the past. Just because it effectively serves us in some areas does not mean the status quo is what is good for us in the future.

The fact that Canadians are sweeping out one administration to replace it by another again speaks to the fact that we have to look at reform of this Chamber if we are going to give Canadians the type of government and the strength in their leaders they expect and deserve.

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, the hon. member for Kindersley—Lloydminster and other members have referred to consultation and discussions with their constituents to get their thoughts and the matter of checks and balances in determining what to do throughout.

Is the hon. member suggesting a consultative process or is it a means of trying to avoid responsibility for important decisions that have to be made in this House from time to time on extremely important matters? Therefore, when the time comes they do not have to blame themselves for the decision made.

Mr. Hermanson: I thank the hon. member for his very good question which deserves a good answer.

The fact that we consult with Canadians and hear their point of view is not shirking responsibility. I am not suggesting the hon. member is saying that and I trust that he is not saying that. The fact of the matter is if we are not prepared to listen and consult with constituents we can get so far off base that they will remove us from office. In the process we not only lose our position here which really is not the important issue, but the country is led in the wrong direction and often damaging decisions are made.

For instance, our national debt which is now over $.5 trillion, is a heritage we are giving to our children that they have had no part in making. Because we have not been listening to parents and grandparents concerned about the welfare of future generations of Canadians, we may have a very black mark in the history of this country.

Canadians are responsible. If we include them in the decision making process we might be surprised by the wisdom of their decisions. It strikes me very odd that hon. members laud their electors for their good judgment in sending them to this House. Then all of a sudden once they get here their electors have lost all that good judgment. They are not capable of making any sound decision based on the good of Canada. They are only concerned about their own narrow interest.

I do not accept that. I believe if Canadians know they would actually have some impact on the decisions made in this House we would find that the quality of those decisions, if they are provided with the necessary information would be equal or better than the quality of the decisions made by us.

• (1755)

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I have two questions.

I wonder if my hon. colleague would define what a major petition and a serious motion are. Those are two terms he used in his comments. Is it numbers? Is it the issue itself? Is it something else?

I am also wondering whether my hon. colleague is not being somewhat, or perhaps quite a lot, mischievous. He has turned it around to talk about consultation. Let me say that all of us consult and consult a whole lot. It may be some of us have selective understanding of what is being said but this is not a question about consulting. This is a question about petitions but he has cleverly managed to massage it and swing it around.

I want people to note the buttons he touched. The Constitution. Why? Because he knows full well that it is very delicate in the riding he represents. The national energy program was part of his remarks. What has that got to do with this particular motion?

I am wondering whether the hon. member is not being rather mischievous.

The Deputy Speaker: Before the reply, I think there is an understanding in the House that we do not impute motives to other members in the House, particularly in a new Parliament.

Mr. Hermanson: Mr. Speaker, I have no idea what the Constitution has to do with the national energy program so I will pass on that one.

We mentioned three areas where we believe that debate of petitions would be relevant in this House. The first one was based on the serial killer cards. In my short tenure in this House there have been a dozen or perhaps two dozen petitions relating to that issue certainly from all across Canada. That is definitely an important issue to Canadians because it is coming from both sides of the House and a number of fairly large petitions are being presented.

The other petition we mentioned was the one which I believe had 2.5 million signatures and speaks to the importance Canadians place on it.

The third petition we mentioned was the one tabled in the House today on recall. There were 30,000 signatures directly dealing with matters in this House and in fact with a member who sits in our midst.

These are three very good examples I would give to the hon. member as the types of petitions that may deserve some special consideration by this House at least once during a session or once a year.

I do not perceive that as being mischievous at all. I believe it is in the spirit of reform and goodwill and in consultation in respect of Canadians.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, this resolution before us concerns debating petitions before this House.

We should recognize first it is a very basic principle in this institution that any means by which the ideas and the influence of the general public can enter this assembly should be welcomed. We should not try to deter it or stop it in any way, but our job as legislators or people who set the rules by which this House operates is to make sure those rules are as open and functional as possible. I say that in opening to set out a principle by which I would like to design the rest of my remarks.

Since coming to this House I have noted some very good differences from the Alberta legislative assembly in which I served.

The first is members' statements. This event does not exist in that assembly. The 15 minutes just prior to question period is the most informative part of this assembly. I hear ideas from all across this nation, from the maritimes, Ontario, Quebec, the prairies, British Columbia. They are presented in a minute and I am able to grasp very quickly a concern or a problem or an attitude in a particular region. That is significant and is a good change. I certainly commend those who were sitting in this assembly when that change to the House rules was made.

There is a second difference that I recognize as important. The moment after a person has made a presentation in debate we are allowed a period of time, either five minutes or ten minutes, during which we can question the speaker on a subject. We can ferret out more material, more attitude or more information with

regard to the respective person's presentation. It is an excellent innovation.

• (1800)

That was not an innovation in the legislative assembly of Alberta. I mention those two items because I have been impressed by them. There are others in this assembly I have noted that have opened the door so the democratic process can work.

We can look at the concept of petitions and their presentation. I want to say the following about petitions. In my many years in the legislative assembly of Alberta numerous petitions came to the floor and were tabled. Often a member was committed to the petition and believed that something should happen or the petition was an added piece of information that could influence the legislative assembly. That very same thing happens in the House of Commons.

Another thing I noted, though, was that many petitions presented by members were often presented without commitment, without the objective of bringing about change or representing a group of people. They were often brought to the assembly with political expediency. They were laid upon the table. They would table them but they would run away from them. They really said to the group: "I have tabled your petition" and the people felt that maybe members represented them or maybe not. There was an expediency about it. There was not sincerity at all.

The hon. member for Burin—St. George's referenced somewhat in his remarks this afternoon that anybody would sign a petition. We could go up and down the street and anybody would sign it, no matter. We could take it to the pro side or the con side and anybody would sign it. The inference was that the petition did not have credibility.

Why is there no real credibility in petitions? Why do we look at them as documents that do not have the credibility they should have? Maybe one of the reasons, and it is not the only reason, is that we as legislators or parliamentarians have not given them the credibility they should have. People often sign a petition thinking they will just present it and nothing will happen; that it will just gather dust somewhere in the back rooms of the parliamentary system; that it will just be there and nothing will really happen; that it does not matter, nobody will ever look at the names on it anyhow.

If we were to give petitions some credibility in the House, if there were an item on the agenda so that when they were presented and, as the Reform Party is suggesting, were debated then they would have some credibility. Certainly they should have some substance so that they create a certain action or reaction as such. What about a petition, if we were to debate it or it some special status on our orders of the day or on our agenda before us? What should it have? What are some of those criteria?

A petition would be debated. As I see it a member must be committed to or responsible for the petition. We could look at it or examine it. Maybe a certain number of members could indicate by signing some form that they are prepared to bring the petition to the floor of the House. That could be one of the criteria. It could not be a petition that is a loose cannon on the floor for which nobody is really taking responsibility.

The group that initiates the petition should have the responsibility of convincing some members of either side of the Parliament of Canada that it is a good petition and that it should be debated. They should be able to give the reasons and in turn get those respective members of Parliament to take it forward for them. That would be the first criterion.

• (1805)

Second would be the numbers and the regional representation of the petition. If it were a petition to keep open the post office in a little town in my constituency, it would be a very personal kind of petition. The issue to be debated should be of some concern to the majority of constituencies across the nation, not just one constituency as such.

Those are a couple of criteria we could look at in order to bring it up on the agenda. Possibly there are others that we could design.

We have referred to other requests for parliamentary reform to come about and to be brought before this assembly. This is another item that could be referred to the procedure and House affairs committee for consideration as an innovation. It would indicate to the people of the nation that we are not just following the old rules and saying that is the way it has to be done.

We are willing to change as we have done in some excellent ways so far. We want to look at and try new things. This idea would certainly be new. I do not know of any other house that would treat petitions in the way we are suggesting here as the Reform Party. It would be very different as such.

This is where I was going to note some of my sources. The member for Kingston and the Islands informed me informally that the House received anywhere from 1,000 to 1,500 petitions each session. There is no way we are saying as the Reform Party that we should discuss all those petitions. Of course not. Most likely there are some of major significance that meet some criteria we could establish. They could be brought before us under an agenda item called petitions for debate and dealt with in that manner. I am sure that would involve more people in trying to change the laws for the betterment of our citizens.

There was some reference made in earlier comments that we could use the format of a private member's bill or of a resolution in the House. That is most likely true. That would be another way by which we as private members could get the issue on the table and debated before this assembly. I am sure we will use that format in the Parliament of Canada.

Those are two items on the agenda. What would it hurt to give some prominence on the agenda to petitions? Maybe the consequence of that would be to add a little more credibility to the concept of a petition. Before they were brought to the House they would be signed by people, knowing that they would be debated, that their names would be raised in this assembly and that change could take place. They would think ahead a little more about their responsibility before they signed the petition.

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I am really having a great deal of difficulty here. I thought the purpose of the motion was to increase democracy in Canada, to increase the opportunity for democratic debate and to further the goals of populism.

During the election I sat with people who were soon to become members of my constituency and had different ideas for example on the abortion debate. I gave them a very strong commitment that even though my feeling was very different from theirs I would bring it forward in the House.

I have a great deal of difficulty with the suggestion that a member of Parliament should decide what petitions are coming forward. If there are only 25 people in my riding of York—Simcoe who have signed a petition, their petition is coming to the House and their issue is coming to the House.

• (1810)

Mr. Speaker (Lethbridge) Mr. Speaker, the hon. member for York—Simcoe has made a very emotional plea for her constituents in terms of making presentations to the House. There is no way that the Reform Party is going to interfere with the presentation of petitions in the format in which they are now presented. We can still received 1,000 to 1,500 petitions and her constituents can be heard in this assembly.

The point we are trying to make is that some petitions need special consideration. All we are saying is let us set up a mechanism by which two, three, four, five or even ten out of 1,000 to 1,500 could find their place in major debate in the House.

Mr. Paul Szabo (Mississauga South): Mr. Speaker, I heard what the Reform members have been saying. I have been sitting here for hours listening to the debate. However when I look at the Order Paper I have to ask why these particular examples are there.

The first is with respect to serial killer cards. We know they have been discussed and that there have been petitions and members' statements. Members of the Reform Party must understand that the Minister of Justice stood in the House and said that they are working on it now. They are looking at the charter provisions to make sure that legislation can come through and be effective. That is being handled as a result of the petitioning process. We do not have to debate it any more. It is a very bad example.

The second is with respect to young offenders. This government was elected and one of its main planks was to reform the Young Offenders Act. Many people brought in petitions in that regard. Is it necessary to debate in the House what the government is already committed to doing?

Mr. Speaker (Lethbridge): Mr. Speaker, the intent of the government is to make changes in terms of the killer cards and in terms of the Young Offenders Act. However, often legislation is brought in and it is senior levels of government, the consultants, the minister and the caucus of the respective minister that put the ideas together. Then they are presented on the floor of the House. Often there are major weaknesses in the legislation presented here.

My hon. colleague from Wild Rose last week made a tremendous speech with respect to the deficiencies in one piece of criminal justice legislation. A petition to the House could have added to that legislation. I think we are missing an opportunity.

The Deputy Speaker: Unfortunately my friend from Waterloo has a stopwatch and he reminds me that the time is up.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, let it not be said that there are no reformers in this place. In entering the debate I noticed the member for Lethbridge said was that we should change the way we handle petitions, that we should somehow handle them more seriously. If we were to do that the people who sign these petitions would take more care and be more serious in signing them. I did not totally follow the logic but so be it.

To some extent I too have been disappointed in the debate today. I come from a municipal background in which we actually had representatives from all the political parties. I had the good fortune to sit beside a Conservative member who was a good friend of mine. I notice that in this House they are few and far between. As a matter of fact we had more members on my municipal council of 11 than we have Conservative members in the House.

I go back to my riding and talk to them every once in a while because in some sense they have a more balanced perspective coming from right of centre. I appreciate that.

As a municipal councillor I have handled petitions on such things as people being opposed to a granny flat. Virtually 100 per cent of a neighbourhood said it did not want a granny flat

because it would start the destruction of the neighbourhood. That happened in my community.

• (1815)

I took the petition seriously because the petition said that if we were to allow a granny flat, this was the thin edge of the wedge. The next thing we would have were high rises in single family neighbourhood housing.

I took the petition and went around knocking on everybody's door. I explained to them what the petition said was not correct. I explained to them that the character of their neighbourhood was going to remain the same. The fact was that virtually 100 per cent of the people in that neighbourhood signed the petition. I take every petition that I receive very seriously.

We received a petition on medium density housing, group homes and extended nursing homes. People opposed that. One would have thought the Hell's Angels motorcycle gang was going to establish a clubhouse. Instead we were talking about a nursing home where many of us, if we are fortunate enough, will go if we are around that long. We had petitions on day care, development, street pedlars, slowing down growth, reforming the Young Offenders Act, you name it, a municipal council gets it all.

In municipal politics any delegation can come forward and make a presentation to council. Therefore petitions are things I take very seriously and I believe most members in this House do.

I believe every member consults with his or her constituents on a regular basis. Somehow the suggestion that we are not to be trusted is wrong. Everybody who is in this House is concerned about serving constituents.

Let me put a petition to the House, because this is an issue that came up during the election campaign. It relates to pensions and double dipping and how I stand on this issue. I had no problem saying that I thought there needs to be pension reform. I said I would support the age of 60.

I disagreed strongly with the concept of double dipping. If I as the member wanted to get a petition ready and if I were to ask the question of whether the electorate agrees that there should be no double dipping, there would be an overwhelming number of people who would sign the petition. I would change the petition slightly, keeping in mind that we have three different levels of government, or actually four because in Ontario we have the municipal, regional, provincial and the federal government.

One of the things that the leader of the Reform Party has always said and I agree with him 100 per cent is that there is only one taxpayer. Keeping that in mind if I were to write a petition and it asks whether you agree that double dipping should be outlawed, the answer would be an overwhelming yes.

If I worked the petition a bit differently and ask whether they believe that if somebody is collecting a pension for sitting on municipal council or in a provincial legislature and they get elected as members of Parliament, meaning that is double dipping, do they think it should be stopped? I can tell everybody just from my talking with people that the answer would again be yes. I guess in some ways I really do wish that we could try to make this House a little less partisan and try to debate the merits of legislation that come up.

The speaker from Wild Rose was referred to after speaking in this House on Friday. He got into the whole issue of crime, justice and lawlessness in this country. I found the discourse rather bothersome because the crime issue is an easy one to pick on. Interestingly enough that is one of the examples being raised here. It talks about the Young Offenders Act. It was not too long ago when the Minister of Justice rose in the House and talked about a report by a gentleman by the name of Dr. Anthony Dube. Dr. Anthony Dube is a criminologist at the University of Toronto. He knows more about the public perception of the judicial system, he knows more about the public perception as to the extent of crime in Canada than probably any other Canadian. He is an expert on those issues.

• (1820)

He found that Canadians on the whole believe that they live in a much more violent society than they actually do. That is an interesting commentary. Where does that come from and what kind of implication does it have? I can tell you where it comes from. Dr. Dube outlined it. It comes from the fact that the popular media insists on feeding us a daily dose of some horrendous crime that takes place in Canada, and if nothing goes on in Canada, it will go to the United States; if nothing happens in the United States it will go to Europe, Africa, Asia, wherever it has to go.

We have news crews in this country ready to move on a second's notice, to go out to some crime scene so they can splash it all across the TV screen and the next day in the printed media with the sole purpose of somehow driving ratings. It is not hard to understand how people perceive our communities to be more violent than they really are.

When you compare us with the United States of America we are a much more peaceful society than it is. Unfortunately we are not as fortunate as Europe. This is talking in terms of hard statistics. There are places in Europe where they do not report on crime hardly at all because they do not see any socially redeeming value in it. The suggestion is there that it might be encouraging crime.

The other thing that Dr. Dube talked about was the public perception of the sentences that judges hand out. He had two groups. To one group he gave the transcripts of the trial. Those people went through the hundreds of pages of exactly what went on in the courtroom. He gave the same trial information to another group of people but it came from the media.

He found that the people who got the information by reading what went on in the courtroom would more often find that the judges were just in their sentences or maybe even too harsh and alternatives to incarceration that might have been imposed should have been considered. In the cases of people reading the media information what the study found was that the people did not believe that the judicial system was working because they believed that the judges were much too lenient. That says something and it is an important lesson for us here. It means that when we take time to study all sides of the issue the solutions might not be as simplistic as they look at first blush. That is important to note.

In terms of the Young Offenders Act, the Liberal Party is committed to dealing with it and we want all members of the House dealing with it seriously in committee. We should make the best possible changes in the legislation that we can make, keeping in mind it will never be perfect because we are living in an evolving society and the dynamics change.

On the issue of killer cards every member of the House wants to find a way of getting rid of them. There is no question about that.

As to the recall of members, I have some difficulty with it. There is the underlying premise that when the electorate made a decision on October 25, 1993 it was not an informed decision.

• (1825)

I think that it was an informed decision. There is a responsibility on the part of the electorate when it does make a decision that government is going to be governing for a period of approximately four years.

It is the ultimate insult to say that the electorate, in making its decision, made a bad decision and somehow it has to be protected from the decision that it made.

We discussed petitions and how they are presented. As a new member in this House, I came to the orientation and one of the people who made a presentation to all members on petitions was the member for Beaver River. She told us how to present petitions. She is the one who made suggestions on it. I do not think she was telling us not to take these presentations seriously. I think every one of us takes these presentations seriously.

There is a fundamental premise in all of these motions and certainly references to the national energy program and going back to when the deficit started and the debt started. There is definite politics being played there. I wish it were not so but it is certainly being done.

I will refrain in the next four years in this House from referring to the Reform Party from the west as perhaps the party of alienation, that feeds on alienation, just like the Social Credit Party did. I will refrain from saying, the explanations by the member for Beaver River notwithstanding, that it was the members of the Social Credit Party involving the father of the present leader who got rid of recall.

I do believe that issues being raised in this House for debate, issues that this Parliament does not work, are a red herring. I say that because there has been a crisis of confidence in our democratic institutions, I recognize that, but that crisis of confidence has been fed by forces within this country. I would suggest that what we collectively do in this House over the course of the next four years is really going to determine the future of Canada.

To some extent we are going to be entering some very difficult debates. I do not for a minute think that we are going to avoid dealing with the issue in Quebec. We will at some point. I think every member believes that we are going to be doing that. However, it is important that we look at the parts of this country that work well. Our democratic institutions have worked for 127 years. We have one of the best governments in this world and every one of us should recognize that. We should not be saying that somehow this country does not work or that somehow this country has broken down, because it has not.

We can certainly all work together to make it better, but one of the first things we owe this country is to believe that we can do it. That is not by destroying the very institution itself.

In terms of being accountable, governing is not easy. Any governing party is going to have problems. However, we went to the electorate on October 25 and we went with a plan. We were elected with a majority of members in this House.

As a member, I do not totally feel good about what happened to the former government in terms of the number of seats it received. Somehow I do not think that was very fair. It certainly bothers me and I would like to see if during the course of this Parliament that can be redressed. When I look at members who are classified as independents I see members who are not really full members of this House in terms of what their privileges are. If I am to believe that every constituency deserves representation, which I do because it made a choice, there is fundamental respect that we should extend to that member in terms of rights.

Mention was made of the Charlottetown accord, but nobody mentioned that our Prime Minister when he was Leader of the Opposition called for a referendum on the Charlottetown accord. The Liberal Party believes that referendums have a place. I can say that in my constituency the split was almost down the middle. About 55 per cent were for the Charlottetown accord

and 45 per cent were against it. I know that my colleague from Kitchener went the other way.

Mr. Pickard: Mr. Speaker, on a point of order. My colleague can finish his speech and other members may ask questions of him.

Would it be possible to get unanimous consent to carry on until 6.40 p.m.?

The Deputy Speaker: Very well. We have no late show tonight. Members should be aware of that when deciding whether they wish to give unanimous consent to the request by the hon. member for Essex—Kent.

Is there unanimous consent to go until 6.40 p.m.?

Some hon. members: No.

The Deputy Speaker: I hear no, so I have to go with that. Would the member please conclude.

Mr. Telegdi: Mr. Speaker, in conclusion our Prime Minister said there should be a referendum and the party supported that. There was a referendum because pressure was put on the government. That is important to note.

In terms of concluding this debate, I can only say as the member from Waterloo and as someone who believes he is accountable to his constituents, I have absolutely no problem in terms of how we have been handling petitions and the way we can feed them into committee. Any member in this House has the ability to raise that.

Let me say that we are all small *r* reformers and certainly the rookies in this House are. The fact that some are big *r* Reformers does not give them the monopoly. I make the plea that over the course of the next four years we on all sides of this House try to be as non-partisan and unsanctimonious as possible.

[*Translation*]

The Deputy Speaker: It being 6.30 p.m., it is my duty to inform the House that pursuant to Standing Order 81(19) the proceedings on the motion have expired.

[*English*]

Since there are no members available for the proceedings on the adjournment motion, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.30 p.m.)

HOUSE OF COMMONS

Tuesday, February 22, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION ACT

Mr. Derek Lee (Scarborough—Rouge River) moved for leave to introduce Bill C–219, an act to amend the Immigration Act (visitors' visas).

He said: Mr. Speaker, I am very pleased to present this bill amending the visitor visa provisions of the Immigration Act. The bill was presented in the past Parliament.

The bill would permit the Canadian relatives of visitors to place a surety with the Government of Canada prior to the application for visa by the non–Canadian visitor.

At present Canadians have no role in this process. I believe, as do others, that their participation in the process by means of a surety would enhance the prospects of the visitor obtaining a visa and enabling the visit to take place.

The bill specifically provides that the absence of such a surety will not be considered by visa officers so as not to prejudice all others who are applying for visas who do not happen to have relatives in Canada.

(Motions deemed adopted, bill read the first time and printed.)

* * *

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have three motions I propose to put to the House with unanimous consent. I move:

That, if a recorded division is required during the budget debate on Thursday, February 24, 1994, the said division shall be deferred until Tuesday, March 8, 1994 at 6.30 p.m.

(Motion agreed to.)

Mr. Milliken: Mr. Speaker, perhaps to save time I will read the next two motions and then they can both be put because I think there is agreement with respect to each. I move:

That, during the adjournment of the House from March 25, 1994 to April 11, 1994, if any appropriation bills that have been passed by the House have not yet been granted royal assent, the Speaker shall be empowered to recall the House for the sole purpose of attending the granting of royal assent to any bills, after which the House immediately shall be adjourned until April 11, 1994;

That, in the event of the Speaker's being unable for any reason to act for the purposes of this Order, the Deputy Speaker, the Deputy Chair of Committees of the Whole House or the Assistant Deputy Chair of Committees of the Whole House may act for him.

(Motion agreed to.)

Mr. Milliken: I move:

That, notwithstanding the Special Order of February 15, 1994, the division on Government Order, Government Business number 8 shall be held on Wednesday, February 23, 1994 at 3.00 p.m.

That defers the division today, Mr. Speaker, from three o'clock until Wednesday at the same time.

(Motion agreed to.)

* * *

• (1010)

[*Translation*]

PETITIONS

SOCIAL HOUSING

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I have the honour this morning of presenting a petition signed by close to 300 residents of my riding of Rosemont. They call on the government to reinstate budgets for social and co–operative housing and denounce the federal government's plans to increase subsidized rents by 20 per cent.

In the riding of Rosemont alone, more than 1,000 families are on the waiting list for social housing whereas all budgets have been frozen.

As you undoubtedly know, Mr. Speaker, the Régie du logement du Québec, taking into account overall housing costs, has authorized the private sector to increase rents by only .5 per cent to 1.1 per cent this year. It would be ridiculous if the public

sector, which has a responsibility to protect the least fortunate, were to authorize rent increases of 20 per cent.

With the budget only several hours away, my constituents in the riding of Rosemont call upon the Minister of Finance to uphold the commitments he made during the last election campaign. It is vital that he dispel any uncertainty weighing on the least fortunate and that he restore decent funding for the construction of new social housing units.

IMMIGRATION

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I have the great honour to present a petition signed by a few thousand residents of my riding of Québec–Est and several other areas of Quebec.

The petitioners ask Parliament to urge the minister of immigration to reconsider his department's decision to deport the Maraloï family of Vanier and to allow the family to remain in Canada where, after three years, they feel completely at home.

I give my unqualified support to this petition and urge the government to act on it.

[*English*]

VIOLENCE

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I have a petition wherein the petitioners point out that there is an extreme amount of violence on both radio and television. They deplore the fact that violence is portrayed by the use of foul language or physical acts and is in fact appearing in an increasing kind of way.

The petitioners ask that the Parliament of Canada ensure that the CRTC recognizes the need to enforce standards pertaining to all forms of abuse, including the use of foul language and excessive violence in all of its forms. They point out that if it is not done, their efforts to raise the family in a sound environment is in fact undermined.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

EXCISE ACT

Hon. David Anderson (Minister of National Revenue) moved that Bill C–11, an act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act, be read the second time and referred to a committee.

He said: Mr. Speaker, I am happy to rise today to speak in favour of Bill C–11. As Minister of National Revenue, I have a responsibility to do all I can to maintain and protect the integrity of the Canadian border and to ensure that Canadian tax laws are respected. For these reasons, I have been deeply affected by the dramatic increase in smuggling.

Some people still argue that it is a regional problem and that the federal government's four–point program to fight smuggling and tobacco use only hinges on regional interests. That is totally false.

The growth of the smuggling trade in Canada, especially tobacco smuggling, is a national problem requiring a solution at the national level. Let us look at the facts.

Contraband tobacco amounts to some $5 billion or about 40 per cent of the $12.4 billion Canadian tobacco market.

• (1015)

This means that about $1.6 billion worth of contraband cigarettes are sold in our communities, on our streets and in our schools every month. As a result, unfortunately, our young people who want to start smoking now have practically unlimited access to cheap contraband tobacco. This situation clearly undermines the federal and provincial governments' efforts to discourage tobacco use through high prices.

[*English*]

This means that smuggling is undermining both federal and provincial efforts to discourage smoking. Unfortunately the problem we are facing today does not stop there. Smuggling has cost the federal treasury approximately $1 billion in the last fiscal year. It cost the provincial treasuries another billion dollars in the past year.

These are direct losses that cannot be recovered, but these revenue losses have been increasing sharply in recent months. Smuggling is therefore, in my opinion, undermining our fiscal situation and our social programs at both the federal and provincial levels. The problem is growing. This problem is intolerable.

Revenue losses are not the whole problem. Because the smuggling trade is increasingly run by organized crime and according to enforcement agencies organized crime now con-

trols most of the $5 billion tobacco smuggling trade, literally billions of dollars are being funnelled out of the hands of Canadian citizens and into the hands of criminals who also ply their illegal trade in alcohol, paramilitary weapons, drugs, immigrants and other contraband products.

[*Translation*]

In a nutshell, the only beneficiaries of the current situation are the gangs of criminals who sell drugs in our schools, arm our offenders and destabilize Canadian society. The losers are the majority of Canadians who obey the law, pay their taxes and want to live without fearing for their safety. The situation keeps getting worse.

Smuggling also has a detrimental effect on law–abiding small merchants; it is pushing these people to the brink of bankruptcy. In short, smuggling penalizes Canadians who want to earn an honest living.

Smuggling undermines the rule of law in this country and hampers the government's efforts to reduce tobacco use, mainly among young Canadians. It also robs federal and provincial finance departments of important revenues.

As the Prime Minister said two weeks ago in this House: "We are dealing with a problem of law enforcement and organized crime, with health issues, with federal–provincial relations—"

[*English*]

Yet despite the wide ranging breadth of the issue and the impact it is having on our communities, on our social system and on respect for the law, there are still those who argue that it is a regional problem. These people point to the province of Quebec and say: "They have a problem but we don't". The evidence simply does not support such a simplistic position.

Let me go over some of the statistics for members. It is true that the smuggling problem is currently most acute in Quebec where it has been at least until very recently. It is also true that it has grown and was growing in that province. It has been growing alarmingly in every other province of the country.

I ask hon. members to consider the facts. The market share of contraband tobacco was estimated at only 9 per cent in Quebec four years ago. Today contraband represents an estimated 60 per cent to 65 per cent of the Quebec market.

• (1020)

Contraband tobacco represented about 12 per cent of Atlantic Canada's tobacco market in 1990 or four years ago. Today contraband constitutes approximately 40 per cent of that market. In 1992, only two years ago, contraband tobacco represented 13 per cent of Ontario's tobacco market and today it represents close to 35 per cent.

In the west where the smuggling problem is clearly less acute at the moment, contraband tobacco accounted for only 9 per cent of tobacco sales a little more than a year ago. However today contraband tobacco in western Canada has increased to 15 per cent of the market. That in terms of growth is a 60 per cent increase in one year.

It is perverse to continue to view this problem as a problem of only one province. There is an obvious trend to which members and the Canadian public must pay attention. Whether one lives in the maritimes, in Ontario, in Quebec or in the west, smuggling is growing at a rapid rate across the country and has become a national problem.

I will now deal with lessons to be learned.

[*Translation*]

First, inaction is not a solution. It is no longer possible to ignore the problem. Obviously, if we do not take energetic measures now, the amount of contraband tobacco in our communities will continue to grow and organized crime will continue to grow rich from the illegal profits.

The former Conservative government let the smuggling problem grow to such an extent that the present government cannot tolerate it today. Our government refuses to look away and pretend that the problem can be solved by half–measures. We also refuse to pretend that the smuggling problem affects only one region of the country.

Smuggling is a national problem, so the solution must also be national in scope. We must take strong measures now. We cannot allow cheap smuggled tobacco to continue to come into our communities and into the hands of young Canadians. We cannot allow the rule of law in this country to continue to be flouted. I repeat: inertia and half–measures are not realistic solutions. That is why today I support Bill C–11, an act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act.

The proposed amendments support the government's four–point initiative to fight tobacco smuggling and use. With these amendments, we will give Canadian police authorities additional legal powers to fight smuggling. We will also improve the government's efforts for young people's health.

Taken together, the amendments tabled in the House will help establish the integrity of Canadian laws and the Canadian border and, perhaps most important, stop the increase in smuggling in regions of the country where it has not yet reached disturbing levels.

[*English*]

Therefore the first amendment in the bill applies to the Excise Act. It will effectively increase the resources that can be brought

to bear in the fight against smuggling. It will do so by allowing the government to give to police forces other than the Royal Canadian Mounted Police the authority to enforce sections of the Excise Act that allow for the seizure of tobacco, alcohol and vehicles used in illegal smuggling activities.

• (1025)

The government will be able to provide provincial police forces—in particular the Sûreté du Québec and the Ontario Provincial Police but also municipal police forces—as appropriate with the additional legal tools they need to combat smuggling and the organized criminals who control the smuggling trade. This means there will be a substantial increase in the level of police resources working with the federal government to put an end to smuggling.

Second, the proposed amendments to the Customs Act and the Excise Act will provide police forces with the authority to destroy certain seized products without hindering the ability of authorities to carry out prosecution successfully. This reduction in the storage of contraband will save Canadian taxpayers over $200,000 a year by eliminating the storage costs of the property seized.

Third, we have a proposal to amend the Excise Act in order to clearly stamp individual cigarettes on which taxes have been paid. I might add that while there may be some technical questions yet to be determined, it would also be possible to mark individual cigarettes that are in duty–free shops or individual cigarettes which have been exported. We will have a differential ability to have individual cigarettes marked to indicate what particular taxes have been paid on them. This will allow law enforcement agencies to identify more easily those smoking contraband tobacco products.

Fourth, we have two proposed amendments to the Tobacco Sales to Young Persons Act. The first will make it illegal for tobacco manufacturers to package cigarettes in packages containing fewer than 20 cigarettes. This will effectively kill the so–called kiddie packs of six or a similar number of cigarettes.

The second amendment to the Tobacco Sales to Young Persons Act will prohibit the importation of tobacco products into Canada by a person under the age of 18. This is complementary to other measures that will be taken internally to reduce the possibility of possession of tobacco by people below that age.

As a result of these two measures and other provisions young Canadians should find it greatly more difficult to obtain tobacco products.

[*Translation*]

The four–point plan to fight smuggling and tobacco use is a comprehensive action plan which deals with the whole smuggling problem, and Bill C–11 is an integral part of this plan. It deals with the need for tougher enforcement in the fight against smuggling. It deals with the need to get rid of organized crime which controls smuggling activities. It also deals with the need to protect the health of young Canadians. In short, Bill C–11 is an integral part of the government's solution to a national problem.

For these reasons, I ask the House to support the passage of Bill C–11.

Mr. Antoine Dubé (Lévis): Mr. Speaker, as the official opposition critic for training and youth, I welcome this opportunity to present the position of the Bloc Quebecois on Bill C–11, an act to amend the Excise Tax Act, the Customs Act and the Tobacco Sales to Young Persons Act.

As youth critic, I intend to address those provisions of the bill that are aimed at reducing tobacco sales to young people, because smoking is a very serious problem among young people, and is probably one of the worst threats to the health of young people today.

In fact, according to a study carried out in 1992 by Health and Welfare Canada, 38,000 Canadians die each year of smoking–related diseases. From 80 to 90 per cent of all cases of emphysema and bronchitis are caused by cigarette smoking. I say this because we often think of lung cancer, but there are other diseases as well. Thirty per cent of young Canadians and Quebecers are smoking today, about the same proportion as for adults. It is a problem that is not going away.

• (1030)

In 1989, it was estimated that young Canadians between the ages of 12 and 19 spent more than $436 million on cigarettes, and that amount is even higher today. Ninety per cent smoked regularly, and by regularly I mean every day. Fifty–eight per cent of young smokers had from 11 to 25 cigarettes daily. Seventy–five per cent of teenagers who smoked developed the habit before the age of 17, and the average age at which they started to smoke—surprisingly, this figure is going down—was 13, in other words, they started smoking when they were 13 years old.

Other studies have shown that a gradual decrease was reversed in 1989, when smoking by young people started to increase. The age at which young people smoke their first cigarette has continued to go down. In fact, according to the National Clearing House on Tobacco and Health, between 1965 and 1989 smoking by young people in the 15–to–19 age group dropped from 55 per cent to 21 per cent among males and 37 per cent to 21 per cent among females. That was the good news. However, since 1989, 23.8 per cent of all students surveyed said they smoked daily, and the percentage was about the same for both girls and boys. Smoking increased considerably in 1991 and 1993 among students, especially students in their first year

of high school, rising from 6.1 per cent in 1989 to 9.4 per cent in 1993.

Furthermore, according to several studies conducted by the National Clearing House on Tobacco and Health, there is evidence that links poverty, unemployment, smoking, alcoholism and drug addiction.

Education is also an interesting factor to determine the population most likely to engage in such activities. Still according to the National Clearing House on Tobacco and Health, 34 per cent of individuals aged 15 and over smoke, as opposed to 18 per cent of people with a university education. Thirty–six per cent of the poorest members of our society smoke, as opposed to 25 per cent of the wealthiest members of that society.

The economic measures put in place by previous governments in Canada since 1984 have had a negative social impact by increasing poverty among Canadians. Young people have been particularly affected by these measures. In 1990, 40 per cent of young Quebecers were living in poverty. Today, youth unemployment in Quebec has reached nearly 20 per cent.

However, I doubt that the figures I just quoted shed enough light on the real causes of smoking by young people. I believe more research is necessary for a more thorough analysis of a phenomenon that is constantly changing. We have every reason to be concerned about the future health of our young people and the burden on our health system.

It should come as no surprise to hon. members that the Official Opposition supports adopting measures to restrict tobacco consumption in general and by young people in particular. It should be a foregone conclusion for any political party that is concerned about public health. However, we do have a number of questions about the bill before the House today and these concern its chances of succeeding if the legislation is not properly enforced or if no effective measures are taken to achieve the bill's objective.

There is, first of all, the matter of the government's timing in tabling Bill C–11. It should be noted that this bill was tabled in the House of Commons two days after the Prime Minister announced, on February 8, various measures including tax reductions to fight cigarette smuggling.

• (1035)

We would almost think that, all of a sudden and off the cuff as we see it, this government was trying to give the impression it could solve every problem related to tobacco use.

Why dit it wait until February 8 to put into force the Tobacco Sales to Young Persons Act adopted by the House of Commons in third reading on February 12, 1993? That was a year ago, Mr. Speaker.

Another fundamental issue is the will or capacity of the federal government to enforce its legislation respecting tobacco use.

This concern flows from this government's apparent reluctance to fight propaganda and incapacity to react to this rising problem. Other pieces of legislation also come to mind.

In an article published in *Le Soleil* on February 13 last, we learned that, over a four–year period, the federal government had not imposed a single fine under its Non Smokers' Health Act, an act to regulate smoking in its own buildings, and this in spite of innumerable complaints and no less than 102 violations reported during the first three years of operation of this act. Not one of the violation notices resulted in fines. The only action actually taken seems to have been to hand out warnings.

As members of the Official Opposition, we are fully prepared to contribute to the legislative process, but the government still has to enforce not only the legislation Parliament passes from now on, but also legislation passed previously.

It would be interesting to know what steps the government intends to take to ensure compliance with certain provisions of Bill C–11, including those relating to the requirement to stamp all tobacco products individually and the manufacturing and sale of cigarettes in packages containing fewer than 20 cigarettes. All this is fine. It is one thing to say you want to do something, but how will you go about it? That is a very important point, as far as I am concerned. How will the sale of individual cigarettes be controlled? Cigarettes are very small and easy to hide. How will the age of the buyer be ascertained? Will ID cards be required? How does the government intend to check the age of cigarette buyers? As we know, since old Bill C–111 became law, the legal age is 18. But you still have to check the ID card, the age of the buyer. Of course we are wondering about the number of people who will be assigned to enforce the law—the minister touched upon the subject—as well as the costs involved.

It is very important to get an answer to these questions because it relates to a central aspect of this legislation, namely its enforcement. Incidentally, the minister did mention enforcement at the beginning of his speech.

Also, we think that this legislation should be coupled with positive measures to warn young people of the dangers of tobacco use and encourage them not to smoke. We must beware of the possible boomerang effect of a repressive approach on the young in that area as in any other in fact. Several educational

experts have said repeatedly that young people trying to grow up and assert themselves could be attracted by the "forbidden", in which they see a challenge.

I have recently consulted a number of young people and I am convinced that, as far as stringent measures to restrict the use of cigarettes among young people are concerned, they could be construed as a form of provocation, thus inciting young people to go against this restriction.

• (1040)

We must help our young people to become more responsible, not marginalize them even more by taking only traditional, repressive approaches to problems.

This bill, which would restrict access by young persons to tobacco products, should not be a reason for us to forget that young people experience drug and alcohol problems on a daily basis. According to Statistics Canada, 12 per cent of our young people have serious drug addiction problems.

The range of illegal substances available in high schools boggles the mind. On February 19 last, *La Presse* reported in an article that high school students can purchase chemical substances such as PCP for a mere five dollars per unit right on the school premises. Pushers offer to sell drugs to children often as young as 12 or 13 years of age, and the impact on their health and on society is devastating.

As is the case with smoking, young persons who start to use drugs early in their teens are much more likely to still use drugs as adults. However, drugs are not the only products that are easily accessible to young people. Alcohol is also readily available to them.

In another article which appeared in *La Presse* on February 20 last, it was reported that teenagers can easily buy beer at the corner store. The article is based on the findings reported in a study involving high schools students aged 16 and 17 in Montreal, and 18–year–old students in Toronto. Students in this age bracket visited about one hundred convenience stores and in 85 per cent of the cases, merchants sold them alcoholic beverages without asking for any identification. Mr. Speaker, this is terrible!

Clearly, not everyone is complying with the legislation governing the sale of alcohol to minors. Must we wait until the same thing happens with the Tobacco Sales to Young Persons Act?

We have said it before and we will say it again. We are not opposed to the passage of Bill C–11. What we are concerned about is how the legislation will be enforced.

Moreover, we must not be seen as sending a negative message to our youth. Considering that in the speech from the throne, the government announced plans to amend the Young Offenders Act, young people could possibly see in this legislation a message that society views them as the cause of the problem. In my opinion, young people represent the future, indeed, our future. It is up to us to ensure that the proposed measures are viewed in a positive light.

I have another question, this time pertaining to section 66 of the act respecting enforcement measures. As the minister mentioned earlier, this provision stipulates that police forces other than the RCMP can, if the minister deems it appropriate, seize tobacco, alcohol and vehicles used for illegal contraband activities. Does this mean that the police resources assigned to fight contraband activities will be increased significantly? If it does, how much will this increased presence cost?

I would also be somewhat surprised if the government were able to obtain as easily as the minister claimed the co–operation of police forces that do not fall under its jurisdiction. Most provincial and municipal police forces have experienced staff cuts and most claim to be stretched to the limit. Refusal to co–operate is not always a sign of bad will. When police forces have trouble just getting their everyday work done, it is difficult for them to volunteer to do extra work for another level of government.

It was also mentioned that seized property such as vehicles could be auctioned off. Will the proceeds from such sales be used to fight contraband activities and smoking?

• (1045)

Section 112 of the old Tobacco Sales to Young Persons Act, which relates to the immediate destruction of some of the articles seized, will allow the police to immediately destroy some of the articles seized, photos and videos liable to be used as evidence at trials. This could, of course, reduce storage costs significantly, but how do we make sure that these photos and videos are secure? That is a question that we should be asking ourselves.

Sections 201 and 211 of the act concerning the stamping of individual cigarettes will amend the Excise Act to allow authorities and law–abiding citizens to better identify products that have been taxed and those that have not been taxed, but we are told that these new stamping requirements for cigarettes will be prescribed by regulations after Bill C–11 has been passed. We hope that these regulations will be adopted and implemented quickly, in any case faster than those related to last year's Bill C–111.

Clause 7.1 of Bill C–11 will make it illegal to produce and sell packages containing less than 20 cigarettes. In our opinion, the effectiveness of this measure is reduced by the decline in cigarette prices. A pack of 25 now costs much less than a pack of 15 before taxes and prices were slashed.

Clause 7.3 of Bill C–11 is aimed at prohibiting the importation of tobacco products for and by people under 18. This measure is self–evident is we prohibit people under 18 from buying these products within Canada's geographical bound-

aries, but how can we ensure effective customs controls so that this measure does not amount to wishful thinking?

In conclusion, I would like to remind the House that the Official Opposition supports Bill–11, but we want to emphasize once again that it is important to take measures to enforce it. First by adopting easy–to–implement regulations and then by putting in place a better awareness program aimed at convincing young people that tobacco is detrimental to their health and that it can impose important costs on tomorrow's society.

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I have the honour to be the first speaker for the Reform Party on this bill. As members know, I am new to the House and studying this bill has provided me with an important lesson in the legislative process of which all Canadians should be made aware.

When the Prime Minister announced the government's national action plan to combat smuggling and Bill C–11 was introduced by the Minister of National Revenue, we assumed that Bill C–11 would contain all the measures announced in the national action plan to combat smuggling. Unfortunately it did not.

In fact all the tax measures announced by the Prime Minister in the national action plan to combat smuggling have been implemented using ways and means motions.

Ways and means motions require the government to bring a bill or bills before the House some time in the future. Ways and means motions cannot be debated. Therefore the tax reduction on cigarettes, the export tax on cigarettes and the health promotion surtax are not in Bill C–11. In effect they will not be seriously debated or subject to review and amendment by the Standing Committee on Finance until the government decides to bring in the other bills as required by the ways and means motions.

As I said, it was an educational experience for me to see how the government does things. The government is able to put its agenda forward even though there may be very little debate on it from its own MPs.

The measures introduced in Bill C–11 are fairly minor in comparison. The main amendments to the Excise Act and the Customs Act allow the government immediately to destroy certain seized property, even when there is an unresolved claim. It permits the government to give police forces the same seizure power as the RCMP.

• (1050)

Another amendment to the Excise Act requires cigarettes to be individually stamped if they are manufactured or imported into Canada in order to make sure that the duties have been paid. It is a very good control measure.

Finally, the Tobacco Sales to Young Persons Act has been amended to prohibit sales of tobacco products to any person under the age of 18. It makes it illegal to manufacture, package or sell cigarettes in packages containing less than 20 cigarettes. This is also a good measure.

On February 8 when the Prime Minister announced his national action plan to combat smuggling my constituency office received 52 calls, 43 of which opposed the reduction of taxes on cigarettes. Since the government made clear its intention to reduce the tax on cigarettes I have received letters from many different sources protesting the government's action.

Here are some of them: Saskatchewan Medical Association; Canadian Medical Association; College of Family Physicians, Saskatchewan Chapter; Saskatchewan Provincial Health Council; Heart and Stroke Foundation of Saskatchewan; Heart and Stroke Foundation of Canada; and the Canadian Cancer Society.

Also opposed is the Saskatchewan Interagency Council on Smoking and Health which includes all the following agencies: Allergy Foundation of Canada; City of Regina Health Department; Community Health and Epidemiology Department of the University of Saskatchewan, Continuing Medical Education, Continuing Nursing Education; Manitoba and Saskatchewan Conference of the Seventh Day Adventists; Saskatchewan Alcohol and Drug Abuse Commission; Saskatchewan Education; Saskatchewan Health; Saskatchewan Health Care Association; Saskatchewan Institute on the Prevention of Handicaps; Saskatchewan Medical Association; Saskatchewan Pharmaceutical Association; Saskatchewan Public Health Association; Saskatchewan Registered Nurses Association; Saskatoon Community Health Clinic; University of Saskatchewan; Canadian Cancer Society, Saskatchewan division; Heart and Stroke Foundation of Saskatchewan Inc.; and Saskatchewan Lung Association.

We also received representations from Saskatchewan Heart–Health which includes the following agencies and organizations: Canadian Cancer Society; Canadian Diabetes Association; Consumers Association of Canada; Coronary Artery Rehabilitation Group; Coteau Hills Heart Health Coalition; Heart and Stroke Foundation of Saskatchewan; Interagency Council on Smoking and Health; Regina Health District; Regina Heart Healthy Partners; Saskatchewan Council on Community Development; Saskatchewan Diabetic Association; Saskatchewan Health, Community Services Branch and Health Promotion Branch; Saskatchewan Lung Association; Saskatchewan Public Health Association; Saskatchewan Medical Association; Saskatchewan Physical Education Association; Saskatchewan Recreational Association; Saskatchewan Registered Nurses Association; Saskatchewan Restaurant Association; Saskatoon Tri–Hospital Cardiac Rehabilitation Program;

SIAST–Wascana Institute; and the University of Saskatchewan Heart and Stroke Epidemiology unit.

This huge list represents many people. It shows the great concern and the broad base opposed to the measures the government is taking. All these organizations have expressed their concern.

• (1055)

A letter opposing the tax reduction also came from the National Campaign for Action on Tobacco which includes the following agencies and organizations: Canadian Cancer Society; Canadian Chiropractic Association; Canadian Council on Smoking and Health; Canadian Dental Association; Canadian Home and School and Parent–Teacher Federation; Canadian Hospital Association; Canadian Lung Association; Canadian Medical Association; Canadian Pharmaceutical Association; Canadian Physiotherapy Association; Canadian Public Health Association; Canadian Society of Respiratory Therapists; Canadian Teachers Federation; Heart and Stroke Foundation of Canada; Non–Smokers' Rights Association; Physicians for a Smoke–Free Canada; Canadian Association of Optometrists; College of Family Physicians of Canada; Royal College of Physicians and Surgeons; and the United Church of Canada.

This represents a huge number of people who have objections and concerns regarding this measure. I will not mention any more but it gives an idea of how many people have concerns in this area.

Seventy agencies and organizations have made representations to me, just one member of Parliament. These 70 agencies and organizations are opposed to the tax reduction on cigarettes. In contrast, I have received just nine phone calls and one letter in favour of the measure announced by the government.

At this time I would like to read some of the concerns expressed in these representations. One letter comes from the Saskatchewan Provincial Health Council. It is addressed to the Prime Minister and reads:

> We are puzzled and dismayed that your government is considering rolling back tobacco taxes.
>
> Every province in Canada is involved to some degree in health reform and moving the emphasis from curing sick people to wellness initiatives and prevention of ill health. We have assumed that these initiatives were supported by our federal government.
>
> Instead, we hear of your intended action which will reduce constraints and ultimately encourage and facilitate people, particularly our young people, to beginning or continuing an addictive practice that results in disease and death.
>
> Please remember the following facts:
>
> In 1989, tobacco smoking caused Canadians 9.5 billion in health dollars in the workplace.
>
> One–quarter of high school students who smoke had their first cigarette by grade 6.
>
> There are 43 known cancer producing substances in tobacco smoke.
>
> Nicotine has similar drug and behavioural addictive effects as heroin and cocaine.
>
> One hundred and seventy–five thousand teens will take up smoking if you roll taxes back.
>
> Surely your government does not want to be remembered for contributing to the premature deaths of 250,000 people.

Another letter which is addressed to the Minister of Finance states: "We are writing to express our strong opposition to any decrease in tobacco taxes".

• (1100)

Here is another excerpt from that letter: "Tobacco is the only legal product available which when used as intended causes premature death and disability. Tobacco use is the largest single independent risk factor for heart disease, and heart disease is the leading cause of death in Canada. It accounts for 12 per cent of all hospital admissions, 20 per cent of patient days in hospital, 20 per cent of disability pensions paid by the Canada pension plan and is responsible for 32 per cent of total future earnings lost due to premature death".

Where does this letter come from? It comes from the Heart and Stroke Foundation of Saskatchewan. It has a concern in this area.

It goes on to say: "To decrease tobacco taxes now would increase tobacco consumption by youth, decrease government revenue and reward one of the major causes of the tobacco smuggling problem, the actions of Canadian tobacco manufacturers".

I would like to read more excerpts from the Heart and Stroke Foundation of Canada. This is a letter addressed to myself: "Dear Mr. Breitkreuz: What you may not be aware of is that, motivated only by profit, the tobacco industry has misrepresented both the nature of the problem and the consequences of its proposal to reduce taxes. Health groups, in contrast, have nothing personal to gain from the position we adopt on this issue. Our only interest is safeguarding the health of Canadians by preserving the tremendous progress realized over the past decade in reducing tobacco consumption. What follows is a point by point rebuttal of the tobacco lobby's main argument in favour of a tax rollback".

I will not read the whole letter, but it addresses the myth that there is a tax rollback that would stop the revenue leakage caused by smuggling. It said that in fact governments would lose substantially more revenue by lowering taxes.

Then it addresses another myth that tobacco tax increases have no impact on reducing smoking. The fact is that tobacco consumption has dropped dramatically in Canada over the past 10 years largely because of tobacco tax increases.

The foundation goes on to say in this letter that tobacco consumption in Canada has dropped 40 per cent over the past decade, even with smuggled tobacco factored in, primarily as a result of tobacco tax increases which rendered cigarettes less affordable. Canada's 40 per reduction in per capita tobacco consumption is significantly greater than that of the United States at 27 per cent over the same period. We must take note of these facts when we have this discussion.

Then it addresses another myth that tobacco is taxed at an unfairly high rate in Canada. In fact Canada tobacco tax levels are on par with most industrialized nations.

I would like also to read a brief excerpt from the Canadian Cancer Society. It says: "Dear Mr. Breitkreuz: We urge you to speak up in caucus meetings against tobacco tax rollbacks which would only benefit the tobacco industry and would be a public health disaster".

I have another letter here from the Saskatchewan Interagency Council on Smoking and Health. I will read an excerpt from it: "Very recently U.S. government researchers reported that while heart disease and cancer may be listed as the nation's leading killers, the biggest underlying cause of death is tobacco use. Let us not forget that tobacco is the greatest cause of preventable death in Canada". Let me repeat that tobacco is the greatest cause of preventable death in Canada.

Let us not forget that cigarettes cause health problems when used exactly as intended. Canada must continue with its combination of fiscal and health policies if we are to continue to reduce tobacco use.

• (1105)

We support very much what the government is doing, what its intended use is, but we must question the things that have not been included in the bill, the tax reduction measures.

Here is another news release from the National Campaign for Action on Tobacco. Again I will not read the whole release. I am just going to take an excerpt. David Sweanor, senior legal counsel with the Non–Smokers' Rights Association, stated:

> Reducing tobacco taxes would make tobacco products more affordable, which would result in enormous increases in consumption, especially among children and adolescents. The tobacco industry has lobbied itself into a win–win position. The industry profits from supplying tobacco products that end up smuggled back into Canada and, of course, the industry wins if governments bow to pressure to lower tobacco taxes.

That is one of the primary concerns that people expressed in those many phone calls we received. The government is bowing and the industry is bowing to pressure from certain groups to lower taxes.

Here is another letter from Saskatchewan Heart Health:

> We are writing to urge you not to reduce taxes on tobacco products.
>
> We believe that reducing taxes would not solve the smuggling problem, would lead to greater consumption of tobacco products by Canadians, particularly by youth, and would send the wrong signal to the United States at a time when they are considering a tobacco tax increase.

We have heard on the news recently that the U.S. was watching what we do in Canada and that it will encourage the U.S. not to increase taxes there. It continued:

> Canada has witnessed an unprecedented decrease in tobacco consumption over the past decade, coinciding with significant increases in federal and provincial tobacco taxes. Because youth tend to have limited incomes, price increases have an even greater deterrent effect on them.
>
> At a time when other countries view Canada as progressive in its tobacco taxation policy and the resulting decreased consumption, it would seem to be a very backward step to now decrease taxes.

This message comes from the Saskatchewan Lung Association and it is marked urgent. I will read three main points from its memo:

> 1. Reducing tobacco taxes would be an economic calamity.
>
> 2. Reducing tobacco taxes would escalate health problems.
>
> 3. Reducing tobacco taxes would not eliminate smuggling.

I have one more letter from a constituent in MacNutt, Saskatchewan. I will not read the whole letter. It is addressed to myself:

> Dear Sir:
>
> We are appalled at the decision that the federal government is planning to remove some of the taxes on tobacco products. Again, just like previous governments, they are trying to please Quebec. Why is there not more effort put into the policing of smugglers? Also, why should Indian Reserves be exempt from the laws and taxes of this country? Are we not all to be treated equally? How would the lost revenue from cigarettes be made up? Who would pay for the extra health costs incurred by the greater use of tobacco products?

That is an opinion expressed by one of my constituents. We should be aware of what they are thinking.

As a Reform MP I am bound by the constitution of the Reform Party of Canada to represent my constituents' wishes.

• (1110)

It is easy to see how I will vote when the government introduces the bill on reducing taxes on cigarettes. While I am also in favour of lowering taxes I do not believe we should lower taxes until the budget is balanced.

Let us first reduce government spending, balance the budget and then look at lowering taxes. Are Reform MPs the only members of this House receiving phone calls and letters opposed to the tax reduction on cigarettes? Am I the only one being inundated with this kind of information?

I wonder how many other MPs will be able to face their constituents if they vote in favour of the tax reduction whenever that bill is brought before the House. We have to listen to the people of Canada. We have to hear their concerns and respond.

On February 8, after the Prime Minister announced the national action plan to combat smuggling, the leader of our party announced in the House that the Reform Party was in favour of some aspects of the action plan and opposed to others.

Our leader said that we were in favour of stronger law enforcement, that the Reform Party supported the government's anti–smoking education campaign, that the Reform Party supported the export tax on cigarettes, and that the Reform Party was opposed to reducing taxes on cigarettes.

We supported three of the government's initiatives but we were opposed to reducing taxes on cigarettes. Since the government's announcement our Ottawa hotline has received over 60 voice messages and faxes. The vast majority of those have been opposed to reducing taxes on cigarettes.

I stand here today to announce to the House that I am generally in favour of the position announced by our leader on February 8, 1994 in the House and that this position is consistent with the wishes of my constituents.

I am going to reserve judgment, however, on each of the specific measures of the action plan on smuggling until my colleagues have spoken and provided the government with their analysis and introduced their constructive alternatives to the government.

While Bill C–11 does not contain all the measures announced in the government's national action plan to combat smuggling, we are convinced we cannot delay the debate of all the measures put forward by the government in its action plan.

We cannot wait another week or another month to debate the tax related issues in the House and fully inform all Canadians of the full impact and consequences of the action plan on smuggling. We should be debating all of those things right now.

The debate should start today on all the issues concerning the public and not just the few measures introduced into Bill C–11. How many people will become addicted to smoking before the real debate on tax reduction can begin?

In their calls and letters, people and the organizations they belong to told me some very startling facts. They told me that 840,000 more Canadians who will take up smoking as a result of the reduction of taxes this government announced.

This includes 175,000 new teenage smokers. They told me that 250,000 of these Canadians would die as a direct result of their addiction to tobacco products. They told me that in Canada there are 40,000 tobacco related deaths every year. This is before the 840,000 new smokers join the line–up at our hospitals and funeral homes. They told me that when the price of cigarettes goes up by 10 per cent, tobacco sales to adults drop by 4 per cent to 9 per cent. Sales to teenagers drop between 10 per cent and 14 per cent. Therefore it comes as no surprise that smoking will increase as dramatically when taxes are reduced.

• (1115)

They told me the extra health care costs associated with treating diseases in 840,000 new smokers could cost about $1.3 billion a year. Has the government taken this into account?

They told me they could not understand why a smuggling problem in Quebec should require the lowering of cigarette taxes across Canada. They told me they could not understand why the government has taken such broad action when the commissioner of the RCMP has confirmed that 70 per cent of smuggled cigarettes pass through the three Mohawk reserves between Cornwall and Montreal.

They told me they were concerned about whether the government's increased enforcement would be applied equally, regardless if the criminals live on or off Indian reserves. These are all questions they are asking. They also told me they could not understand why the Minister of Health could support the tax reduction on cigarettes when so many health organizations and most of the provincial ministers of health are so opposed.

That is from my own province where there is strong opposition. They told me they were concerned about the impact the government's measures would have on federal–provincial relations and relationships between the provinces, particularly Ontario and Quebec.

The Reform Party welcomes this debate so these issues can be brought before the House and before the Canadian public. As everyone can see we need answers to many questions. Will the government agree to answer these questions for us and for all Canadians?

In conclusion I want to pose some questions that Canadians have. First, what are the cost revenue implications in the short and long term? Has the government done a study? Do we know what the cost revenue results of this action will be?

Second, what will be the impact on the provincial health care programs and the federal government's share of these increased costs? Will we be able to afford the increased health care costs?

Third, what will be the impact on our law enforcement, justice and legal systems? We need to investigate all of these things.

Fourth, how many jobs will be affected in the tobacco industry? Has a study been done on this?

Fifth, how many tobacco farmers will be affected by this?

Sixth, if there are truly no "no go" zones in Canada, what impact will the stopping of smuggling on the Mohawk reserves have on self–government negotiations? Has anyone checked this out? Did government ministers and the Liberal caucus consult their own members from Ontario and across Canada before implementing these measures? Were all people asked? Were these MPs not receiving the same information that we as Reform MPs were receiving? Will we have answers to some of these important questions before we vote?

I appreciate the fact that we have the opportunity to debate this bill. I commend the government on its openness. I am glad I am able to express some of the views of my constituents and my own personal concerns.

The Reform Party believes that the national action plan to combat smuggling could be improved. Our speakers will be proposing constructive alternatives the government might wish to consider and bring forward as amendments during the committee stage.

I thank you, Mr. Speaker, for giving me the opportunity to express my views on the government's anti–smoking measures in Bill C–11. I hope we have a good day as we debate these measures.

• (1120)

The Acting Speaker (Mr. Kilger): I would like to remind all members present and others who are possibly following the debate that we are now entering the next stage of the debate where members will have their speeches limited to 20 minutes duration and subject to 10 minutes of questions and comments.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I am pleased to rise today to support second reading of Bill C–11.

As the Minister of National Revenue said, this bill is an important component of the government's national action plan to combat smuggling, the plan announced by the Prime Minister in the House on February 8.

In launching this initiative, we underlined our commitment to taking a comprehensive and decisive approach to deal with the smuggling problem. This bill is a further demonstration of that commitment. The Minister of National Revenue has described how the provisions of the bill will support the revenue aspects involving his department of our national strategy. The Minister of Health will describe its health aspects. However, as Solicitor General I want to discuss the provisions of the bill that support the law enforcement component of the government's national action plan.

[*Translation*]

In announcing the government's strategy, the Prime Minister made it clear that we were attacking a national problem affecting all Canadians. He also clearly indicated that the rule of law had to be respected and enforced and that it had to apply equally to all citizens.

[*English*]

Given the seriousness of the smuggling problem, we knew it was imperative that we give police and customs officers the resources and powers they need to do their jobs properly to dismantle the smuggling trade, especially as it involves tobacco and alcohol.

For that purpose we doubled the number of RCMP and customs personnel dedicated to anti–smuggling operations. We knew that numbers alone would not solve the problem. We realized the increase in personnel had to be part of a greater law enforcement strategy, one that took into account the needs of the various police forces involved in the fight against smuggling.

This bill answers those law enforcement needs in three ways. First, the bill will allow the government to designate on an as needed basis provincial and municipal police services to enforce certain provisions of the Excise Act that formerly were within the sole jurisdiction of the Royal Canadian Mounted Police.

[*Translation*]

This means that when smuggled goods enter Canada, the RCMP is the only law enforcement agency legally authorized now to confiscate alcohol and tobacco under the present Excise Act. If there seems to be evasion of provincial taxes, this is an infraction against provincial law and the provincial and municipal police forces can intervene.

[*English*]

Given the seriousness of the smuggling problem, it is only common sense that we have the flexibility to allow not only the RCMP but also other designated provincial and municipal police services to seize contraband alcohol and tobacco wherever they may find it and also to seize the equipment used to manufacture them in Canada as well as the vehicles used to transport these products. This bill will make such action possible.

[*Translation*]

The Quebec Minister of Public Security and the Solicitor General of Ontario asked me to have the members of their provincial police forces, namely the Sûreté du Québec and the Ontario Provincial Police, empowered to enforce the Excise Act as I have just described.

• (1125)

[*English*]

The bill responds positively to these requests. It will allow us to improve and expand on existing co–operation with provincial and local police and improve as well the efficiency of joint force operations. It will improve the efficiency of Ontario and Quebec

provincial police and other designated municipal forces working on their own in anti–smuggling activities.

We have emphasized our commitment to working with the provinces wherever we can to ensure that the fight against smuggling, especially of tobacco and alcohol, is as efficient as we can make it. This bill is a demonstration of that commitment.

Another key element of the bill is that it will help law enforcement authorities mount a more cost effective campaign against smuggling. It will do this through amendments to the Customs Act and the Excise Act that will allow the Minister of National Revenue to authorize officials to destroy seized goods, primarily tobacco and alcohol, immediately after keeping samples to be used as evidence in court.

This is being done to reduce the increasingly high costs of storing seized goods as seizures increase as they have done in recent months. This is particularly true in the case of tobacco products.

I am told that in Ontario alone the current costs to the Royal Canadian Mounted Police for storing alcohol and tobacco it has seized is close to $2 million annually. In British Columbia the RCMP has run out of existing warehouse space and has had to take over part of an underground parking lot to meet new storage needs. These increasing overhead costs as seizures of alcohol and tobacco increase are unnecessary and avoidable. The proposed amendments will help us to control and hopefully to reduce them.

I do want to say that in cases where the courts ultimately decide—and that may happen from time to time—that goods were improperly seized and later destroyed, the bill will require full compensation to be paid to the original owner of those goods.

Finally, the current provisions of the Excise Act authorize the marking of cigarette packaging but not the marking of cigarettes themselves. This is not satisfactory because we have seen that certain criminal elements have become adept at counterfeiting package markings to make contraband cigarettes appear legitimate. The bill would broaden regulatory authority to include requiring the marking of cigarettes if they are for legal use in Canada, thereby helping enforcement authorities to curb counterfeit and therefore illegal packaging operations. In addition, clearly marked cigarettes would make it easier for police to identify the use of contraband cigarettes.

[*Translation*]

To conclude, these three provisions—increasing the jurisdiction of provincial and municipal police; authorizing officials to destroy seized goods immediately; and marking and packaging tobacco products made in Canada in a way that will help police recognize smuggled goods—will strengthen law enforcement in the fight against smuggled tobacco and also help fight liquor smuggling.

[*English*]

Together with the proposals regarding the prohibition of the sale of kiddie packs of cigarettes and other related matters to be discussed by the Minister of Health, the bill will continue to further the government's national objectives of ensuring respect for the law, especially the law against smuggling, everywhere in Canada and also protecting the health of Canadians.

We promised Canadians that our response to smuggling would be far reaching and comprehensive. Given the complexity of the contraband issue, it must be so. The bill provides valuable tools for us in the fight against smuggling, especially of tobacco and alcohol, and it supports our commitment to protect the health of Canadians, especially of young Canadians. This Bill C–11 is an important aspect of our overall effort and I ask members on all sides of the House to give this bill their support.

• (1130)

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I appreciate very much what the hon. minister has to say and agree very much with the necessary measures that he has had to take.

I wonder if he would be able to comment on a couple of the questions that I raised not directly related to Bill C–11. What would be the cost of the law enforcement and what would be the impact on our entire law enforcement, justice and legal system if these extra measures are put in place? Have there been any studies done on this? Do you know what the implications might be on this? What would be the cost revenue implications in the short and the long term of the tax reductions and export tax increases?

That is not directly related to Bill C–11 and you may not be able to comment on the second—

The Acting Speaker (Mr. Kilger): Order, please. I would just like to remind all members to direct their comments through the Chair and not directly to members opposite.

Mr. Breitkreuz (Yorkton—Melville): My apologies, Mr. Speaker. I will try to do better.

I had those two questions. I was virtually finished. I would just like to know what the impact would be on our law enforcement, justice and legal system and also what the cost revenue implications in the short and long term would be on the tax adjustments that have been made.

Mr. Gray: Mr. Speaker, I do not have these figures with me. I will endeavour to speak from memory. My remarks will be subject to correction either later in this debate or more particularly when the bill is studied in detail in the appropriate parliamentary committee.

I think the initial cost of the law enforcement measures, the additional customs officers, the additional RCMP officers, will be in the area of $100 million to $150 million a year.

The revenue implications of the tax reductions in the first year I think are in excess, again I am speaking from memory, of $300 million. We estimate that this revenue loss will drop sharply in subsequent years as the anti–smuggling program takes effect.

I offer these figures subject to correction as we study this matter in committee, but I think this is something in the ballpark area for what we are talking about.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Mr. Speaker, I enjoyed listening to the comments of the critic for the Reform Party and then the Solicitor General. The two are sort of connected because the critic for the Reform Party did quote from 70 agencies and organizations which are opposed to the tax reduction. I received similar representations and so on. He did not address, which I think the Solicitor General addressed, the concerns of the Royal Canadian Mounted Police.

On February 8 the Prime Minister did table in the House the letter from N. D. Inkster of February 3 wherein he states: "We are at a point where existing RCMP law enforcement resources are virtually incapable of turning the tide in this rapidly expanding problem, given our responsibilities across Canada".

Seizures have increased. This is what everyone is calling for. Why do we not increase our seizures? He says: "While seizures have increased dramatically the extent of the problem has been rising at a much faster rate with the involvement of organized crime groups and as otherwise law abiding citizens engage in the criminal activity through the open purchase of contraband. I am convinced that a comprehensive strategy is required to address the smuggling problem which goes beyond an enhanced enforcement initiative".

Now that we have been into this process where we are seeing the results of decreased prices and increased law enforcement, in the opinion of the Solicitor General and in talking to the RCMP and other police forces could this problem have been resolved without reducing the price of cigarettes?

• (1135)

Mr. Gray: Mr. Speaker, the advice we received from the commissioner of the RCMP was that tougher enforcement measures alone would not have been sufficient to deal with the problem. We have to respect that advice, coming as it does from the head of one of the most respected law enforcement agencies in the world.

It is understandable why this advice came because we are dealing with a problem national in scope. It is true that there is a certain focus in eastern Ontario and Quebec, but the information also was that some 40 per cent of tobacco consumed in the Atlantic provinces was smuggled, some 35 per cent of the tobacco consumed across Ontario was smuggled, some 15 per cent of the tobacco consumed in the western provinces was smuggled and these numbers were rising sharply.

The information was that thousands of people were involved across the country in distributing this contraband tobacco. Tens of thousands more were buying it and consuming it. This involved increasingly organized smuggling rings which were not only involved in tobacco but also alcohol, drugs and firearms.

When the problem was of such scope we had to tighten up and hit the smuggling rings through tougher enforcement measures. We also had to get the profit out of the smuggling of tobacco as a means of reinforcing the tougher enforcement measures. This is why, even though we knew of all the problems and concerns and even though we knew this was not an easy decision, we knew there was no simple solution to a problem of this complexity. We knew that our national plan had to have in it a component involving the reduction of domestic taxes on tobacco in order to take the profit out of smuggling. Along with that we knew we had to impose an export tax on tobacco and an excess profits tax on the tobacco companies to further squeeze out the profit but also to generate funds for a major anti–smoking program. We knew all these things had to be done.

We concluded, and it was not something I have to say we were happy about, it had to be done in the public interest, that the national plan to deal with smuggling could not depend on enforcement alone. It had to depend on tax measures which as I have said did not only involve the reduction of domestic taxes on tobacco but involved substantial tax increases on the tobacco companies, an export tax on the products they made here and sent abroad, because we knew that was a source of a lot of what was smuggled back, and also a substantial tax on these tobacco companies to fund a major anti–smoking program.

I have the greatest respect for the organizations quoted by the hon. spokesman for the Reform Party, but I think most of their communications were published before our plan went into effect. They feared we would ignore the tobacco companies. They feared we would ignore the need for an anti–smoking program and of course we did not ignore those key necessities. They are parts of our national plan. I hope that these organizations will take another look at what we are doing. As I said, I respect their concerns about the implications of tax reductions but a lot of the other things we are doing involve measures that they themselves have called for for years and now we are proceeding to do them.

To sum up, enforcement is a necessary part of our program but it was concluded reluctantly that enforcement alone would not do the job. This just says something about the complexity of governing in a country like Canada. Sometimes problems arise for which there are no simple or easy solutions. Whatever way you go involves problems, but it still means that governments

have to take decisions and operate in the best interests of the country. Then when the time comes they must submit themselves to the judgment of the public. We are happy to do so in this case and with respect to the other things we have done and will be doing with the intention of serving the best interests of all Canadians, of people in every part of this country.

• (1140)

Mrs. Brenda Chamberlain (Guelph—Wellington): Mr. Speaker, I would like to mention that the marking of individual cigarettes was a Guelph based idea. It came from a gentleman named David Kennedy who is not the city treasurer, I would note. He is an individual citizen who is working very hard along with my constituency to find positive solutions for our problems in government. I really want to thank him.

I would also like to make mention of the anti–smoking program that we are talking about initiating. I would like to ask the hon. member if associations such as the lung association may be contacted to help us in this educational process. It may already have many good ideas or many educational components in place. In order not to have a duplication of services, perhaps organizations like this could help us in our anti–smoking campaign.

I would ask the hon. member if he would comment on that.

Mr. Gray: Mr. Speaker, I do not want to get too much in the area of the Minister of Health. I know she is going to speak and I am sure she is going to confirm that she and the government want to work co–operatively with groups like the lung association.

I am sure she will confirm that we want to take advantage of their ideas, programs and facilities. I look forward and I think the government looks forward to increasing close co–operation between the Minister of Health, her officials and groups like the lung association. This co–operation is necessary to make our program work.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health): Mr. Speaker, I want to comment in the absence of the Minister of Health that in fact the Minister of Health has been meeting with the lung association, the Heart and Stroke Foundation, the Canadian Medical Association and all the anti–smoking groups to talk about new strategies.

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, I would like to make a few comments. One is to thank the hon. minister for the action taken and to review what happened that led to this.

This was a genuine needs driven exercise. Society had been getting out of hand. We had models set up on street corners. We had big money being made. There were ostentatious homes being built, not just in specific areas. Money was being made illegally and it became a way of life. It had to be snuffed out if society was to preserve itself and its integrity.

I was personally pleased to see such action taken, particularly the diagnosis by the government, patiently building its case involving all aspects of our society before it took action. Based on that diagnosis the prescription was laid before us in a four point plan which covered very thoroughly and very comprehensively all aspects that undertake to eradicate this disease in our society.

Finally, we saw the true action in concrete form here. I hope that at some stage we will follow it up with a real evaluation and seeing that society is back on track with law and order.

Mr. Gray: Mr. Speaker, with your permission I would like to make a brief response to the comments by the hon. member.

We should remind ourselves that this problem did not begin in the three months or so that this government has been in office. We are talking about a problem that built up for years without this kind of needed action by the previous Conservative government.

This government, along with its famous red book of plans for creating jobs and developing the economy, also has had to deal with problems that are surfacing that built up under the previous government. We should remember this in recognizing that this government has been willing to take action to deal with immediate needs and concerns like the smuggling problem.

Furthermore, we want to make sure that we do this in a balanced way. I am glad that the hon. member has pointed out for society the dangers of this problem we are dealing with. That is why our program has all these components. Yes, it has a tougher enforcement component. Yes, it has a taxation component but it also has a very important health related and anti–smoking component.

I look forward to the comments of the Minister of Health later in the debate to build on what this is all about. I also look forward to the committee study where we can provide further detailed information.

• (1145)

[*Translation*]

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Mr. Speaker, last February 10, the Minister of National Revenue tabled a bill to significantly amend three other acts of Parliament, namely: the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act.

The purpose of the bill is to more or less balance, through various pieces of legislation, the government strategy against smuggling, which was announced in this House by the Prime Minister, on February 8, 1994.

Several people working in the health field expressed concern regarding this national plan to fight smuggling, because of the adverse effects it could have on the health of Canadians and Quebecers. These people, including practitioners and health care specialists, fear an upsurge in tobacco use in general, but more important increased consumption among young people.

Even though the federal government's efforts to eliminate or at least better restrict access to tobacco products for young people may be commendable, the fact is that the situation is serious.

The government is proposing amendments which, it says, will reinforce some provisions contained in Bill C–113, which was passed on March 25, 1993. As you know, this legislation prohibits the sale of cigarettes to persons under 18 years of age.

Just what are those provisions? Part III of Bill C–11 contains three amendments to the Tobacco Sales to Young Persons Act. Under section 10 of the bill, the long title of the Tobacco Sales to Young Persons Act is replaced by the following: an act to restrict access to tobacco by young persons. According to the government, this new title implicitly expands the scope of the act and reflects much more accurately the new approach of restricting instead of prohibiting.

Clause 11 adds three new elements to Bill C–111. Clause 7.1 prohibits the sale of packages containing less than 20 cigarettes. As of May 1, 1994 producing or selling what are commonly called kiddie packages, that is packages containing 10 or 15 cigarettes, will be prohibited. Those packages, which are usually sold at a good price, are extremely appealing for young people. Their relatively low cost is also an important incentive. It is easy to start smoking. You never know, it could be fun.

Clause 7.3 prohibits the importation into Canada of any tobacco product by a person under the age of eighteen, whether for personal consumption or for someone else.

In recent weeks, we have looked at the legal and tax aspects of the question, and particularly at the thorny issue of cigarette smuggling. In the process, we also put the health and well–being of Canadians and Quebecers on the back burner.

According to Dr. Richard Lessard, who is the Director of Public Health for Health and Social Services, Montreal Centre branch, it would be a mistake to limit the debate to legal and tax considerations. A major issue takes precedence over tobacco smuggling, and that is the health of Canadians and Quebecers.

Dr. Lessard himself said that tobacco consumption is currently linked to 40 per cent of deaths due to cardiovascular complications—to 87 per cent of deaths due to lung cancer, and to 80 per cent of respiratory diseases. Low birth weight is twice as common among babies whose mothers smoke than among those whose mothers do not smoke. And currently, the increase in smoking is higher among young women.

• (1150)

Young Canadians start smoking between the age of 11 and 15. At fifteen years of age, 22 per cent of males and almost 30 per cent of females are smoking. Also, 65 per cent of these teenagers are paying for their cigarettes out of their own pockets. Any public policy, whether it is non inaction in fighting smuggling or lowering taxes on tobacco, if not linked to aggressive preventive measures, does encourage these vulnerable teenagers to start smoking.

According to Dr. Lessard, tobacco–related health problems cost $2.5 billion to Quebec and $9.5 billion to Canada, even though, before the current crisis, tobacco consumption had decreased by 40 per cent since

Several health officials have criticized the decrease in sale prices of cigarettes following the tax reduction announced by the government. They think it will only encourage the most vulnerable groups, teenagers and young women, to start smoking.

My colleague, the hon. member for Lévis, mentioned and rightly so the devastating effect of smoking among our young. We think educational measures must accompany the legislation which was announced. We must develop new programs and support the current ones by investing in mass advertising.

We must also make businesspeople aware of their social responsibility. Bill C–111 goes ahead by implementing measures concerning tobacco sales. For example, the stamp prohibiting the sale of tobacco products to minors is a step in the right direction.

We also need to make some long–term investments in an anti–smoking campaign. I am pleased to report that the Quebec government has undertaken a major anti–smoking campaign to urge young smokers to change attitudes. Several governments in Canada have decided to follow suit.

Bill C–11 includes provisions concerning the Excise Act and the Customs Act which confer new powers on the minister and various police forces in Canada and in Quebec responsible for enforcing the law throughout the country. According to the government, these provisions will provide the new legal tools which are needed to achieve better enforcement of the law and to continue the fight against smuggling.

One interesting provision of this bill is found in clause 9 which says that the minister may authorize an officer to sell or destroy the seized goods.

It goes without saying that the government will never proceed, I am convinced, with the sale of seized tobacco products. This is commonly done in some American States but it would be out of place in this country given the current situation. However, the equipment and facilities used to carry or stock these goods could, of course, be sold. This could become an interesting source of funds to be reinvested in anti–smuggling programs or in a public awareness campaign.

• (1155)

In order to be successful in its fight against the harmful effect of tobacco, the government must maintain the National Strategy to Reduce Tobacco Use. As its title says, the main objective of this action plan, developed in co–operation with the provincial governments, is to reduce tobacco use.

Every member of the House knows that this strategy has three objectives: to protect the health and rights of non–smokers, to prevent non–smokers from picking up the habit and to help smokers who want to quit smoking.

In this context, in order to effectively reduce tobacco use, there has to be a concerted effort by all levels of government and by non–governmental organizations.

We believe that the government must harmonize the various legislative measures in place to combat the use of tobacco and its effects. We believe that the measures proposed in Bill C–11 respecting the sale of tobacco to young people must be accompanied by a genuine desire to eradicate smoking.

The problem of tobacco use will not be solved simply by making it harder for young people to obtain tobacco products through more or less coercive measures aimed at merchants, producers and consumers.

The government must not shirk its responsibilities. As Dr. Lessard said, our governments have already made a commitment to health and have understood that making a long–term investment in our collective health will help us, as a society, solve our serious economic problems. During the present budget cutting period affecting health care in Quebec, and probably in other provinces, how can we explain the omission of health considerations in the debate since the major consequence of this crisis is sickness?

How can we fail to see that the only winners are tobacco companies? Should our society yield to an industry which takes our own health hostage and which economists say is steadily losing ground in our economy?

We understand the important economic and legal issues involved in the revolt of some elements of our population against taxes, and the general outrage over smuggling and its corrupting effects. Prompted by the rumblings of public discontent, our ministers of justice and finance laid out some very convincing arguments on that point.

It seems urgent and critical to ask the premiers to listen also to the arguments of their health ministers and to renew their commitment to the well–being of the population.

It is crucial to reintroduce social and human dimensions into the present debate. No government should be allowed to forget the health and well–being of its population for purely fiscal considerations.

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, it is my pleasure to speak to the section of Bill C–11 which will amend the Tobacco Sales to Young Persons Act. Action on the proposed amendment is one more important step in our ongoing efforts to address the problem of tobacco consumption, particularly among Canadian youth.

The Tobacco Sales to Young Persons Act was proclaimed into law Tuesday, February 8, as a component of the government's anti–smuggling initiative. It raises the legal age of purchase from 16 to 18. It restricts the location of cigarette vending machines to bars, taverns and similar beverage rooms. It also increases the penalties for selling tobacco to minors.

• (1200)

A new range of fines has been established for any sale to persons under the age of 18 and includes sales through a vending machine. For a first offence the fine will be up to $1,000, for a second offence up to $2,000, up to $10,000 for a third offence, and for subsequent offences a fine of up to $50,000 can be levied.

The amendment now before us relates to kiddie packs of cigarettes, as they are commonly known. Kiddie packs are packages that contain fewer than 20 cigarettes and are usually available in packs of 15 and 5. I have seen these kiddie packs. They often look like a chocolate bar. It is very surprising to see these packages of cigarettes that could be any kind of a chocolate bar being sold to young people with no questions asked. It is very important we ban them.

[*Translation*]

Kiddie packs began to appear in Canadian stores in the late 1980s. Producers of tobacco products said at the time that they had taken that approach to please adult smokers but, like Canadian health organizations, I believe that their availability increases the risk that young people start smoking.

Those packages have a special appeal for young people because they look attractive and their price is lower than that of regular packages. They are more affordable for young people who do not have much money, and younger people find them easier to hide from parents and teachers. As I said, some

packages contain only five cigarettes, and look like a chocolate bar.

A poll taken in Nova Scotia in 1990 indicated that the majority of teenagers who smoke buy kiddie packs. Among sixth grade smokers, in the 11 to 13 age group, almost half of them buy kiddie packs. That research was done four years ago, but the situation is probably the same today.

[*English*]

Bill C–11 will prohibit the sale of packages containing fewer than 20 cigarettes. It will also prohibit tobacco manufacturers from producing packages that contain fewer than 20 cigarettes. For selling and for offering for sale kiddie packs, the legislation provides for a maximum sentence on summary conviction of a $2,000 fine or six months, or both. On conviction on indictment the maximum sentence is a fine of $100,000 or two years, or both. For producing kiddie packs the maximum sentence on a summary conviction is a $200,000 fine or six months, or both. On conviction on indictment the maximum sentence is a $500,000 fine or two years, or both.

The government recognized that the action plan to combat smuggling and the tax measures associated with it would pose health risks. Let me assure members that we are just as determined to deal with tobacco use as we are with the smuggling problem. This amendment is just one more step in our efforts to eliminate tobacco consumption.

The action plan included a very strong health component. One element of that was legislative. In this area we have taken immediate action through proclamation of the Tobacco Sales to Young Persons Act and introduction of the amendment concerning kiddie packs.

[*Translation*]

We are also moving to give more teeth to law enforcement. Some 300 Health Canada inspectors have already been designated under the law and, as an interim measure, they will be available to monitor law enforcement while carrying out other tasks. During the next two months, we will publish a training kit and new inspectors will be hired to take over and control the enforcement of the Tobacco Sales to Young Persons Act.

Other ongoing enforcement activities include sending to all retailers in Canada explanatory letters and signs. Those signs must be posted in a prominent position in all places where tobacco products are found or sold. Any retailer who refuses to post those signs indicating that it is prohibited selling tobacco products to persons less than 18 years old will be liable to a fine up to $250.

• (1205)

We will also put ads in newspapers to inform retailers of their obligations under the new act.

[*English*]

As well we are looking at what action might be taken in such areas as plain packaging and product standards. Plain packaging contains no distinctive colouring, although it would permit the use of trademarks. Many health advocates feel that plain packaging, making products less distinct and promotion much more difficult would be an effective deterrent.

In the area of products standards, we are looking forward to bringing new regulations requiring manufacturers to provide information on the packages about the chemical compounds contained in tobacco and tobacco smoke.

A comprehensive educational campaign is also being mounted. It will be aimed at the general public and at key groups, such as young people and women, and will be developed in consultation with the provincial and territorial governments and the non–government health organization.

Action has already begun on a number of promotional–educational activities. A national media campaign began last week directed primarily at young people through the radio and television stations they most often watch and listen to.

We will also be working closely with our health group and provincial government partners to develop a system for monitoring tobacco consumption, particularly by young people. The acquisition of consumption information on a regular basis will be essential in measuring the success of our initiatives and planning the development of even more effective action in the future.

[*Translation*]

Tobacco use among many groups which are hard to reach is alarming. Those groups do not usually respond to traditional anti–smoking ads. We will be making special efforts to reach them.

We will also make more efforts to reach families, new parents, health care people and other people who are important role models for children. We will support education programs and community activities.

A health surtax will be levied on profits of tobacco products makers for three years to finance special initiatives. We believe that tobacco companies are responsible and that they must pay the price.

[*English*]

We are looking over the next three years at one of the most concerted efforts ever undertaken in the health education field. This is the toughest program that any jurisdiction has taken against tobacco products. During the past several years our co–operative initiatives have been very successful in reducing consumption among the population over age 15. I am confident these new resources will permit us to build on those successes.

To do so will require continued co–operation and close collaboration.

I have had discussions during the past two weeks with representatives of health organizations and with provincial and territorial ministers of health. At my recent meeting with ministers of health I offered to work with them on the best way to use the resources provided in the new federal anti–smoking strategy.

My officials and I are committed to seeking the advice and assistance of these groups as together we strive to reduce the demands for tobacco, the number one cause of preventable death in Canada.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, I listened very carefully to the Minister of National Health and Welfare as I do every time she answers questions in the House about smoking.

Here again, the minister means well with these measures to prevent smoking, but as I said during my speech, the Official Opposition is somewhat apprehensive about the enforcement of these measures. You referred to the cost of so–called kiddie packs—packages containing fewer than 20 cigarettes—which will now be prohibited. I think we should remember that because taxes have been cut, in Quebec at least, the price has gone down considerably, so that today, a pack of fewer than 20 cigarettes is much cheaper. In fact, a pack of more than 20 cigarettes is now cheaper than a pack of 15 cigarettes used to be. In other words, cost is an important factor.

• (1210)

I would appreciate it if the minister could give us her thoughts about this and whether she thinks this aspect was properly evaluated, because there has been a drop in the cost of a pack of cigarettes. We know that people who smoke more than 20 cigarettes a day are considered to be heavy smokers, which is very dangerous to one's health.

The minister mentioned new inspectors. I wish she would specify, if she is in a position to do so today, the number of new inspectors to which she is committed and what this will cost. As for the fines, I do not think they are all that severe. It all depends on the offence and the extent of the offence. I would like to tell you a story about the legislation to prohibits smoking in government buildings.

At the CBC there was a massive operation to enforce the new legislation as soon as the rule came into effect. The amount that people were fined added up to a considerable amount of money, and when employees protested, it all ended without anyone paying fines.

My point is that when the government decides to enforce this legislation, I hope it will do so fairly and squarely across Canada and will have the requisite number of inspectors to do so. We also have to provide for cases where one will not be able to count on the co–operation of provincial or other police forces. We will need a lot of inspectors to cover the territory involved. I am not so sure they will be able to do that. There is also the risk of partial enforcement.

I mentioned what happened at the CBC, but it could happen in any other company or community, when all of a sudden individuals are fined and notice that meanwhile, people somewhere else can continue to smoke with impunity, and I am thinking of young people particularly. This may produce a sense of injustice, of being picked on while other people can go on breaking the law without being penalized.

I would appreciate the minister's views on the subject.

Ms. Marleau: Mr. Speaker, I should explain that the fines are imposed in the case of sales of cigarettes to young people. It is true we now have inspectors, but we had them before. Their mandate is to ensure that retailers do not sell to young people.

However, the objective is to make all retailers be very careful about whom they are selling cigarettes to. As you know, some young people do not look very mature. They look more like 10–year–olds when they come to the convenience store to buy cigarettes.

Store owners should realize that these kids should not be buying cigarettes, that they should not have them, and that it is against the law. Of course we want the inspectors to do their job, but we are convinced that most retailers are or will be aware of the harmful effects of smoking. We want to ensure that young people do not have easy access to cigarettes. That is very important. So that is the other reason for removing kiddie packs.

As you know, when these kids come home with a package of cigarettes, their parents notice. These kiddie packs are much easier to hide. When you see a kiddie pack, you know it is intended for kids. That is the whole purpose.

• (1215)

Selling cigarettes to kids is the opposite of what we want to do. We are sure we will get the co–operation of most retailers because this is essential to the well–being of Canadian society.

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I commend the Minister of Health on her presentation. I appreciate what the government is trying to do in this area. It has taken a balanced approach and has tried to address all the issues involved in this very complex problem.

My constituents have raised another health problem young people experience which relates directly to this issue. Some experts I have heard addressing this problem indicate that alcohol could also be one of the great problems we will be faced with. After all these measures are taken on tobacco, society's criminal elements will be looking for new ways to profit. There

is a large market in alcohol and they would target young people. Smuggling could suddenly become very profitable.

In light of the fact that this is a big problem among young people and is a potential smuggling problem, would the minister be willing to commit to take similar initiatives in the area of alcohol abuse and the smuggling which will take place as tobacco becomes controlled? Would she be willing to comment on or address this problem?

Many constituents are wondering about the domino effect. Will the reduction of taxes on tobacco mean a reduction of taxes on alcohol and many other products that are susceptible to being smuggled?

Ms. Marleau: Mr. Speaker, we are determined to end the smuggling network. That was the reason for bringing down the prices on cigarettes.

While we realize some alcohol is coming through the same network it is certainly not the same size of a problem, although it is a problem. We are convinced we will win against the networks in the law and order problem we are addressing.

When it comes to sales to young persons, liquor is not a product that can be sold to young people anywhere in the country. It is not legal now. In terms of sales of tobacco products to young people, we are trying to establish the same kind of limits. Then everyone knows it is just as illegal to sell tobacco to young people under the age of 18 as it is to sell alcohol to them. That is the basis of the changes we have brought forward. It is very important that all the people of Canada co–operate in this matter.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I too appreciate very much the remarks of the Minister of Health.

I wonder if the minister could respond to my question with respect to the briefing we had yesterday. This is not meant as a challenge in any way. It is for my clarification.

It is my understanding that the manufacture of kiddie packs will continue until May 1, 1994. That means there are still two months of production left for this particular kind of package and I understand it was for the transition for the manufacture of this product.

It seems somewhat unusual, almost to the point of ludicrous that we would have a package available in the marketplace for two months when we are looking to enforce a particular law.

• (1220)

Could the minister give her assurance that she will look into this and explain how she will ensure that the kiddie packs are not sold to minors from now until May 1, 1994?

Ms. Marleau: Mr. Speaker, I share the hon. member's concerns.

One of the challenges we face is that we are now debating Bill C–11 and it is not yet law. The sooner this law can be passed the sooner we can end the sale of these kiddie packs. It is not unlawful to sell or to manufacture them until the law receives final approval. It is essential that the bill move on as quickly as possible.

The manufacturers are very much aware. The notice is out there that very quickly it will be unlawful to produce and sell them.

It would be well and wise if we could get this piece of legislation through all stages very quickly including the Senate and royal assent stages.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I rise today as the elected representative of the constituents of Calgary Southeast and as such I speak for and with them.

Having said that and anticipating this debate, I not only tracked the calls and letters that came to me, but I also conducted a poll in my riding. Of those polled, 58 per cent opposed the government's proposed tax rollback. I am pleased to bring their collective wisdom and opinions to the debate today.

The motion before us has three components. I will speak in particular to the amendments to the Tobacco Sales to Young Persons Act. I do have some personal thoughts and insights I would like to bring to bear as well. Before doing that, it is critical to consider what this legislation is intended to accomplish.

The government alleges it is concerned with the massive smuggling problem facing our country today. Therefore Bill C–11 has been put forward by the government as part of a national action plan to combat smuggling. This legislation and the accompanying plan to combat smuggling tell me four things.

First, the legislation shows that the Government of Canada cannot enforce its own laws. Second, it shows that the influence of the tobacco industry is highly sophisticated and tremendously powerful. Third, Bill C–11 shows us that the deficit is not a concern of the federal government. Fourth, the legislation clearly shows that the federal government has little appreciation for the health and welfare of Canada's youth.

I will deal with the first point, that the Government of Canada shows us it cannot enforce its own laws. The government admits there is a substantial problem with smuggling, that people are going outside the law to maximize their own personal profits. However instead of strictly enforcing the laws as they now exist, the government chooses to change them. This is a vain hope. This legislation may put an end to the high level of tobacco smuggling but it is a half measure and will not stop the smuggling.

I believe in a good challenge to any debate. My first challenge to the government is this: Why was the law so poorly enforced that new measures are now required? Will these make the new law any easier to enforce?

• (1225)

My next challenge questions the influence of the tobacco industry. This highly sophisticated and powerful lobby has finally succeeded in getting the government to backtrack on the largest contributing factor to the decrease in tobacco sales. That was high taxes on tobacco products. The people of Canada are already cynical and have lost faith in the credibility of the government. How will the government restore that faith given that it appears to have bowed to the pressure of the tobacco industry's lobby efforts?

The federal government in proposing Bill C–11 will forgo revenue in an attempt to stop smuggling. In so doing the federal government makes it clear that our deficit and our debt are not priorities.

The Prime Minister admitted that in 1994–95 alone the government expects to lose $300 million in revenue because of the reduction in tobacco taxes. The Prime Minister goes on to suggest the health promotion surtax on profits of tobacco manufacturers will generate some $200 million over three years. The government release on the action plan to combat smuggling suggests this $200 million will fund a range of health promotion activities, including measures to reduce smoking. This sounds fine and good, but who will pay for it?

The government estimates the tax revenue lost to be $300 million in the first year alone. It then asserts it will generate $200 million from taxes on the tobacco industry. These numbers are questionable to me. At best there will be a shortfall of $100 million, not including the further cost of the health promotion programs the government says are a priority. This immediate shortfall of $100 million is substantial but does not compare to the health costs to be incurred under the plan.

By reducing taxes we are encouraging existing smokers to smoke more and we are making it easier for new smokers to get hooked on the habit. Smokers will add further strain to our health care system. They do not require care today, but 10 to 15 years from now the government will regret the day of this decision.

Studies and experience over the past few decades have proven there is a direct correlation between smoking and heart disease and smoking and cancers of the lung, the oesophagus, the mouth, the tongue and the larynx. It has also been shown that smoking has a detrimental effect on unborn children.

What will be the eventual financial cost? The numbers just do not work for this program.

The third challenge to the government is to decide how best to address the problem of the deficit without complex tax alternatives. This is not a solution to cigarette smuggling; quite frankly it is just blowing smoke.

My fourth point is that Bill C–11 shows that the federal government really has very little concern for the health and welfare of the nation's youth. Taxes on cigarettes and tobacco products were high for a reason: they brought the government revenue. More than that statistics showed that high taxes directly correlated to a decrease in tobacco sales especially among our youth. Simply put, cigarettes became too expensive.

Health and Welfare Canada states that when the price of tobacco products rises by 10 per cent, sales to adults drop by 4 to 9 per cent. More significant, sales to teenagers drop by 10 per cent to 14 per cent.

• (1230)

This legislation has some very serious implications for the health of our nation, particularly our youth. Dr. Robert Allen is the Canadian professor of economics who contends that if the tax cut to the price of tobacco in Quebec is implemented in the rest of Canada it will result in 840,000 more smokers and 175,000 of them will be teenagers.

The government contends that it has a plan that will keep our youth from smoking. The idea, as I see it, is to keep cheap cigarettes out of the hands of our young people. The government, however, chooses to change a plan that was working well. Smoking was on the decline in Canada and young people including my daughter were being discouraged from smoking.

My daughter, despite objections and at first unknown to us, began smoking at the age of 12. She would smoke several packages a week and nothing we said or did made any difference. When we travelled in the United States she would buy cheap cartons of American cigarettes and smoke like a chimney until they were gone. However, back home again she was back to her usual habit of a couple of packs a week. She could not afford the high cost of cigarettes.

As these costs have increased, her usage has decreased. It saddens me to think that a government action will now further encourage my daughter's smoking addiction.

The government proposes another idea to reduce the number of young people smoking and that is banning the kiddie pack. I believe this idea to be ridiculous. As a young constituent working in a local gas station confided, mostly it is the older people who buy kiddie packs. The cool kids buy packs of 25 and not kiddie packs.

There will always be a part of our population that tries to beat the rules, and undoubtedly the moral hazard will take its toll on this legislation. If young people want cigarettes, and thanks to Bill C–11 they will be able to afford them, they will be able to get them. They will lie in bed at night thinking about how. This

government has only increased the age of prohibition and even that becomes irrelevant when there is no commensurate will to enforce it.

There has only been one measure that has worked in minimizing the access of our youth to tobacco products, high taxes. I challenge members opposite me and all my colleagues on this side of the House to recognize the wisdom of this measure. As a young adult recently said to me, the government should raise taxes on those things that are bad for us and lower taxes on those things that are good for us.

Governments must recognize their social responsibility to our youth. When this happens, parents like me can say thanks.

Mr. Julian Reed (Halton—Peel): Mr. Speaker, I have a couple of questions. I was listening to the hon. member and her obvious genuine concern about the fact that smoking is an addiction. I speak as former chain smoker. I ended that practice about 25 years ago.

There is a little mythology that has to be cleared up here. I wonder if the hon. member could tell us who she thinks is smoking the contraband cigarettes, who she thinks is smoking the cheap stuff.

• (1235)

If you go into schools you will find that counterfeit cigarettes are being sold out of the trunks of cars.

The Acting Speaker (Mr. Kilger): Order, please. I remind members once again of the wisdom of directing questions through the Chair as opposed to what may seem a more personal way of "you in this", "you in that" and "un vous ici, un vous la". Put me to work or keep me in my chair but, please, through the Chair.

Mr. Reed: Thank you, Mr. Speaker, for that correction. I will start again. Pardon the oversight.

It is the young people who unfortunately have been buying these lower priced contraband cigarettes. As a result, more and more young people are being exposed to tobacco because of the smuggling. Therefore attempts had to be made to correct the problem.

I advise the hon. member that the situation in which the tax has been dropped is considered a temporary situation and will be corrected as soon as the issue of tobacco smuggling is corrected.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I thank the hon. member for his comments.

I want the member to acknowledge that I was speaking from some personal experience and from the point that I wish to challenge the change to the law, why we are changing the way we have been performing our function and why the government feels that laws which were in place prior to this one were not good enough. I tried to make that point in my discussion.

I must say I did not realize this change was only a temporary one. That really astonishes me. I thought we were debating a change that was for the long term. I will just leave it at that.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I inform the hon. member with regard to a few of her earlier comments that she was incorrect in saying the government was not concerned with law enforcement. We are very concerned with law enforcement. That is one of the main reasons behind the bill.

The RCMP commissioner has told the government that we needed to take action and that is what this plan is. It is action so that we can have law enforcement in the country.

I remind the hon. member that this problem started long ago. When we came upon the scene a short 100 days ago, this government was faced with a momentous problem. It was not a small problem and it was not something that just started. It is something that has been going on for years. We are taking action. We are addressing the problem.

Second, I also remind the hon. member that we are concerned with the deficit and that is why we are taking action. We are losing over a billion dollars because of smuggled cigarettes. There are 75 million cartons being smuggled back into Canada. That is a serious problem that needs to be addressed and that is what the government is doing.

Does the hon. member not believe that spending an additional $185 million in health is not a good idea, is not the idea behind education or is not an idea to promote the awareness of the problems with smoking? Is that not a concrete answer to some of the problems raised by the health groups? This government looked at the whole package.

We looked at the effect of lowering the tax. We looked at the concern from the health groups. We put together a whole package. I would like the hon. member's comments.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I have to ask clarification from the hon. member on a couple of things. I appreciate the comments from the other side. They very much enrich the kind of debate we are having here today.

• (1240)

I believe the Solicitor General earlier in the discussion this morning said tougher law enforcement would not have achieved the desired result to end smuggling. Therefore I have to ask why the hon. member suggested so strongly that my comments about law enforcement were not completely correct.

I believe in my statement I gave a challenge to this debate concerning why we are changing our laws at this point. Enforce-

ment is a very important element of any law structure. It seemed to me that those who are there to enforce the law have a responsibility to do that to the full extent. I was just asking the question about why we have to change the law. The Solicitor General said that tougher law enforcement would not have achieved the desired result. I am a little confused as to the point the member was trying to make.

I concur with the hon. member that education is a very important facet of what we are trying to accomplish. I believe, however, that by opening the door to increased smoking we are looking at a huge health problem further down the road.

Mrs. Rose–Marie Ur (Lambton—Middlesex): Mr. Speaker, I address a few issues presented by my colleague. As a former producer of the product and a health care professional and now a politician, I can certainly look at this through many windows. Being a member representing tobacco growers in my riding, I felt I had to comment on some of the statements made earlier.

As to the fact of the government not being concerned with the deficit, with the amount of contraband cigarettes we are not collecting revenue the way it stands now. Therefore the option given to us to roll back the taxes was an option that would help alleviate this problem and perhaps down the road reintroduce the taxes so that revenue would be regenerated.

With regard to the government's lack of concern for health, I have always been a non–smoker. My husband was a smoker and I have two children who are non–smokers. It was their decision not to smoke. It was their choice. They were certainly exposed to the element. We all are and it is our choice to do so. The government has not legislated common sense.

Therefore I speak on the issue from the respect that it is a legal product and we have to address it in that manner.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I have nothing to say except that those comments are well received and well said. I thank the hon. member for them.

The Acting Speaker (Mr. Kilger): Before recognizing the member for Scarborough—Rouge River, I wonder if he could indicate to the Chair if he will be sharing his time or using the full 20–minute complement.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, it is my understanding that members of the government side will be splitting their time from here into 10–minute segments.

I am very happy to be able to speak to the issue involving the government's initiative to address the very serious problem of tobacco smuggling. It is my view the problem is not just a smoking problem, not just a revenue problem.

In my remarks today I want to choose a perspective that would target organized crime as the problem. Those who are professional organized criminals would probably argue with me that they are not the problem but rather simply a manifestation or symptom of another part of the problem. I differ with them at this time given the size and volume of the smuggling. In other very obvious problems in our society, organized crime is very much a part of the problem and I believe it is integral to the solution to this program and integral to solutions to other criminal problems we have in our society, which I will refer to later in my speech.

Bill C–11 has been adequately described here by the ministers and members from both sides of the House who have discussed it. It will facilitate police enforcement of the anti–smuggling measures. It will also permit authorities to begin or to continue or to redouble their efforts against the incentive to smoke.

• (1245)

These are some new tools provided by Bill C–11 which I regard as relatively small in stature in dealing with the current problems of cigarette and other types of contraband smuggling. I think I agree with the previous speakers that enforcement is very much a part of the solution. However, it is not the only solution.

The measures announced by the Prime Minister on February 8 will hopefully permit us as a society in the short run and in the long run to deal with the problem of cigarette addiction. At the moment our initiative I believe deals with organized crime, revenue and interdiction, re–establishing an orderly Canadian market in the commodity of tobacco.

What is the background here? I sat in the last Parliament for five years. Relatively early in that Parliament it became apparent that cigarette smoking was going to be a very serious problem. It grew and grew to the point where 40 per cent of the existing $12.4 billion Canadian tobacco industry was being controlled by smugglers. It was putting approximately $5 billion per year into the pockets of smugglers.

I point out that 95 per cent of the smuggling operation was controlled by organized crime. That type of smuggling, the volume of it, and the existence of organized crime was causing very obvious social and economic distortions at least regionally in our country and perhaps arguably across the whole country.

If action had not been taken at this time, I suppose we would wish that action had been taken a year or two years ago. In any event, we are acting now. If action had not been taken, it is estimated that more than 50 per cent of the cigarette market would have been dominated by the so–called smugglers, organized crime, with a value to organized crime of $6.2 billion.

Illegal tobacco seizures by the RCMP increased from 303 in 1990 to 5,044 in 1993, but even at that the RCMP told us that they were only seizing about 1 per cent of the illegal tobacco market.

Trafficking in illegal tobacco products had become an extremely lucrative enterprise. The profits to be made were so high that individuals involved in the drug trafficking trade are now engaging in the smuggling of contraband tobacco products. Traditional organized crime groups are also very much involved.

I want to cite a remark by the President of Colombia, a country that certainly knows organized crime very well, as I understand it, and is very much involved in the very unfortunate sequences that have befallen it in the drug trafficking trade. The President of Colombia said that the only law drug traffickers have not broken is the law of supply and demand. That is essential to my perspective in this particular intervention.

With the profit potential from contraband cigarettes gone, the organized crime elements that cause cigarette smuggling to virtually explode in recent years in our view will likely withdraw from the activity of smuggling cigarettes. With this new initiative the problem of contraband cigarettes will be dealt an effective and decisive blow.

• (1250)

Cigarette smuggling is not the root of the problem. It is only a symptom, as I said before. The same applies to other problems of smuggling involving alcohol, firearms, pornography, prostitution, gun smuggling and gambling. The root of the problem is the opportunity for profit that each of these areas provides to organized crime.

When the Prime Minister responded, he responded by first listening to the experts. The experts, the police authorities in the country, told the Prime Minister that they, by using existing enforcement methods, could not control the volume of smuggling and illegal activity being fostered by organized crime. The government's response therefore is one that is based on the advice of the experts. We could see no other way to deal with this.

Our program is strategic and not based on a simple issue of profit or a simple issue of revenue or a simple issue of a person deciding or not deciding to smoke. We must look at the whole problem and I believe that is what we have done.

Organized crime has more monetary resources than many police agencies. Crime organizations typically use sophisticated equipment to identify intrusive devices and employ countersurveillance methods to elude detection while they are conducting their illegal transactions. They employ computers, legal and financial experts and others to assist in the day to day operations of their illegal enterprises. They use sophisticated money laundering techniques to divert substantial portions of their profits into legitimate businesses.

Organized criminals attracted by high income activities, and these are high income activities, seek out crimes which produce the highest profit with the lowest risk. Current illegal activities, I have mentioned some of them, include not just tobacco, but alcohol, guns, gambling, prostitution, alien smuggling and pornography.

We could I believe literally fill our jails to overflowing with drug addicts, drug dealers and smugglers. As long as there is money to be made in the black market for any of these commodities, organized crime will have an incentive to recruit other people, other consumers and find other ways to carry on their illegal activity.

Integral to our strategy is the need to disable organized crime, at least in this field of tobacco smuggling.

Some examples of expert opinion are from Thomas O'Grady, Commissioner of the Ontario Provincial Police. He states: "Law enforcement communities, the public and appropriate levels of government", that includes us, "must continue to work together in developing laws and enforcement programs to make it both undesirable and unprofitable to organized crime groups to gain inroads in areas of gaming operations". There are similar views from all around the world published in Canadian legislatures, the United States congressional records, the United Nations records, European records, all focusing on this serious problem of profit as an incentive to organized crime.

I believe, much in the way we dealt with this particular problem of tobacco, we must also deal with drug addiction. We must be strategic. I would like to think that this government will have the ability, the opportunity and the support of Canadians to be able to deal with that other great evil of drug addiction by looking at the entire picture of taxation, of interdiction, of distribution of supply and demand, of all the laws when we address this serious problem of drug addiction.

• (1255)

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health): Mr. Speaker, I rise to support Bill C–11.

As members know, part of this bill deals with the Customs Act and the Excise Act and it therefore deals with issues such as seizure, enforcement, identifying smuggled goods and in fact with a lot of the law and order issues that pertain to smuggling.

The other part of this bill deals with the effects on young people of the lowering of the tobacco prices. I want to say that as a physician, my expertise has always been in the matter of health. My expertise is also with regard to smoking and anti–smoking issues. I have been involved in this issue for many years.

When I came to this House I was only aware of my one perspective. The issue to me was solely the effect of smoking on health. That issue has been well related by everyone here in the

House today. It is no secret to anyone that smoking is the single most preventable cause of death and illness in the world.

It is no secret to anyone that the World Health Organization has said that from the year 1990 to the year 2000 if smoking continues at the rate that it is going, the number of people dying in the world from smoking will be over 40 million people which will be greater than all of the people who have died in all of the wars in the 20th century. That tells members that smoking is in fact a deadly disease and a deadly issue.

However, when I came to the House I was not aware of the other side of this issue, the issue of smuggling. It is well documented that in fact the increase in tobacco prices has had a significant effect and is perhaps the biggest gun in the whole strategy of anti–smoking legislation.

Increasing tobacco prices in fact decreases the access to tobacco for young people. We know that between the ages of 13 and 20 young people having access to tobacco have a great risk of addiction.

I was very concerned that one of the ways of dealing with the smuggling of tobacco had to do with the lowering of tobacco prices. However I am aware now of another group of experts in law enforcement and smuggling. I am not an expert in that. I am only an expert in health. Many people will say I am not but I suppose I am. They have said in their advice to the government that if one merely increases the export tax and uses enforcement measures it will not in itself have an effect on smuggling.

We have now reached a critical point in our increase in tobacco taxes. We had reached the point where we had almost come to the point where prohibition had reached with regard to alcohol when the United States had created a prohibition level. We have seen exactly what happened then begin to happen here with regard to tobacco smuggling.

Forty per cent of all tobacco sales was smuggled tobacco. Two million Canadians were buying contraband tobacco and many of those same Canadians were young people. The same young people who had no access to tobacco as a result of the increased prices were now having access to tobacco because of the cheap smuggled tobacco. The whole strategy of high prices had been undermined.

I support the bill because it deals with the issue of law and order on the one hand and with increasing the ability to seize, with increasing the ability to identify smuggled products and with increasing the enforcement of this smuggling activity of the RCMP and expanding this not only to RCMP and customs officials but I understand to local police.

I also want to support the second part of the bill which deals specifically with the government's understanding of the complexity of this issue. The government understands that lowering tobacco prices will affect the accessibility of tobacco to young Canadians. It has taken steps to mitigate the lowering of tobacco taxes via the Tobacco Sales to Young Persons Act. The amendments to this act, which increase the age from 16 to 18, which decrease the ability of young people under 18 to bring tobacco into this country, which remove vending machines from everywhere else but bars, and which increase the enforcement and the penalties to anyone selling tobacco to minors, have put tobacco very clearly where it belongs and that is as a controlled product alongside alcohol. I would like to see the time when tobacco is treated like alcohol and sold only in liquor stores.

• (1300)

The government has acted immediately and promptly to address a problem that has been allowed to sit for four years without any attention by the other government, so that it is now in the crisis position that we see it in. The government has dealt with a complex issue with sensitivity to both sides of the problem and with a clear commitment to the health of Canadians.

I hope that everyone here will see not only that this bill is worth supporting, but that it is urgent we support it so that we can get on with so many of the strategies that are necessary to improve the health of Canadians and to prevent us from having our young people have access to this lethal drug.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, today I am speaking as a representative of the Reform caucus regarding Bill C–11. The House has already heard speeches from Reform Party members on this important issue and I am pleased to add my comments to this discussion.

The measures contained in Bill C–11 are secondary when compared to those in the government's action plan to combat smuggling. They allow the government to sell or destroy seized property even when there is an unresolved claim, and allow the government to give police forces the same seizure power as the RCMP. The bill also requires cigarettes to be stamped properly if they are manufactured or imported into Canada, to make sure duties have been paid.

This bill makes it illegal to manufacture a package or sell cigarettes in packages containing less than 20 cigarettes, the so–called kiddie packs.

I agree with my Reform colleagues that the exchange of ideas regarding all of the government's anti–smuggling measures and not just those contained in Bill C–11 cannot be delayed. It is of utmost importance to Canadians that they are studied in their full scope immediately.

In the time I have been a member of Parliament this issue has far outweighed any other in terms of number of responses from my constituents, the vast majority of whom oppose the government's action. Such is the magnitude of the impact these changes promise to have on Canadians. These consequences will be felt in many areas; law enforcement, justice, interprovincial relations and of course health, particularly the health of young Canadians.

I would also make note of the fact that in Ontario tobacco production in 1993 was 173 million pounds. This was 5.5 million pounds over the tobacco marketing board's quota of 167.5 million pounds.

Is it not interesting that at the time when tobacco producers saw this large surplus, and this holds true also of the United States and some other foreign countries, the government introduced these measures which will undoubtedly increase tobacco sales? Indeed this is excellent news for tobacco companies.

As a farmer, I can tell the House that whenever there is an over abundance of product, the price has to go down to compete on the market. Here the tobacco companies are buying their inputs at a low cost and selling more of their product because of reduced taxes. They benefit first from low production costs and second from lower taxation. They are the clear winners with these measures and taxpayers are the losers because of the lost revenue and higher health care costs. Not of less concern in all of this is the financial implication of these measures.

• (1305)

On February 8, 1994 the leader of the Reform Party gave his initial response to the government's announcement. He pointed out that the root cause of all these serious issues was the problem of government overspending. This was what led to overtaxation in the first place and brought about these ramifications.

While I recognize that financial implications are only one of the serious aspects brought to light by the government's anti–smuggling measures, I would like to focus on them today along with the broader issue of the federal government's tax policy. I believe the issues serve as an excellent example of how the government's priorities should be reviewed.

Several questions have to be asked of the federal government regarding these measures. First, I am interested to know what will be the overall cost of these measures. I can see that they will change many aspects of federal finances. One of the most obvious questions that arises is: Where will the government make up for the lost revenues from the rollback of cigarette taxes? As we know there is no magic pot of money from which this will be regained. Any extra revenue that has to be made up will come in the form of new taxes. In fact, the tax burden promises to create new taxation problems.

Another thing tax reduction promises is a public health disaster. This makes it very hard for Canadian smokers to quit an addictive habit and introduces the harmful habit to a whole new generation of smokers. Aside from the human costs that cannot be measured, what about the cost to the health care system?

We have a situation where the federal government has decreased transfer payments to provinces for the past number of years. In some cases it is not enabling provinces to keep up with health care costs. Every Canadian knows that the health care system currently faces huge financial challenges. Health groups contend that extra health care costs associated with treating diseases in new smokers could be approximately $1.3 billion per year. I would like to know if the government has figured out exactly how it is to pay for these increased health care costs.

All indications point to new taxes for Canadians. I wondered how much thought went into this bill when I noticed that the government was doing away with the so–called kiddie packs in an effort to reduce smoking among our country's youth and at the same time drastically reduce pack prices overall.

Simply put, kids are not stupid. They will quickly realize that through the government's action they can buy a regular size package of cigarettes at a lower price than their kiddie packs cost. One statistic states that when the price of cigarettes goes up 10 per cent, tobacco sales to adults drop by 4 per cent to 9 per cent and sales to teenagers drop by 10 per cent to 14 per cent. These similar statistics were made available to the government by health groups before its decision to reduce cigarette taxes.

It should come as no surprise that smoking will increase just as dramatically when taxes are reduced. That the government was made aware of this and still chose to lower taxes makes me think that it either does not have an adequate grasp of the reality of the situation or it simply does not care. Eight out of ten provinces lobbied strongly for the government not to lower cigarette taxes.

While on the subject of health care, I note that in my home province of Manitoba, 25 per cent of kids go to school hungry. Thousands of adults are forced to depend on food banks. Now we have a government that has not addressed these problems saying: "We can afford to forgo a half billion dollars in revenue by reducing cigarette taxes". Would it not make sense for a government to write off these losses by providing for lower food costs so more hungry people could be fed as opposed to providing cheap cigarettes to Canadians?

• (1310)

It is a sad fact that governments in Canada have tried in vain to get their deficit problems under control by raising taxes instead of demanding better value from their spending. The notion that a deficit can be reduced from government revenue increases alone is a misguided one.

Higher taxes federally have failed to reduce the deficit and have in fact stalled the economy by cutting the spending power

of the consumer by dampening new investment and by diverting growth into a flourishing underground economy.

Granted government measures are intended in part to address an aspect of the black market, but would it not make more sense to instead reduce taxes in an area that would spur Canada's economic growth? For example, agricultural producers in my riding have seen, with the rest of Canadians, a reduction in the country's international competitiveness on agricultural markets. This is not the result of low efficiency on the part of Canadian farmers, but rather because of the high input costs farmers face. This is directly attributed to tax policy.

I can give the House an example. In Manitoba the taxes on clear gasoline that is not used in the agriculture industry are 11.5 cents provincially and 8.5 cents federally. For diesel it is 9.9 cents provincially and 4 cents federally. Fuel for farming use however has no provincial tax but still has the same federal taxes of 8.5 cents and 4 cents. There is no federal tax break at all. This is just one example of how taxes are driving up input costs. In the government's attempt to squeeze every dollar out of Canadians, it is squeezing the life out of our economy. Where we should see tax breaks, they appear and where we should tax breaks, there are none.

An article in the *Financial Post* states this very clearly:

> Federal policies are forcing more than one in five firms polled by the Canadian Chamber of Commerce to move or consider moving business out of Canada.

I have been told many times by entrepreneurs: "Yes, I love Canada and I do not mind paying my personal income tax here, but my future and my profits, if government keeps on taxing them this way, are going to be somewhere else".

In the farming community many are forced to get 50 per cent of their income from off farm employment because the business of farming is no longer profitable. Farmers have to supplement their income just to get by. Think of the effect this has on unemployment levels. There is evidence across the country. University educated professionals leave Canada for nations where the income tax rate and the cost of living are lower, and this is after we have paid to educate them.

What the government should be looking at is a tax break that would help farmers, or for that matter any Canadian business or industry, become more competitive and that would provide incentive for professionals to stay and make their careers in Canada.

I was shocked to learn recently that since 1961 Canada's tax freedom day has advanced 73 days. It is of particular note that in 1961 the tax freedom day fell on May 3. Last year it fell on July 15. Very soon we will not have enough time to sit down and light up a cigarette if this trend continues.

We are rapidly approaching a point where we will be working for governments full time just to pay for their debt creating policies and bad spending decisions. In the face of such serious conditions, when the country is crying out for a large scale tax reform, this is what the government offers: lower taxes on cigarettes. Surely this cannot be what the government sees as most beneficial to Canadians at this time. Recently the revenue minister, vowing to kill the underground economy that costs the government billions of dollars, hired a shock troop of 500 additional tax auditors. This really displays what is wrong with the government's tax policy. Rather than give a tax break that would help kickstart the economy, it has decided to spend the money on hopeless efforts to regain revenue lost in the underground market.

• (1315)

In conclusion, I hope I have managed to show how this bill and all its associated measures display how the government's taxation policy should be seriously reviewed.

The problems caused by overspending cannot be solved by overtaxation. Overtaxation of cigarettes has created the underground market in the first place and this is just one example of how high tax levels are stifling the economy.

By reducing the tax on cigarettes the government is opening itself up to costs of about half a billion dollars per year just for implementation. To this you can add billions more in increased health care costs. How will this be paid for? I am afraid that it can only be paid through increased taxes.

The actions do nothing to break the damaging cycle of taxing to pay for spending. If we do not break the cycle soon and allow ourselves to implement useful carefully considered tax breaks, Canadians will see their income taxed out of existence.

Mr. Paul DeVillers (Simcoe North): Mr. Speaker, the hon. member opposite indicated that he feels the reduction of taxes would lead to a windfall in effect for the cigarette manufacturers. He neglected to mention there are other parts of the action plan such as the $8 a carton export tax and also the surtax on profits to the cigarette manufacturers.

I would appreciate hearing the hon. member's comments on what effect those measures would have on the cigarette manufacturers.

Mr. Hoeppner: Mr. Speaker, I appreciate that question. It is a well founded question.

What I was trying to point out is that after having 167 million pounds of production quota and another 5.5 million pounds over that, farmers are going to be forced to take a lower price for tobacco if it works the same as it does in other commodities.

With this increased sale of tobacco of 173 million pounds, that little bit of taxation that is going to be put on them by the federal government will not nearly compensate for the gains

they are going to make on the huge amount of sales in the tobacco industry.

Mr. Glen McKinnon (Brandon—Souris): Mr. Speaker, might I through you ask a question about the differential in price between the American commodity and the Canadian commodity before the imposition of this new bill.

Does the member opposite feel that is contributing to an excessive amount of contraband smuggling?

Mr. Hoeppner: Mr. Speaker, I appreciate that question also. As the hon. member will probably realize, Snowflake is one of the best known smuggling ports in Manitoba. I do not think that it is the price of the American product that really has caused this underground economy.

It is the taxation on these products that has made it so lucrative. It is not just cigarettes in Manitoba. Liquor smuggling is twice as bad I would say as the cigarettes. If we look at the statistics which tell us that 90 per cent of liquor sold in hotels or restaurants could be smuggled, we start wondering what is next.

Another issue that we are addressing right now is gasoline. As the hon. member will know the drive across the border to fill up your tank is very lucrative or has been. With regard to farm production costs, it would make a lot more sense to take the tax off of gasoline so we could import our gasoline that we exported out of the country at probably two–thirds of the cost of what we are paying today.

• (1320)

This is what I have been trying to point out. I do not think the cost of the products is really the big issue here. It is the overtaxation of these products. A lot of these products we produce in Canada, export them to the United States and then smuggle them back in because of the taxation problem.

Mr. Paul Szabo (Mississauga South): Mr. Speaker, I am pleased to rise on the debate on Bill C–11. I rise wearing many hats.

As a chartered accountant, I believe I have the ability to understand the financial implications of Bill C–11. As a former member of the Mississauga hospital board for nine years and serving as its vice–chairman, the health impacts certainly were of significant importance to the health care institution. As a member of Parliament representing my constituents and listening, as have many members, I have received numerous interventions from them asking questions and making suggestions on how we might further improve the legislation with regard to the health impacts and indeed with regard to smuggling.

I also speak as a father of three. I have three children aged 12 through 19. I am concerned of course about the implications to my children and whether or not they will make the right decisions for them. There is a choice for Canadians.

I have been somewhat concerned about the confusion that may arise for the Canadian people as they listen to the debate from the context of an excise tax reduction alone. I want to clarify this. I think it is going to be very important for Canadians to understand that we have here a complex problem that is being addressed.

In my experience, for every complex problem there is a simple solution and it is wrong. I would like to outline, as we have already heard from the Minister of National Revenue, from the Solicitor General and from the Minister of Health, that this is clearly not a regional problem. It is a national problem.

Therefore the government on February 8 came forward with a four point program to deal with this complex problem. It understands that the cheap contraband tobacco has undermined Canada's health objective to reduce smoking, especially among young people. The issue is no longer how to keep prices high so that young people do not smoke. That is not the issue. The issue is how to keep contraband cigarettes out of the hands of young people.

I would like to make sure that all members understand clearly the dimensions of the problem. The problem is very severe. To give an idea to all members in the House, between 1990 and 1993 the number of seizures by the RCMP increased from 303 to 5,044 over a four year period. With regard to the value of those seizures, the increase went from $4.1 million in 1990 up to $53.5 million in 1993.

What about exports? We all have heard that the major source of the contraband smuggling has been exports to the United States, 90 per cent of which are coming back into Canada. Exports in 1990 were 11.3 million cartons. Yet in 1993 the exports were 62.8 million cartons. Clearly the dimensions of this problem are immense and growing very rapidly.

Finally, with regard to the number of charges that have been laid by the authorities with regard to smuggling, in 1990 there were only 414 charges laid whereas in 1993 there were 3,389.

• (1325)

I am sure all members would agree we are not dealing with ordinary circumstances. We are dealing with a major problem. That must give members an idea of the magnitude of the disrespect that has been shown for the laws of Canada.

As has been pointed out by many members, but it bears repeating, illegal tobacco now accounts for 40 per cent of the Canadian tobacco market. Organized crime controls up to 95 per cent of contraband tobacco entering Canada.

Furthermore, more than two million Canadians are buying this contraband. More than $1 billion of federal revenue and an additional $1 billion in provincial revenues has been lost as a result of this smuggling activity.

Hon. members must ask themselves this. If we are losing to our one taxpayer $2 billion of revenue that could go to health care, social programs and employment initiatives, how can we ignore the problem?

On February 8, the government did come down with a four–point plan: the enforcement crackdown, a reduction of consumer taxes, a special action on tobacco manufacturers and also an initiative of the largest anti–smoking campaign in Canadian history. That was the initiative of the Prime Minister.

He spoke in the House eloquently, outlining to Canadians that having had full consultation with the provinces, having fully assessed the input from all sectors with regard to this complex problem, it was necessary for us to have a well rounded, comprehensive solution to deal with all aspects and not simply the health impacts as hon. members from the Reform Party seem to have been suggesting.

Bill C–11 was introduced by the Minister of National Revenue and the Minister of Health, both of whom spoke today very well on the amendments that are being proposed to support this February 8 initiative. Those amendments to the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act are all important complements to that initiative announced by the Prime Minister on February 8.

The amendments will provide Canada's law enforcement agencies with additional legal powers to end smuggling. It protects the health of young Canadians by banning the production of cigarette packages of less than 20 cigarettes, which we have referred to as kiddie packs, and the sale of tobacco products to persons under the age of 18. In addition, this legislation will require that each individual cigarette must bear a distinctive marking indicating that the duty has been paid.

Smuggling is a criminal activity that hurts all law–abiding Canadians. As all members know, law and order in our society is a very important issue. We were told throughout the election campaign and we continue to be told that Canadians want our laws to be enforced. They remind our government that we have a duty and a responsibility to enforce law and order in Canada.

That is why we need these amendments. It is to provide our police forces with the additional tools and flexibility that they are going to need to crack down on smuggling.

Since the initiative of the Prime Minister on February 8 and as a result of all the dialogues that have gone on since that time, there have been a number of feedbacks from the community. I have a couple here of notable news to share with hon. members.

The Canadian Association of Chiefs of Police has welcomed the government's action plan. It says that by taking the profit out of sale, organized crime will quickly lose interest. We also note in the Montreal *Gazette* that it compliments the Prime Minister on his plan saying that the high tax, high price policy had been effective for a while in reducing smoking but it was no longer working. It was being gutted by something far uglier than legal, cheap tobacco, that is cheap tobacco from a large and violent criminal network.

There are some key messages that we have received from the Canadian public since the introduction of these plans. First, criminal law applies to every person in Canada and enforcement officers must and have been cracking down on smuggling wherever it occurs. Second, the new legislation will strengthen the ability of our police to enforce the law. Finally, the concerted federal–provincial action is the best way to crack down on smuggling.

• (1330)

As a member of the Standing Committee on Health I would be remiss not to address the health issue. There is no question. This morning one Reform Party member in representing his party's interest said that they agree with the legislation of Bill C–11, except for the reduction in the excise taxes. I liken that to a table with each leg representing one of the four points of the Prime Minister's plan. The hon. member suggests that taking away one of those legs would still make the table a stable foundation for the activity to occur on it.

The hon. member will agree that by not having the excise tax reduction in combination with the export tax which is being applied, we would not have eliminated the profit motive for smuggling. It was absolutely essential to make this gesture so that from a financial perspective we could break the back of smuggling and get a handle on this situation. Hopefully through that, as the Minister of Health has indicated, we can return to a process of making sure young people do not have the incentive to smoke simply because of the accessibility of cigarettes.

I should acknowledge that the Canadian Medical Association wrote to all members. It complimented the government on three parts of the program but had concerns regarding the reduction of the excise tax. It is supportive and I know it is in consultation with the government and the Minister of Health. I know it supports the government in spirit.

We must deal with this major problem so that Canada can enforce its laws. Then we can get back to the creation of jobs and economic growth in Canada.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, the hon. member in his presentation indicated that a reduction in the excise tax would reduce the profit motive for smugglers. Does

he believe that a reduction in tax generally would improve the situation for small business?

Mr. Szabo: Mr. Speaker, it is fair to say a reduction in the excise tax alone, disregarding anything else in lowering the price of a commodity would obviously make it more attractive to the marketplace. The hon. member's premise, however, is that having reduced the excise taxes it is hurting business. I do not imagine he considered that the contraband smuggling taking place had no impact on small business.

The idea of the government's initiative is to deal with contraband smuggling because every Canadian and every business in Canada is losing as a result of it.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, there has been a lot of conversation since the lowering of the taxes on cigarettes that the government is losing money. Taking into consideration the fact that 75 per cent of the cigarettes smoked in Quebec were contraband and 35 to 40 per cent in Ontario were contraband, could the hon. member explain something concerning the money we are supposed to lose out of taxes? Does that take into consideration the contraband cigarettes or just the cigarettes that are being sold? Obviously there is an increase in sales to the retail outlets in Quebec and Ontario. There might not be any tax loss at all.

Mr. Szabo: Mr. Speaker, there is no question in the estimates provided by ministry officials that in the near term there would be a net cost. However I have to applaud the minister and the Prime Minister for not anticipating some other benefits. One of the problems governments have had is anticipating revenues or benefits.

• (1335)

As a clear example to the extent government introduces tough measures to deal with tobacco smuggling, that same framework and mechanism would also apply and create some benefits with regard to alcohol, drugs, arms smuggling, et cetera. None of these have been discounted or included in terms of the benefits that will accrue to the country as a result of these initiatives.

I wish I could be more specific as to the economics of the plan. Suffice it to say in the short term there may be an argument as to net cost. Clearly however government officials, business, industry and all Canadians believe the program is the right one for the long term.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I wish at some time we might have an easy issue to debate in Parliament but this certainly is not one. What is the problem we are addressing? It is a major health problem and there is no question about that.

I for one would be most happy if the federal and provincial governments never got one penny more in taxation from cigarettes. Many Canadians feel the way I do. The reality is however that there are people who smoke and will continue to do so. As a result that habit has created a problem. Looking at this rationally and reasonably we have to deal with that health issue and this legislation is attempting to do that.

The problem is not only a health issue, it is an enforcement issue. An underground economy, an illegal business or trade, is being carried out in this country in monumental proportions. There is absolutely no question when looking at the facts. In Quebec over the last four years this contraband trade has gone from 9 per cent to 60 per cent. In Ontario it has risen from 13 per cent to 35 per cent. In the Atlantic provinces it has risen from 12 per cent to 40 per cent. Just last year in the west it increased from 9 per cent to 15 per cent, which is a 60 per cent increase.

There is an illegal trade going on which is very damaging to the country. It is also providing megadollars to those people who carry out many other illegal illicit trades.

When we hear about millions of dollars being made overnight in illegal tobacco and the expansion of this across the country, I do not think there is anyone in Canada who does not want to see very strong measures brought against that trade to stop it from continuing. Therefore there are certain steps to be taken which everybody in the House can agree to.

There are other problems involved in dealing with this trade. Number one is enforcement. How on earth do we stop this illegal trade and at what costs do we carry out that enforcement?

This problem is certainly mixed up with many things. I have received letter after letter from the cancer society, the medical associations and different groups concerned about the health of Canadians. They are very concerned that the excise tax has been removed from cigarettes.

• (1340)

Let us look at what taxation has been put in place and the reason for it. The federal government in looking at the problem has thought the only way to stop the illegal trade in cigarettes is to cut the profits of those organizations carrying out this activity. The only way to cut the profits is to bring enforcement upon them so strongly they can no longer function and to take away their profit base.

The cutting of taxes takes away the profit base of the contraband trade. Looking at the ability for them to function, when we remove from a carton of cigarettes $10 of provincial tax and $10 of federal tax taking the gross sale from $43 down to $23, we reduce their profits substantially.

It is true that the Canadian government does not take in as much revenue. However as this contraband trade has been increasing the federal revenues have been declining dramatically. When we talk about the percentage of losses in Quebec and Ontario and other provinces, those are all losses in tax dollars.

In reducing the excise tax on cigarettes we are reducing the profits of those people who sell illegal cigarettes.

When looking at the health problem we have to realize there are implications for all of our communities. Smoking cigarettes causes health problems in old and young people alike. Certainly the government has moved to correct some of that problem.

Looking at the health problem in general stopping young people from smoking is a major goal of this government. In order to prevent young people from smoking, a regulation has been brought in increasing the age for purchasing cigarettes up to 18 years. That makes it impossible for young people to buy cigarettes legally.

Members might say in some cases they can get cigarettes anyway. I would submit if contraband cigarettes are easily available, kids 11, 12, 13 and up will buy illegal cigarettes very easily. The resultant factor is as long as we allow the illegal trade to flourish and continue, more availability will be made for young people to purchase those cigarettes.

Therefore continuing along the same line as in the past would be counterproductive to health. There is no question it would diminish our ability to control the commodity and therefore allow more and more young people to get cigarettes at a very low price and to purchase them at any age they wish. The two major attacks on health would be gone.

The minister has also taken other steps to make certain there are more controls which brings me to the enforcement level. The RCMP has been given the power to work in larger numbers along with Revenue Canada customs officers. They will work against organized crime groups trying to stop the major suppliers of these cigarettes at any point. They will better patrol the borders by making certain there is 24–hour surveillance at many border crossings where there is only short–time surveillance now.

There are steps to very carefully check the sale of cigarettes across the counter within our communities in order to make it more difficult for traffickers at the street level.

• (1345)

There is no question that it has to be a strong policing action with the RCMP as well as strong policing action with Customs Canada to create better enforcement. At the same time the bill is trying to open up that enforcement to provincial scope as well.

Provincial officers in the province of Ontario and in Quebec will be able to work hand in hand with the RCMP and customs officers to try to curb this growing illegal industry. I might remind people in this House as well that the profits of that illegal trade do go into organized crimes. There have been very strong suggestions that groups from Montreal and Toronto such as Mafia organizations and Hell's Angels bicycle groups have all been involved with the illegal trade of cigarettes.

When it is stated that 95 per cent of the profits of illegal cigarettes goes into organized crime and works against Canadian society, we must take every measure we can to stop that from occurring.

There is absolutely no question when we look at the health problem and solutions to the health problem, they are not easy but the plan that has been put forth by the government is very logical. It is not easy to suggest that we reduce taxes and look as if we are caving in to organized crime.

At the same time it is taking the profits away from organized crime and creating an environment where their sales will not destroy more and more of the normal trade and therefore allow organized crime to totally control cigarette sales in this country.

It is important to realize too that there has been a manufacturers' tax placed on exported cigarettes to control the flow of cigarettes out of this country which are being recycled back into the country. The extra $8 on export tax will cost anybody who is trying to buy those and bring them back into the country more money to operate that illegal trade.

As we look at the whole picture, the government has tried to take into account health measures, enforcement measures and tax measures in order to resolve a problem, hopefully bringing us to a more prosperous future.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, I would to start by making a comment. The hon. member mentioned that one of the provisions in this bill raises the legal age for purchasing cigarettes from 16 to 18 years of age. I simply want to point out that this measure was contained in Bill C–111 which was passed last year. However, the legislation only takes effect this year.

The hon. member did, however, raise some interesting questions about enforcement measures to control the sale of tobacco products. At one point, he said did not know how we would stop this illegal trade going on and what it would cost to carry out that enforcement. Therefore, I would like to send the question back to him and ask him to explain a little more how far his government intends to go in enforcing these measures?

[*English*]

Mr. Pickard: Mr. Speaker, as far as the number of agents goes, Customs Canada is presently putting an additional 350 people into increased enforcement. They are providing 24–hour service at 22 ports to handle more than 99 per cent of the commercial traffic in this country.

When we talk about increased police enforcement, the bill is to open the opportunity for provincial police forces to operate under the excise tax rules and regulations. Therefore without extra cost to the taxpayer, we are increasing the number of people who can effectively work in this area by hundreds of thousands when we consider the major police forces like the OPP in Ontario and la Sûreté du Québec in Quebec. Therefore policing has opened up very greatly as well.

• (1350)

When it comes to the implementation of the age 16 to 18 law, it is very clear that there are different regulations in different provinces. However, in this case we are allowing or forcing the importation of cigarettes to be done only by people beyond their 18th birthday. Therefore we have changed the regulations and forced that age up two years from what it previously was.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I appreciate the hon. member's comments. He has pointed out very vividly that there are two big problems in this situation. One is overtaxation and the other is the law enforcement side.

I am wondering if the hon. member could comment on how we should deal with the law enforcement issue. The overtaxation issue I think we have dealt with because we have made it unprofitable to smuggle cigarettes. These same people who have been doing that will now be unemployed. I do not think they paid into the unemployment insurance fund. Will they now take a job at the minimum wage or will these people go somewhere else and smuggle other products? Are we again going to lower those taxes to do away with that issue?

Now we have lost revenue and probably created a health problem. When are we going to address the issue of law enforcement? That is the big problem that we have to look at because these people are not ordinary law–abiding citizens.

Mr. Pickard: Mr. Speaker, I appreciate the question.

Without strong measures being taken, as this government is doing right now, we would be caving in to chaos, as far as I am concerned, and to a lawless society which openly—and we have seen it very openly in this country—sells contraband products. It has spread across this country very widely. We have to look at some of the root causes of that.

I believe part of the root cause is the taxation structure. I believe part of the root cause is the dissension people feel toward taxes at this time in our history. I believe other parts of the root causes are suggestions by people in authority that law and order is not to be upheld or strongly adhered to.

It is very important for all Canadians to be sure that this government will uphold the law and bring in whatever measures must be taken in order to make certain that the law is enforced.

We do not worry about the people who would break the law. We punish them.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, thank you for the opportunity to debate Bill C–11.

Most of the elements of this bill are minor and insignificant. There is very little in Bill C–11 that will combat smuggling. The government believes it has eliminated the incentive to smuggle with the initiatives that were implemented by ways and means motion No. 3.

This may in fact be the case for cigarettes, but all it has done is change the contraband of choice. We already are hearing about increases in the smuggling of liquor. We know that guns, narcotics and illegal persons are also a part of smuggling organizations.

If the government were to follow the precedent it set with tobacco smuggling, we can assume that taxes on alcohol products will soon be dropped and that the laws against guns and illegal persons will be changed to remove the monetary gains. This is not a national action plan to combat smuggling. This is capitulation.

Do we solve the problem of smuggling cocaine and heroin by making them legal and selling them across the counter? It would certainly solve the problem of drug smuggling, but are we prepared to live with the social consequences of such actions?

These laws against smuggling are there for a reason and they must be enforced. Taking the course of action that this government is taking sends the wrong message. It tells Canadians that if enough people engage in illegal activity, the government will give in and change the law.

• (1355)

With regard to the elements of the bill they are for the most part insignificant. However there is one area of concern that I have with the bill. My concern is with the amendments to the Excise Act and the Customs Act that would allow seized property to be sold or destroyed even if the claim is still unresolved. We are told the reason for this is to reduce storage costs and will apply mainly to tobacco and alcohol seizures, but it will also apply to the seizures of the vehicles that brought in anything considered contraband.

I am currently assisting a constituent who recently won a Federal Court decision against improper customs seizure. Unfortunately for this individual the court decision came 10 years after the seizure. Unfortunately for the Canadian taxpayer a $200,000–plus award has grown to in excess of $400,000 with interest payments.

Rather than providing the minister with the authority to dispose of seized goods, it may be in the best interest of both the accused and the Canadian taxpayer to develop a dispute mechanism which is made up of an independent assessment authority which could hear such disputes and avoid enormous court costs resulting from lengthy court challenges.

As for other aspects of the bill the amendment to the Excise Act giving non–federal police forces the same seizure powers as the RCMP is probably long overdue. Removing bureaucratic barriers in enforcing the law is preferable to capitulation.

However it is with the amendments to the Tobacco Sales to Young Persons Act that the government is operating at its hypocritical best. It is trying to convince us that by making it illegal to manufacture or package cigarettes in packages containing fewer than 20 cigarettes that smoking among young people will not increase. It is trying to convince us that by making it illegal to sell or offer for sale cigarettes in packages containing fewer than 20 cigarettes that smoking among young people will not increase. It is trying to tell us that by prohibiting the importation of tobacco products by or on behalf of persons under the age of 18 that smoking among young people will not increase.

The government is not telling us about one important issue, that because it lowered the price of cigarettes that more young people are going to start smoking. We have all seen the graph and it clearly indicates that with a sharp increase in the price of cigarettes, there was a proportionate drop in the number of young people smoking.

I imagine that we will soon see a graph that shows that with the dramatic decrease in the price of cigarettes there will be an increase in the number of young smokers.

Will it be difficult to enforce these amendments to the Tobacco Sales to Young Persons Act? I do not think so. Why would tobacco companies want to make packages of less than 20 cigarettes today? Thanks to this government the price of a package of cigarettes is now about half of what it was last month. The amendment to prohibit the importation of tobacco products by anyone less than 18 years of age is redundant. Why would anyone go across the border to buy cheap smokes when they can buy them at the corner grocery store?

If these amendments had been introduced prior to the government capitulating in the ways and means motion No. 3 they may have had some meaning.

It is ironic on one hand to see the Minister of National Revenue talk tough about eliminating smuggling and the underground economy while on the other hand being part of a government that is quick to capitulate. I wonder if the government will likewise be willing to surrender to the ever expanding underground economy. With more and more Canadians involving themselves in the multibillion underground economy, and probably many more will be ready to join them after the budget comes down this afternoon, is this government prepared to reduce all of its taxes?

Given the government's philosophy that lower taxes will take away the incentive for illegal behaviour, it seems natural that the government would reduce the tax burden to eliminate the financial incentives for participating in the underground economy. Of course it will not. Where would it get the money to make up for lost tax revenue? Where is the federal government and those provincial governments which are participating in this joint program going to get the lost revenue from the cigarette taxes?

• (1400)

Taxes on cigarettes were high but they were there for a reason. The toll that cigarette smoking has inflicted on the Canadian health system is even higher. Now all Canadians will have to subsidize the increased shortfall.

I am afraid that what the government has done in this instance has sent a loud message that if enough people are ignoring the law, do not worry, we will change it. What the government should have done is enforce that law and enforce all the laws that were there. If a law has the support of Canadians it must be enforced. There was support from the community for higher taxes on cigarettes.

Calls to my office were six to one against lowering the taxes on cigarettes. If my constituents oppose the lowering of any tax we have accomplished something. They do not like taxes. They want taxes lowered but they want them lowered in a sane and reasonable manner across the board. The government should have concentrated on enforcement, not on isolating tax cuts to contraband cigarettes.

Unfortunately some Canadians need the occasional reminder that there are laws in the country and that they have to be enforced. There are laws against speeding in this country despite the fact that most of us speed. The mere sight of a police car on the side of the road is enough to slow must of us down.

The Speaker: It being two o'clock p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

POST–SECONDARY EDUCATION

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, recently the Students Union of Nova Scotia forwarded to me a recommendation that federal education transfer payments be made on the basis of the size of provincial student populations.

Presently federal funding for post–secondary education is based on the overall population of each province. This formula has worked against and is a detriment to Nova Scotia.

Due to the large number of out of province students studying at institutions such as Acadia University in my riding of Annapolis Valley—Hants, our provincial population has a much larger ratio of students than most. Current funding, however, does not reflect this reality.

I support the recommendation made by the Students Union of Nova Scotia and I urge the government to give full consideration to this important proposal.

* * *

[*Translation*]

CITY OF JONQUIÈRE

Mr. André Caron (Jonquière): Mr. Speaker, I would like to draw attention to the publication of a guidebook called *Jonquière, mémoires et lieux* that illustrates and interprets the architectural heritage of the city of Jonquière, in the Saguenay—Lac–Saint–Jean region. This book shows the evolution of the city since it was founded in 1847.

The authors, Luc Noppen and Lucie Morrisset of Laval University, mention the uniqueness of Arvida, home of Alcan and now part of the city of Jonquière. Arvida, which was built between 1926 and 1928, is distinguished by its innovative town planning and its original architecture.

On the eve of their city's 150th anniversary, the people of Jonquière worked in close collaboration to produce this book, which commemorates architectural treasures often overlooked and sometimes forgotten.

* * *

[*English*]

STEPHEN GOUGH

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, I would like to acknowledge that Stephen Gough, the only Olympic athlete from New Brunswick, begins his first of three short track speed skating competitions today in Lillehammer. Stephen is from my riding of Fredericton—York—Sunbury. I want to publicly wish him well on behalf of the people of my constituency, the people of New Brunswick and indeed all Canadians.

As one of 110 athletes representing Canada in the Olympics, he is the the fourth skater in the 45 lap relay race.

Stephen has an impressive speed skating record. Just last month he ranked second at the Lake Placid Pacific Rim meet, placed fifth out of 66 in the pre–Olympic 500 meter race in Norway and earned a first place ranking in the relay as well.

While he makes Canadians proud as a representative in Norway, I know that he will be extremely successful during competitions as well.

* * *

• (1405)

SCOTT TOURNAMENT OF HEARTS

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I am pleased to inform the House that Waterloo will be hosting the biggest women's sporting event held in Canada, the Scott Tournament of Hearts. It is the Canadian women's curling championship.

We are very honoured to be able to hold this prestigious event at our newest facility, the Waterloo Recreational Sports Complex, from February 26 to March 5. Teams from across Canada will be represented, including Team Canada from Saskatchewan which went on to win the world championship in Switzerland last year.

We in the Waterloo region are very excited about hosting this event. I would like to extend an invitation to my colleagues and to all Canadians to come and join us in these festivities.

* * *

GRAIN HANDLING

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, on January 31 I urged the Minister of Human Resources Development to declare grain handling an essential service. Because of his failure to respond immediately, the grain industry is now experiencing devastating losses of more than $10 million. The canola, flax and rye business may have been lost permanently. The elevator system is operating at 90 per cent capacity, leaving many elevators plugged.

The strike's impact on grain flow to the west coast is difficult to measure in dollars, but it is expected to take until June for wheat barley movements to return to normal.

Now longshoremen at the port of Montreal and grain handlers at Lakehead are in a position to strike.

The federal government must immediately enact legislation that would declare grain handling an essential service to prevent any further disruptions that would compromise our western economy.

* * *

TOURISM

Mr. Brent St. Denis (Algoma): Mr. Speaker, the tourism industry in Canada provides our national economy with many opportunities for job creation and community development. Right now it is a $28 billion industry.

The future of tourism is bright but it is necessary that we take steps now to ensure full realization of our national and regional tourism potential.

In Algoma riding we are blessed with the north channel of Lake Huron which is among the world's top ten boating areas. We have pristine lakes and forests. Our Cambrian Shield mountains are spectacular. We have a great number of Canada's best trout lakes. My riding has fishing, hunting, sightseeing, cross–country and downhill skiing, canoe routes, fly–in camps, hospitality training and much more.

The Manitoulin, Espanola, North Shore, Elliot Lake, central Algoma, Sault Ste. Marie and east Superior shore areas have developed an excellent tourism infrastructure, but much more needs to be done.

Let us recognize tourism for what it is, one of our best opportunities for economic growth. Let us all start smiling because Canada has all it takes to be a world tourism leader.

* * *

[*Translation*]

FIGHT AGAINST CIGARETTE SMUGGLING

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, it only took two weeks for the Ontario government to realize how detrimental cigarette smuggling can be, a situation that the Quebec government has lived with for nearly five years.

The Ontario government finally saw the light and announced yesterday that it would join the federal, New Brunswick and Quebec governments in their plan to fight cigarette smuggling.

In a moment of lucidity, Mr. Rae finally understood that the smuggling plague has become a national problem in Canada. By hesitating, the Rae government compromised the implementation of a national anti–smuggling plan.

It seems that Mr. Rae forgot about the virtues of co–operative federalism for several unfortunate hours.

* * *

[*English*]

SMALL BUSINESS

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I have a copy of a letter from Harvey Wiebe, one of my constituents, to the hon. Minister of Finance. It reads:

> As a small business person, I account for about 200 jobs. I know that many people like me have already moved their money and their energy off shore. The loss of these people is far greater than the loss from people who have gone underground. Just think, 25,000 people like me could create 5,000,000 new jobs.
>
> Unlike big business, my group does not want subsidies. We can be compared to a carpenter building a house. Every time we reach for a tool the government has taken it away. We do not mind sharing our house, but for the sake of Canada, let us keep our tools.
>
> I believe that you know what you need to do. I also believe that you lack the courage to do it. You will earn far more support if people have hope, than you will by pandering to the wealth consumers.

* * *

• (1410)

AVRO ARROW

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, it was 35 years ago Sunday, February 20, 1959, that the Diefenbaker government cancelled the Canadian made Avro Arrow aircraft which was the sleekest and most advanced military plane of its day. Thus ended a second national dream for Canada.

Janusz Zurakowski, who had a distinguished military career in Poland, Britain and Europe, arrived in Toronto in 1952 and became the first test pilot for the Avro Arrow. Jan and his wife Anna own Kartuzy Lodge near Barry's Bay in my constituency. When asked about flying so fast he said: "It feels just like flying slowly, only faster".

The Arrow could fly at twice the speed of sound. It would still have been a modern aircraft in the early 1980s when we spent many times the cost to buy CF–18 aircraft from the United States.

The Diefenbaker government ordered the six Arrows already built to be cut up for scrap. All records, all factory facilities, all plans of any kind were ordered destroyed. What a sad commentary on a fantastic Canadian achievement.

As Canadians, let us build from our fires of success, not from our ashes. The Janusz Zurakowskis will be glad to see the change.

* * *

APPRENTICESHIP PROGRAMS

Mr. Peter Adams (Peterborough): Mr. Speaker, co–operative programs are an approach to technical and technological education which is flourishing in Canada. In this approach students go out from their base in school to gain experience in the workplace.

However, another approach, apprenticeship programs, is doing very poorly here. In this case students are trained in the workplace, reaching out for school programs as required.

The number of apprentices and the quality and relevance of apprenticeship programs in Canada have declined drastically.

One industry in Peterborough which used to have hundreds of apprentices now has only four. One reason for this is that apprentices often receive qualifications which are restricted to

their province. Only 14 per cent of apprentices in Ontario earn licences to work elsewhere in the country.

This is a national disgrace and it is as tragedy for well trained people who find themselves trapped in a province in which the economy is slack.

I urge the government to move quickly on the national apprenticeship program. We need a highly trained, highly mobile, truly national workforce.

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[*Translation*]

PROVINCIAL RIDING OF BONAVENTURE

Mr. Yvan Bernier (Gaspé): Mr. Speaker, to deal with the problems of unemployment, the exodus of young people and the over–exploitation of natural resources, the people of Bonaventure in a byelection yesterday chose Marcel Landry and the Parti Quebecois, thus showing their desire for change and that they want to make Quebec a sovereign state.

As the great Quebec poet, Félix Leclerc, said so well: "The Gaspé is in all of us—a mysterious, silent, patient land. The cry that will frighten everyone will come from there".

After 37 years of Liberal rule, this byelection is a real thunderbolt in the Quebec sky and we are pleased with it.

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[*English*]

WINTER OLYMPIC GAMES

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I take this opportunity to commend our Canadian athletes at the Winter Olympic Games in Lillehammer, Norway.

These athletes deserve our full support and recognition for their hard work and the commitment they have shown to excellence in their sport.

I wish to make special mention of one such athlete, Susan Auch, a resident of my riding of Calgary North who on Saturday, February 19, 1994 captured a silver medal in the 500–metre speed skating competition at Hamar Olympic Hall. Susan is the first Canadian woman to win an Olympic medal in long track since 1976.

On behalf of the residents of Calgary North I want to extend sincere congratulations to Susan Auch for her outstanding achievement.

• (1415)

BILINGUALISM

Mr. Benoît Serré (Timiskaming—French River): Mr. Speaker, I want to address statements made in the House on numerous occasions by the hon. Leader of the Official Opposition.

The hon. member often refers to our country being divided in two, with Quebec on one side and English Canada on the other, thus implying that Quebec is French only and the rest of Canada is English only.

I believe this is an injustice and an insult to the 20 per cent of Quebecers who are not of French origin; to the over one million francophones outside Quebec; and as well to the 35 per cent of Canadians who are neither of French or English origin.

I call on the hon. Leader of the Opposition to respect all Canadians of all origins and to please refrain from making such statements in the future.

* * *

[*Translation*]

VIOLENCE AGAINST WOMEN

Mr. Nick Discepola (Vaudreuil): In November, Mr. Speaker, Statistics Canada published the findings of a survey of 12,300 women across Canada. The results are frightening: one woman in two has been the victim of violence at least once since the age of 16 and one in ten has feared for her life.

In my riding, the situation is even more serious because there is no women's shelter. The riding of Vaudreuil has a population of 110,000, 80 per cent of whom are French–speaking. Women who need a shelter for themselves and their children must go to the West Island of Montreal, an English–speaking community.

At present, La Moisson, a counselling and referral centre, tries to help battered women, but it is only open five days a week, during office hours.

In its last fiscal year, La Moisson responded to 478 requests from battered women and the demand has doubled since October.

The situation is serious and that is why I ask the Minister of Public Works and Government Services to deal with this issue and solve the problem as soon as possible.

* * *

[*English*]

STAY IN SCHOOL PROGRAM

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, these days we hear a lot about youth crime and youth unemployment but

what we do not often hear about are the successes. We do not often celebrate the fact that when Canadian young people are given a chance they can go on to achieve great things.

The Dawson City, Yukon, Stay in School Program is one such success story. Under the dedicated direction of school counsellor, Mr. Jim Johnston, the dropout rate has declined from 40 per cent to 1 per cent in three years.

The federal government has ended funding for this program in Dawson City, Yukon. The government says that it wants to tackle unemployment. One of the best ways is for our young people to get a good education.

In the name of the young people in the Yukon territory and in Canada I urge the government to reinstate funding for the Stay in School Program in Dawson City, Yukon.

ORAL QUESTION PERIOD

[*Translation*]

BOSNIA

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. According to United Nations Protection Forces officials, dozens of Serb heavy infantry weapons were still not under the control of UN forces in Sarajevo yesterday, but the UN expected to gain control over them some time today. All the while, Serb bombing continues over Bosnian enclaves like Tuzla and Bihac, while talks continue in Moscow and Washington in the hope of achieving a peaceful settlement and bringing lasting peace to Bosnia.

Can the Prime Minister tell us whether his government supports the proposal to put Sarajevo under UN protection and, in that context, is he prepared to reconsider the decision made by the Government of Canada to withdraw Canadian peacekeepers from Bosnia?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, no decision has been made concerning central Bosnia following France's proposal with regard to the status of the city of Sarajevo. This is a very interesting proposal, but we are not through consulting with other countries before making a decision.

As for the presence of Canadian troops in Bosnia, a final decision will be made by the end of the mission slated to end in late March or early April.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I would also like to ask the Prime Minister whether he is considering issuing further ultimatums to bring hostilities to a stop in enclaves such as Tuzla and Bihac, or whether he trusts that current diplomatic initiatives in Washington and Moscow will be sufficient.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the decision made ten days or so ago respecting the ultimatum and the siege of Sarajevo produced the expected results. So, for the time being, should we pursue this course of action? I think that the actions taken so far have been successful and that the ideal solution would be for the warring factions to end this distressing situation.

• (1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, by their firm and effective concerted efforts, the Allies have demonstrated that the proof is indeed in the pudding. Is a good solution in one case not worth a try in other cases? That is the question and I think that the government will have to answer it very soon.

Should the peace process require the build up of peacekeeping troops in Bosnia and throughout the former Yugoslavia, would the government be prepared to reconsider its decision not to detach additional Canadians peacekeepers?

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, what the Minister of Foreign Affairs said last week is the position of the government.

As a country we have the third largest contingent there. We have been at every peacekeeping mission around the world. Some countries have nobody there and it is a good occasion to send some people. If more countries are involved it is better for the world. Canada has always been quite generous, but others should take their share of the load too.

* * *

[*Translation*]

INDIAN AFFAIRS

Mr. Michel Gauthier (Roberval): Mr. Speaker, yesterday, during Question Period, the Minister of Indian Affairs twice refused to answer our questions about Mr. Jerry Peltier's status in the federal government during the Oka crisis. Now that he has had time to inquire about this matter, can the minister tell us if Mr. Jerry Peltier was working for the federal government during the Oka crisis and what was his status?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I understand it, the allegation is that Mr. Peltier was employed by the former government at the time of the Oka crisis. I do not know if that is correct or incorrect. If my hon. friend has information to that effect, will he please bring it forward and it will be examined.

It is difficult in the daily operation of a band to go in and interfere because of the inherent right of self–government. On the other hand, we have an onus to make sure there are checks and balances that work.

As minister I have instructed my officials to examine the allegations carefully. Hopefully there will be some evidence forthcoming from my friend. I am committed to bring fiscal accountability to the House and present any reports that we have.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, once the minister has checked the facts, would he tell the House for what type of services Mr. Peltier was paid $25,600 in retroactive fees?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Again, Mr. Speaker, if I might reiterate, this is an allegation. Even though it is done in the protection of the House and not outside, perhaps it should be treated a lot more carefully but my learned friend obviously does not want to.

If the allegation is that there was an irregular payment to anyone at a band level or with whom we are dealing with, any place in government, then bring forward the evidence and we will check it out.

At the same time I have asked my official to check out the allegation and look into the books of the former Tory government to see what is there. I am quite prepared to give that information to my friend.

* * *

PROVINCIAL BYELECTION

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

Last night PQ candidate Marcel Landry stormed to victory in the Bonaventure byelection.

Some hon. members: Hear, hear.

Mr. Manning: Bonaventure has been considered to be the most federalist riding in Quebec. With a provincial election looming on the horizon, does the Prime Minister acknowledge the need for a new and more vigorous strategy to increase support for federalism in Quebec?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the best decision to that effect was by the Canadian people on October 25 when they replaced the former government with a Liberal government.

Some hon. members: Hear, hear.

• (1425)

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a supplementary question for the Prime Minister.

When Quebecers vote for sovereignists, does the Prime Minister believe—we are seeking the advice of the Prime Minister—they are rejecting federalism in principle or are they simply rejecting the kind of federalism offered by traditional federalist parties?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I am very pleased by the preoccupation of the leader of the Reform Party. I am happy he wants to make a contribution. If he wants to make a contribution he should support the policies of this government in favour of bilingualism.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I know that the Prime Minister is concerned about this issue. Therefore, I ask what specific steps, and I stress specific, will he take between now and the upcoming provincial election to sell Canadian federalism in Quebec?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the best way to sell federalism in Quebec is to have a good, efficient, honest government in Ottawa.

Some hon. members: Hear, hear.

* * *

[*Translation*]

INDIAN AFFAIRS

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, last Saturday *La Presse* reported that Kanesatake was in financial straits. The Department of Indian Affairs reached an agreement with the band council to address this financial crisis.

We have also learned that the government has ordered an internal review on the management practices used by the band council. Will the Minister of Indian Affairs agree to table in this House the outcome of this review?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I have indicated, certainly.

[*Translation*]

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, could the minister tell us the total amount of interest–free loans his department granted to the band council of Kanesatake?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am getting a lot of exercise getting up and down that I am not getting at the gymnasium which I cannot find. The answer is yes.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I have been advised that the Minister of Indian Affairs and Northern Devel-

opment told members of the Slave Lake bands at their recent meeting that he was going to abolish the Indian Act.

Would the minister tell the House what he intends to replace it with?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, if my hon. friend would care to read it, this is a very important component of the red book. We are committed to devolving and getting rid of the Indian Act in a morally and pragmatic manner over a number of years. That is what the non–native community wants. That is what the native community wants. Hopefully the government with some perseverance will be able to deliver.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I have a supplementary question. The *Edmonton Sun* reported that during the same meeting the minister stated: "The Reform Party hates Indians and they want to be seen as the defender of the white man".

I ask the minister, did he make that statement?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, again to the hon. member, I hope that the Reform Party will show some consideration toward the aspirations of the aboriginal people. I am prepared to work with the Reform Party toward the inherent right to self–government.

Today I would ask the hon. member to stand in his place and say that he believes the inherent right to self–government belongs to the aboriginal people.

* * *

• (1430)

[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, my question is directed to the Minister of Citizenship and Immigration.

Yesterday morning we heard that starting this fall, the minister would begin replacing the landing record immigrants currently receive with an identification card. The card would contain information such as the immigrant's name, date of birth, nationality and photograph.

Does the minister realize he is creating two classes of Canadians: those who have to carry this ID card and those who do not?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, the ID card is not new. It was made public last summer to NGOs and lawyers. The ID card simply replaces the large piece of paper all immigrants are given once they are landed.

There are two reasons we are replacing the big piece of paper by the small card. First, the big piece of paper can be forged and is easily duplicated. It is being sold at high cost on the black market. The small card is a state of the art technique and will certainly minimize that kind of fraudulent activity.

The second reason is that many landed residents have requested small cards for their wallets to be used as ID cards until they receive citizenship cards. Therefore it also has that practical application which was asked for by the very people who will be carrying them.

There is nothing untoward. Nothing more can be accessed than what normally can from our normal passports. Is the member also suggesting we not have passports?

[*Translation*]

Mr. Osvaldo Nunez (Bourassa): It is not the same card. Immigrants did not ask for it.

Considering the threat to privacy such a card constitutes, will the government agree to have a genuine debate before making a decision that restricts people's right to privacy?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, the member is making a silly argument. I just finished saying that all landed residents now receive a form.

I am sure Canadians and immigrants understand we are trying to stop fraudulent duplication and to prevent those who so wish from illegally obtaining those cards. It also offers the prospective landed immigrant an ID card. We will not be able to access anybody's dirty laundry through this form. We are simply trying to make it better for those who use it and difficult for those who want to abuse it.

* * *

EMPLOYMENT

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, my question is for the Minister of Human Resources Development.

As I mentioned last week, a recent segment of the TV program "Venture" referred to a departmental study that says the current training programs under the human resources department are not only not helping but may actually be hindering those people who are trying to find work.

Will the minister table this document in the House of Commons?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, as I said last week, that information has always been available if the hon. member would avail himself of

it. There is nothing secret or hidden. We would be glad to table any evaluation that has been given.

I want to point out that the training programs are part of the general review we have undertaken in this Parliament. There is more than enough opportunity within the parliamentary committee and in discussions with the provinces to take a look at how we can apply training.

I would only make this small caution to the hon. member. I do not think he should use a small segment of a media report to make a general condemnation of a training program that has provided opportunities for hundreds of thousands of Canadians.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I have a supplementary question.

If studies from his own department indicate that the current training programs which cost billions of dollars every year are not helping people get new jobs, why are taxpayers continuing to fund them?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, frankly the hon. member asks the question out of ignorance. That is not what the report states.

• (1435)

The report says that in key areas such as workplace training, skills training and literacy training this kind of expenditure provides enormous service and opportunity for many Canadians to upgrade their abilities. It provides a new investment in human resources to give this country the kind of hope for the productivity it needs.

I would say to the hon. member that to make that kind of blanket criticism and condemnation without knowing what he is talking about is doing a disservice to the many people presently involved in the training programs.

* * *

[*Translation*]

HEALTH

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, there seems to be unanimous support in the dairy industry for demanding that the federal government prohibit sales of the BST hormone in Canada, since Canadians are worried about the effects of this growth hormone on human health.

My question is directed to the Minister of National Health and Welfare. Considering this unanimous position, could the minister guarantee that there will be at least a six–month moratorium on the sales of BST in Canada?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, as I explained before, BST is a biotechnological synthetic hormone. It matches what cows already produce naturally. When injected in cows it increases the volume of milk production.

My officials are now reviewing the drug. They are doing some clinical studies on its effects. To date they have not issued a notice of compliance. Once all the clinical trials have been done and it is proven the milk is absolutely safe and there is absolutely no difference, we have very little recourse but to issue the notice of compliance at that time.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, we know the effects of BST, but the fact remains that the dairy industry is very worried.

Could the minister give us guarantees that the interests of consumers and the dairy industry will take precedence over the interests of the pharmaceutical industry?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, my responsibility is for the health of Canadians and I take that very seriously.

It is very important that all of the clinical trials be done on BST so we can reassure Canadians that the milk is absolutely safe. That is my role as health minister and I intend to fulfil it.

* * *

IMMIGRATION

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, my question is for the Minister of Citizenship and Immigration. I was an immigrant and I am now a citizen of Canada.

Some hon. members: Hear, hear.

An hon. member: Now you want to lock the gate.

Mr. Grubel: This question is in the name of Canadians concerned about the country's financial crisis. Next year Canada will admit 111,000 family reunification immigrants. Many of them will be persons of an age where they will be unable to contribute to Canada's social programs. These individuals are entitled to free medicare.

Would the minister please tell the House what he expects the cost of the medicare services required by these immigrants will be?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, this party mentioned in its red book and Canadians accepted it democratically by the national election that one of the building blocks of immigration policy is the family class.

There are two reasons. First, we believe Canadians do have a right toward family reunification. Second, the family is also the vehicle to more successfully integrate and settle the newcomer without burdening the state.

The hon. member's party quite often talks about family values. If the hon. member wants to cut the immigration levels he cannot have it both ways. He cannot talk on family values on the one hand and then berate family class immigration on the other.

• (1440)

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, may the people of Canada conclude from the minister's answer, or non–answer, that decisions about Canada's immigration levels are made without regard to the costs which the policies impose on the already strained social programs of the country?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, we said no such thing. In fact in our levels announcement some days ago we said it was very important not only to do levels in isolation but to do levels and have a correlated two–year settlement and integration in dollars. That was a very important distinction the former government did not pay too much attention to.

We are worried about the financial implications to our health system. However we are not prepared to conclude that family class members who are landed should not have access to medical services when independent skills applicants do. Is that what the member is advocating? When people come here and are landed residents we assume they contribute and through their contribution they have a contract with Canada. It is a two–way street.

* * *

[*Translation*]

INTERPARLIAMENTARY EXCHANGES

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, my question is for the Minister of Foreign Affairs. We learned in *La Presse* that federal Liberal members forced 15 members of the European Parliament to cancel a series of meetings with Quebec organizations and replace these visits with an official trip to Ottawa and Vancouver, as part of the business of the Canada–Europe Parliamentary Association.

The Speaker: Perhaps the hon. member could rephrase his question, because it does not concern the government's administrative responsibility in that it relates to a non–governmental organization.

Mr. Canuel: My question is this: How does the minister explain that his ambassador in Brussels was also involved in convincing these European parliamentarians to act against their will?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I think that you were right to remind the hon. member that this kind of meeting of parliamentarians is organized by non–governmental organizations. From time to time, parliamentarians come to Canada under these exchange programs.

As part of the visit which took place, it was planned that they would come to Ottawa and go to British Columbia to study the forestry issue which is now the subject of consultations at the highest level.

So the parliamentarians who came here knew very well why they were coming and what their agenda would be. One of these parliamentarians, who probably has dealings with Quebec separatists, made a side trip to Montreal and denigrated this well–established parliamentary procedure of parliamentary exchanges which had been approved in advance. All the others were satisfied, except this black sheep who strayed in Montreal.

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, several people, parliamentarians from over there, told us the same thing. Did other parliamentarians question the minister when they came to see him?

• (1445)

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, no doubt there will be other exchanges between the European Parliament and the Parliament of Canada. No doubt these European parliamentarians are quite welcome in all the provinces of Canada, including Quebec.

Those who came here met the Prime Minister and discussed Canadian issues and questions of interest for the European Parliament.

Those who came here also had the opportunity to meet the Deputy Prime Minister, who invited them to accompany her since she was going to the province of Quebec herself. So those who wanted to take advantage of that offer could have done so.

I repeat that only one parliamentarian found that procedure unacceptable. He should have stayed home, since he knew in advance that the trip would take them here, to Ottawa, and to Vancouver, and he should join us for another visit that will include a trip to the province of Quebec.

* * *

[*English*]

FORESTRY

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my question is for the Minister of Natural Resources.

The Canadian government recently funded a multimillion dollar model forest in Mexico. Can the minister assure the House that at the upcoming month–end bilateral conference in

Mexico City the government will not commit further forest research or other forestry funding to our new NAFTA partner?

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, I thank the hon. member for his question.

The hon. member may be aware that Canada has pioneered the concept of model forests. It is part of our commitment to manage forestry and sustainable development. We think we are very lucky that we have been able to enter into partnerships and transfer this important technology and skill to partners, be it Mexico or the former Soviet Union. I am going to be encouraging my department, the Department of Natural Resources, to enter into further partnerships to ensure that globally we continue our strong commitment to sustainable development in our forest sector.

Mr. John Duncan (North Island—Powell River): I have a supplementary question, Mr. Speaker. Mexico is running a budget surplus while we are struggling with a large deficit. Does the minister agree that this government should not be funding forestry projects outside Canada?

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, I believe as a government we should work in partnership with neighbours around the world to ensure that our commitment to sustainable development is fulfilled wherever possible.

* * *

JUSTICE

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, my question is for the Minister of Justice.

Over the past few months Canadians have seen several examples of judicial gag orders. These orders have either excluded the media and members of the public entirely from criminal trials or have allowed them to observe but not to report on the proceedings.

Could the minister advise us of any steps which he has planned to review this situation in order to preserve the very important public right to know what is going on in the criminal justice system?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Criminal Code provides and the general rule in law is that proceedings in court are held in open and the public may watch and see what is going on. The code also provides, and indeed the inherent jurisdiction of the court provides as well, that when the interests of a fair trial for the accused require it, there can be a ban on publication.

As my hon. friend knows from her own many years of distinguished service as counsel in the courts, sometimes these media bans on publication for specific periods of time are very important in the interests of justice, for example in a preliminary inquiry where the evidence is not published, so that the trial itself is not prejudiced or where there is some quarrel about the admissibility of evidence. The court does not want it published so the jury will find out about it before the admissibility of evidence is determined. Obviously there is a balance. The Supreme Court of Canada has two cases under advisement now in which it is considering the balance between the freedom of expression in the charter and media bans. We are going to await those decisions and read them with care. I can assure the hon. member that we will do all things necessary to ensure that the criminal law is administered fairly in this country.

* * *

• (1450)

[*Translation*]

NATIONAL ARTS CENTRE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Minister of Canadian Heritage.

The government does not seem to be troubled at all about giving $350,000 to the National Arts Centre's director general, after he was fired following a putsch organized by the Mayor of Ottawa. The Minister of Canadian Heritage is washing his hands of the whole affair by invoking the management autonomy of the federal agency.

Does the minister recognize that it is up to the government to determine the working conditions of crown corporation directors, including severance pay, and that in this instance it is the inordinate amount of this severance pay that we find outrageous, just a few hours before a general tax increase for all Canadians?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I can assure the hon. member that the Minister of Canadian Heritage never washes his hands of anything. It does not mean that his hands are dirty.

There is a point that should be made, because not everyone knows it. The National Arts Centre is the only institution of its kind whose director is elected by the board of directors rather than appointed by the government. This situation is unique and can explain many things.

The government and this institution have an arm's–length relationship that I think the hon. member does not challenge and that the government respects. However, the minister has some authority; he has the power to appoint people to the board of directors, to audit its finances and to amend the law if this is deemed necessary. And the problem that was alluded to will, of course, be considered within the measures that the government can take regarding the NAC.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Besides the $350,000 severance pay, Mr. Speaker, can the minister tell us whether it is true that the person responsible for the placement agency in the Prime Minister's Office, Mrs. Colle-

nette, is desperately looking for a new job in the federal public service for Mr. DesRochers?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, there are procedures that we follow with respect to agency heads. Whenever there is a vacancy, we make an announcement in the *Canada Gazette*. We receive names and these names are then taken into consideration.

As we speak, there is in fact a vacancy in a cultural agency of the Canadian government, an announced vacancy that is not yet effective but will become so a little later in the year; at that time, when the position becomes vacant, appropriate procedures will be followed.

* * *

[*English*]

REFORM PARTY

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Earlier in question period my colleague, the hon. member for Crowfoot, asked the minister a direct question about what the minister did or did not say concerning the Reform Party. The minister skated around the answer and did not come out with a direct, clear answer.

Will the minister now please answer the question? Did you not say what was alleged?

● (1455)

The Speaker: Questions should always be posed to the Speaker. If the hon. member could simply rephrase the question, it would be appreciated.

Mr. Ringma: Mr. Speaker, would the minister answer the question now?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do have some concerns about the positions of the Reform Party. I have sat in the House watching them attack immigrants. I have sat in the House and watched one of their members put out a brochure in which he quotes with favour—

The Speaker: Order. I would ask the hon. minister if in answering the question perhaps he also could stay with a little more general tone. If he could I would appreciate it.

Mr. Irwin: I am sure, Mr. Speaker, that the Reform Party does not hate Indians. I do not think anybody in this House hates Indians. But I would like the Reform Party to be a little bit more generous in looking at the aspirations of one of the poorest, most deserving groups of Canadians that we have in our country.

If we cannot together solve the problems of 1.5 million of our citizens, then this nation has no hope.

[*Translation*]

LOBBYISTS

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, my question is for the Minister of Industry.

In the speech from the throne, the federal government promised to regulate the activities and practices of lobbyists. However, according to a recent CBC report, lobbyists are putting enormous pressure on the government to involve them in the new regulatory process, thereby safeguarding their interests.

Can the government confirm that it intends to table in the coming weeks a bill on the regulating of lobbyists and can it reassure the House that it is not being unduly influenced in the drafting of the new regulations?

Hon. John Manley (Minister of Industry): Mr. Speaker, I can assure the hon. member that we will soon be tabling draft legislation respecting lobbyists and I hope that we can count on his support so as to give some weight to the process of regulating lobbying activities.

* * *

[*English*]

ATOMIC ENERGY CONTROL BOARD

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question is directed to the Minister of Natural Resources.

In spite of the fact that there has been a constant reduction in the number of licences to hold and handle radioactive material in the country, the staff of the compliance division of AECB has continued to grow.

It is now rumoured that there are plans to open regional compliance offices in Vancouver and Halifax in spite of the fact that there are only 370 licensees in B.C. and less than that in the maritimes.

Can the minister confirm or deny these offices are being planned and, if they are, can she justify it?

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, I can assure the hon. member that this government has no plans to open offices in Vancouver and Halifax.

* * *

[*Translation*]

SOCIAL HOUSING

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, my question is for the Minister of Public Works.

On this, the 25th anniversary of the Office municipal d'habitation de Montréal, Mr. John Gardiner, the housing co–ordinator on Montreal's executive committee, has once again condemned the federal government's withdrawal from the social housing field. It should be noted that more than 10,000 families

or households in Montreal are currently on waiting lists for social housing.

My question is for the Minister of Public Works, who is responsible for Canada Mortgage and Housing Corporation.

Since Mr. Gardiner has once again denounced the federal government's withdrawal from this area, are we to understand that his recent meeting with the minister was unproductive?

• (1500)

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I want to thank the hon. member for the question. He is going to have to be patient and wait for the remarks of the Minister of Finance who will be delivering his budget at five o'clock. Thereafter the hon. member, as well as other stakeholders, will have an opportunity to review the decision of the Minister of Finance.

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EAST COAST PORTS

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, my question is for the Minister of Transport and was inspired by Mr. Creelman MacArthur of Halifax.

While the ports of Halifax and Saint John are ice free year round, the federal government spends millions of dollars annually to ice break the St. Lawrence. This creates a situation of the government indirectly subsidizing inland ports at the expense of those on the east coast.

At a time when the east coast economy is the hardest hit in Canada, why should Halifax and Saint John have to compete not only with inland ports but with the federal subsidies as well?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, obviously I am somewhat aware of the activities at the ports of Halifax and Saint John. It has been a need for Canada to be able to ship and receive goods from its major ports on the east coast for the last 40 or 50 years.

I find it rather unusual that anyone would question the activities of the port of Montreal, as essential as that port is to the economy of Canada as a whole. Therefore we fully intend to continue to provide services from the port of Montreal as we hope we will be able to do with enhanced activity at the ports of Saint John and Halifax.

* * *

BOOK PUBLISHING

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is directed to the Minister of Canadian Heritage.

Last Friday the minister announced approval of the sale of Maxwell Macmillan and Ginn Publishing to Paramount Communications. This sale reverses a long established policy and, in the case of Ginn Publishing, is the first time in 25 years that a Canadian owned book publishing firm has been allowed to fall into foreign hands.

The Investment Canada Act requires that Canadians have a full and fair opportunity to bid for a foreign owned Canadian book publishing company yet Canadian publishers have informed me that CDIC thwarted all attempts by them to bid on these companies.

Could the minister explain to the House why the government did not follow its own legislation and did not actively seek Canadian investors? Also, could the minister kindly explain what the difference is between his—

The Speaker: Order. I think two questions in a question are okay, but when we get into three or four we have to draw the line. Would the Minister of Industry care to answer the question?

Hon. John Manley (Minister of Industry): Mr. Speaker, on behalf of the minister responsible for CDIC, let me indicate to the member that the government shares his concern.

However, the obligation that CDIC had to sell 51 per cent of its interest in Ginn was one which had been made previously. Although a number of discussions have been held with potential Canadian purchasers, none of those discussions developed into a substantial indication of interest to the extent that an offer was made that was acceptable to CDIC.

In the circumstances, the decision was taken to realize on CDIC's investment in Ginn in accordance with the previously made commitment by the previous government.

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PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, I rise on a question of privilege concerning some comments made during question period.

I feel my personal integrity and credibility have been attacked. During my question I said that I was an immigrant and that now I was a Canadian citizen. The member for Carleton—Gloucester shouted: "Now you want to lock the gate".

This was neither the point of my question nor do I recommend—

• (1505)

The Speaker: The hon. member may have a grievance that he could put forward. I wonder if the hon. member would agree to let me have a look at the "blues" and I will see just what was said in the exchange. I will have a look at it at that time.

GOVERNMENT ORDERS

[*English*]

EXCISE ACT

The House resumed consideration of the motion that Bill C–11, an act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act, be read the second time and referred to a committee.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I will try to refresh everybody's memory as to what happened prior to question period.

I am afraid that what the government has done in this instance is to send a loud message that if enough people are ignoring the law, do not worry it will be changed. What the government should have done is enforce the laws that were there. If a law has the support of Canadians it must be enforced and there was support in the community for high taxes on cigarettes.

Calls to my office were six to one against lowering the tax on cigarettes and if someone can get my constituents to oppose the lowering of any tax then he or she has accomplished something. They do not like taxes. They want taxes lowered but they want them lowered in a sane and reasonable manner across the board. The government should have concentrated on enforcement, not on isolating tax cuts on contraband cigarettes.

Unfortunately some Canadians need the occasional reminder that there are laws that have to be enforced. There are laws against speeding despite the fact that most of us speed every now and then. The mere sight of a police car on the side of the road is enough to slow most drivers back to the speed limit. If the government had been in charge of the provincial motor vehicles act it would not have called for increased enforcement. It would have raised the speed limit and then boasted about how it got rid of the country's speeding problems.

In conclusion, the Customs Act and Excise Act both provide for significant penalties for those breaking the law. The government should have given its law enforcement officers some manpower and resources to have carried out its mandate. The initiatives implemented by ways and means motion No. 3 were short–sighted and in the long term this decision will be regretted.

It is unfortunate the government did not have the courage to stand up and address the issue head on. I hope when the alcohol smuggling issue comes before the government it is prepared to stand firm and resist repeating the same mistake.

My constituency runs along the Canada–U.S. border. My riding has two of the busiest border crossings in Canada, the Pacific crossing being one of them. I know there is smuggling of all sorts and I know that cigarette smuggling is not the main concern at the Pacific and Douglas crossing.

Enforcement of Canada's laws is the only way to deal with this issue, not giving in to the lawbreakers.

• (1510)

Mr. Paul Szabo (Mississauga South): Mr. Speaker, I rise to comment on an issue that has been coming hour by hour from the Reform Party throughout this debate and it has to be stopped.

The argument being made is that the reduction of the excise tax on tobacco is a singular event and has no consequence on anything else the government did. The whole point of the initiatives brought in by the Prime Minister, the Minister of National Revenue and Minister of Health was to break the back of smuggling.

To break the back of smuggling they had to eliminate the profit motive. The combination of the reduction of excise tax, the export tax that was levied and the surtax on manufacturing collectively represent the elimination of the profit in smuggling.

If we eliminate the excise tax and apply the tax totally to export taxes, if we allow export taxes and that surtax to deal with it totally, all we are doing is shifting the burden from exports to the U.S coming back into Canada and forcing the creation of underground manufacturing facilities in Canada.

Members really have to open up their minds to understand that there is a comprehensive approach to one of the most serious problems that the government has had to face in its first three or four months of operation.

Ms. Meredith: Mr. Speaker, I have a feeling the hon. member forgot the first part of my speech which was over an hour ago.

My concern is not that the government has just reduced taxes. My concern is that it did not enforce the laws that were there. If it had enforced the laws we would not have this problem.

Mr. Speller: We weren't here.

Ms. Meredith: The member was here for at least 100–plus days.

My concern is that this is only dealing with cigarette taxes and that the government is not stopping smuggling. It is going to have smuggling of alcohol. It is going to have smuggling of alien persons. It is going to have smuggling of heroine and hard drugs. We have it now.

If the government is not going to enforce the laws, it will continue to have smuggling of these contraband items. Lowering the taxes of one item is not going to stop smuggling.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I commend my colleague on her speech and her point of view. It was very well presented.

However she said something in the first part of her speech, which was over an hour ago, about this bill doing very little to reduce smuggling.

Does she believe that by taking the profit out of smuggling it will increase or decrease the activity?

Ms. Meredith: Mr. Speaker, I do not want to give the same lecture to my hon. friend and seatmate but it will reduce perhaps the incentive to smuggle cigarettes.

It will not reduce the incentive to smuggle hard drugs, alcohol or illegal aliens. The problem of enforcement cannot be solved by reducing the incentive to do it. One has to enforce the laws of the land the same for all people. It is only through enforcement that smuggling will be stopped.

Mr. Julian Reed (Halton—Peel): Mr. Speaker, I would like to ask the hon. member how she expects by zeroing in on enforcement alone she can enforce the laws on the world's longest undefended border and the world's longest sea coast.

Ms. Meredith: Mr. Speaker, I mentioned at one time that my constituency goes along the United States–Canadian border. I have two of the busiest border crossings in my constituency and this has not been identified as a major problem.

Yes, there is cigarette smuggling. I do not deny that, but it has certainly not been a problem to the extent that it has been in Ontario and Quebec. I do not think that problems are solved by isolating a solution for one area and putting it over the whole country. If there is a problem in one area of the country, solve it if it is isolated to that area. Do not assume that this problem is all across the country.

• (1515)

I know at my border crossings cigarette smuggling is certainly not at the limit it is in Quebec.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, I listened with great interest to the hon. member's speech and one thing I picked out of it was the fact that she was pointing out everything we have done wrong. I have yet to hear an alternative from the hon. member as to how she would solve the problem.

We have watched contraband cigarettes grow from the late 1980s into the early to mid–1990s, a 60 per cent growth in less than one year; 75 per cent contraband in Quebec, 35 per cent to 40 per cent in Ontario, 15 per cent in the western provinces and growing. I stress the word growing. In on one box of cartons there is a $500 profit. In a truckload there is a $500,000 profit. We are creating a millionaire a day. All this money is seed money for what the hon. member is talking about which is the smuggling of alcohol, arms and drugs.

What we have done is stop that seed money. I would ask the member regarding everything we have done wrong, how she would do it right.

Ms. Meredith: Mr. Speaker, actually the hon. member has also forgotten the first part of my speech in which I did acknowledge that there are some things in this legislation that are positive. One is giving the same ability to peace officers as the RCMP in dealing with the problem.

However that is where to deal with it, in giving manpower and support to the enforcement of Canadian laws, not giving in to criminals and reducing the laws. To give in to criminals and allow them to change Canadian law because of criminal activity is sending the wrong message. Give more enforcement, more support to the law enforcement people in the country.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I wonder if the hon. member is suggesting that we not follow the advice of the commissioner of the Royal Canadian Mounted Police who, as a professional law enforcement officer, the top one in the country, said that if we are going to get a handle on the problem then we have to narrow the gap between the price of cigarettes in Canada and in the United States.

I wonder if the member does not recognize that our policies in the past have been an incubator for organized crime and we were actually growing the underground economy.

Given the position of the hon. member's leader when he would say that there was a tax revolt brewing in the country, do the members of the Reform Party not recognize a tax revolt when it bites them in the derrière?

Ms. Meredith: Mr. Speaker, I guess my concern is that this reaction of lowering taxes on one contraband item is not going to solve the problem. I recognize that perhaps for the RCMP this was an easy way to deal with an issue. However, are they also going to suggest the same thing when we talk about the smuggling rings taking on hard drugs or alcohol?

Are we also going to suggest that we should lower the taxes on alcohol and that we should legalize heroin and hard drugs just because it then makes the job easier?

I do not think that is the issue here. The issue is we have Canadian laws for a reason and we should not be giving in to criminal activity and changing our laws just to make it easier for them to change products.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I just wonder if the hon. member has had the opportunity to read the entire action plan which dealt with the very issue of enforcement. We have increased customs officers by 25 per cent to deal with the idea and with the problems of enforcement.

I also inform the hon. member that the problem is not unique to one part of Canada.

• (1520)

The busiest border crossing last year was the Windsor–Detroit bridge which is just outside my riding. This problem is not unique to Quebec. It is not unique to one particular part. It is happening all across the country. We have a total plan to deal with it, a plan that deals with enforcement, a plan that deals with health. I hope the hon. member has a chance to read clause 3 of the bill particularly.

Ms. Meredith: Mr. Speaker, I do not think I ever said that the problem was unique to one part of Canada. I said that the other parts of Canada have a similar problem but not to the same extent.

There is smuggling in western Canada along our borders but not to the same extent and it can be handled by law enforcement. I am glad the border crossing staff is going to be increased. I think the concentration of the policy should be on law enforcement and not in relaxing the Canadian laws.

I repeat, we do not solve problems by giving in to the criminal element. If we do it once we are going to end up doing it over and over again.

There is a reason for laws and there is a reason to enforce laws. When we start giving in to the criminal element and changing the laws of the land we are in real trouble.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Mr. Speaker, in her back–pedalling the hon. member is really missing the boat. Let me quote for her from the letter that was tabled by the Prime Minister from the commissioner of the RCMP in which he very clearly stated:

> Normally an enforcement only enhancement would work but, in this case, the smuggling problem has become so pervasive that the number of additional resources required to resolve the problem would be so intrusive as to be unacceptable—

I do not have time to finish reading it, but I refer the member to the letter from the commissioner that was tabled in the House. We are attacking this. We are attacking on all fronts as recommended by the RCMP and all the advice we have been given.

The Deputy Speaker: Order, please. The question is clear. The hon. member for Surrey—White Rock—South Langley, please be brief.

Ms. Meredith: Mr. Speaker, I cannot say it any more than I have said it before. We have laws in our land. There are reasons for our laws. I do not think we solve anything by changing our laws to give in to criminal activity.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I want to say to the previous speaker from the Reform Party that we do not solve any problems either by sticking our head in the sand. We had a tough decision to make. That decision was made on the basis of all the best information we had from the RCMP, from Revenue Canada, from the different provinces, from the different agencies involved. We had a tough decision to make and we made it. Unfortunately other provinces in the country have not seen fit to do it. I would suspect that in the very near future we will see a lot more come on board after recognizing the problem.

I do want to stand in support of the piece of legislation in the House today. Mr. Speaker, you know from our previous time here together that I spent a lot of time in the House talking directly about this issue. I have studied it substantially because of the make–up of my riding.

Haldimand—Norfolk has a number of tobacco farmers, probably over 800 tobacco farmers out of the 1,200 left in Canada. I also have the largest Indian reserve in the country, the Six Nations which includes a number of places that sell tobacco, over 200. It is a problem for me on both sides.

The fact of the matter is that when tobacco is smuggled my tobacco farmer constituents do not make the same amount of money because on that product they get less money for it being exported to the States. They actually get a dollar less a pound. It is a two–price system and so that product that actually is being smoked in Canada has actually been exported.

I also have on the Six Nations reserve a large number of people. I want to say to all members who might not have had an opportunity to visit reserves in the country that the overwhelming majority of people, at least on the largest reserve in the country, want to get rid of the smuggling problem.

I get more people on reserve than off in my constituency saying that we have to deal with that problem. It was very important for me to get that message out. I get a sense in the House from the other side that somehow this is just an Indian problem. It is in a sense, but it is a sense that they want to solve this problem.

• (1525)

That is why I was happy to see the Solicitor General take our advice on this side, sit down with native communities and try to work out solutions to this problem.

There was a time in this House when members across the way were essentially saying we have to enforce the law everywhere in the country. Let us go in shooting and we can solve this problem.

I do not think that is the solution. It is a larger problem than just enforcement. Enforcement is very important and that is why in this bill we have gone a long way to deal with the enforcement issue.

I have talked about taxation in the House as being really the only way to dramatically solve the problem, but there are other ways in which we can add to the solution. I want to go through some of the things that we have done.

We have increased customs examinations of high risk travellers. I think that is going to get a lot more smuggling than just tobacco smuggling. I think it might even help us solve our problem with the smuggling of guns and cocaine or other drugs that come into the country. We have a large border. I would suggest that over the years this problem has been a lot bigger than even we in the House talk about.

The whole question of alcohol being smuggled is only a small problem. We have guns. We have different products that are coming across our borders that need to be addressed. I think this goes a long way in helping to address those problems.

We are providing 24 hour commercial traffic clearance at 22 ports that handle 99 per cent of the commercial traffic. We are examining the service charges for off hour service at these locations. We are extending hours of service at a number of existing ports. We are conducting border blitzes that target high risk travellers and carriers.

I believe that in the bill we have gone beyond the taxation question. We have put in very needed border restrictions to make sure that we in the country control what comes into the country and we know specifically what is coming in.

The real problem we have in the country today is not as much with the smuggling but it is an acceptance by Canadians that somehow not paying their fair share of taxes, ripping off the government, is a good thing to do. Unfortunately when it starts in cigarettes it continues. Canadians have to be told that it is not only governments but their responsibility also to follow the law and make sure that they contribute to the solution to this problem.

I have never argued with the reason Canadians have been buying smuggled cigarettes. If they can get cigarettes at a cheaper price and feel that the government is not listening in terms of the taxation questions, they are going to do it. It is a question of taxation. We have to get it out of people's minds that somehow it is easy and it is natural to rip off the government by not paying taxes.

We have a $45 billion deficit. We have to attack that deficit if we are to go into the next century and compete. In order to do that people have to feel that the taxation system under which they live is a fair system.

Canadians have not felt that excise taxes on cigarettes, gasoline and alcohol have been fair taxes. As a result they have been more than willing to go around the law and do this. I think this tells Canadians that we understand these systems have been unfair and we are ready and willing to work with them to come up with real solutions.

Regarding the smuggling in the country, the only way to deal with it was to bring down the taxes. There was no other answer. In terms of the export tax on it, I have never supported an export tax. Quite frankly it is not workable. The export tax in this regard, because the provinces have come on board and because the taxes have been slashed enough, will be irrelevant. We will not be exporting that cigarette product to the United States.

Also in the bill there are exemptions for traditional exports. Those real exports that go elsewhere outside the States or the traditional ones that go to the States and are sold for consumption in the States will be protected. Tobacco farmers in my area were very pleased with that idea.

• (1530)

In order to solve this problem we needed to do two things. We needed to take a tough stand and we needed to bring down the taxes.

There are those who argue that somehow lowering taxes and lowering prices will let young people buy more cigarettes. I have heard many young people on television say: "Oh, good. Now I am going to have easier access to cigarettes". However that is not the case. Right now they can get cigarettes as quickly as they can buy a pizza in downtown Toronto. Cigarettes are easily obtained in school yards.

However if we put in the enforcement making sure the penalties are high for selling cigarettes to young Canadians and setting the age at a certain point, young Canadians will be protected. They will not have that access. That easy access now is through smuggled cigarettes and they get them in the school yard.

We have a good balance here. It is the balance of protecting young people from smoking, the balance of dropping the taxes so Canadians feel their taxation system is fair. At the same time there is the balance in enforcement, making sure that those who would illegally profit from this are caught. This approach will go a long way toward solving this problem.

At the same time we have taken the opportunity to sit down with Canada's first people to discuss this question with them, rather than just going in hocus–pocus with guns blazing. We are trying to work with Canadians and our aboriginal peoples to find solutions to their problems.

At the same time we are throwing a lot of people, who have been selling cigarettes granted illegally, out of work. It might be incumbent upon the government to recognize that fact. Where will they go if they are not selling cigarettes illegally? Most of these people are not the normal law breakers. Most of them are people who just want to make a buck. They did not have a job and were looking for an opportunity to make some quick cash.

This question must be raised. Not a lot of people are talking about it as it is not something that really pops up in people's minds. It is the question of making sure there is economic development on our reserves so that those people who might turn to crime because they do not have any other economic activities would have some other alternative.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, cigarettes are the only product that when used as directed kill.

Is the member in favour of cigarettes being included under the hazardous products act?

Mr. Speller: Mr. Speaker, the hon. member knows that question came up before. In fact I think our hon. Speaker was on a committee that actually looked at that question.

Mr. Young: You cannot make them safe under the Hazardous Products Act.

Mr. Speller: No, of course not. I think it was something an NDP member raised in that committee. It is just impossible to do.

If the government wants to outlaw smoking, fine. Compensate my tobacco farmers for the value of their farms and for the value of their future livelihoods and do it.

Governments are quite hypocritical in this area. On the one hand they want all that big cash and on the other they say to my tobacco farmers that they are doing a nasty and dirty thing. That is not the case. All governments have to get off the pot on this question and make a decision. If they want to outlaw smoking then compensate my farmers. Allow my farmers to get on with their livelihoods rather than slowly strangle them to death.

• (1535)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I start by congratulating the Solicitor General and the Minister of Health for addressing what was obviously a life and death issue in the constituency I have the honour and privilege to represent in the House. I do not believe I am exaggerating the point when I describe it that way. Over recent years literally dozens of constituents of Glengarry—Prescott—Russell have been murdered or have disappeared as a result of tobacco smuggling and associated crime.

When we talk about the ill effects of tobacco on young people I wonder how many of us have stopped to think of how many times a teenager working in a cornerstore has had his brains blown out so that someone else could steal the cigarettes from the shelves of that store to resell on the contraband market. That is not just in my riding. Unfortunately it has happened several times in this country.

I want to describe the extent of this problem. It was highlighted by another member earlier today. The commissioner of the RCMP said in a letter tabled before the House: "This implies a need to reduce the tax on cigarettes significantly enough to approach parity, thereby eliminating the profit motive for smugglers". In saying that he was telling us the time had arrived whereby we no longer had the choice and this is what we had to do.

It was not always that way. I remember when smuggling was about one-tenth the amount it is now or that it was when these measures were introduced. I remember on November 22, 1991 rising in the House and addressing a question to the previous government.

[*Translation*]

This is what the then Solicitor General, Hon. Doug Lewis, replied on the subject of smuggling: "Obviously it still exists a certain extent. We are doing everything we can to eliminate it".

[*English*]

That is what was said at that time. In other words. do not bother us. It is not very important. It is no big deal.

The last day Parliament sat before the election again I asked a question. I had asked questions many times. I asked the following and members might think the question was a little dramatic or at least members thought so at the time. In retrospect it certainly was not.

[*Translation*]

On that occasion, I said the following:

"Almost every night machine gun fire is heard and speedboats are running the rivers at full speed in the dark with their lights turned off pursuing criminal activity. I am not describing life in Sarajevo or Mogadishu. I am describing the practice of tobacco smuggling on the St. Lawrence River near Glengarry in my riding."

I made that statement in the House on June 13, 1993. And I went on to say:

"I want to ask a question of the Solicitor General on the last day of this Parliament. What precisely does the government intend to do to stop this illegal activity which endangers the lives and safety on my constituents? What is he going to do to ensure that we stop losing billions of taxpayers' dollars in this terrible process that is going on right now 50 miles from Parliament Hill?"

[*English*]

Nothing was done. Yes, there was a time when we could have done other things, federal and provincial governments, and in Ontario Mr. Rae could have done something.

For two years the Ontario Provincial Police detachment at Lancaster, a stone's throw from Lake St. Francis, was closed at night. Only after I raised it publicly was the police station reopened last November. Imagine that. The police station in the area where all the criminal activity is taking place shuts down at night, courtesy of Bob Rae's cutbacks. That is what happened. He self-righteously said before the media last week and the week before he did not know this was a problem in Ontario and that it was a regional problem in Quebec, as he or Mr. Laughren

put it. Those statements were a little less than totally honest. He knew of the problem.

• (1540)

My colleagues from western Canada will know of the report on tobacco smuggling by the Mackenzie Institute. All of them have received copies of the report. It explains to what extent this criminal activity has gone on. If members have not received it I will gladly provide them with copies.

Everything we hear today and have heard for the last weeks in this House the Mackenzie Institute has been telling us for months. However members were not listening. This government has listened. For three years I and others tried to get the previous government to act for the safety and security of Canadians and for the respect of the law and nothing was done. Within three months the new government did something and I am proud of it.

Some people claim tobacco smuggling is a victimless crime. I want to read what Claude McIntosh, the associate editor of the *Standard Freeholder* of Cornwall, wrote on July 3, 1993. He was citing examples of victims of smuggling. He wrote the following:

> A Cornwall welfare recipient switched to a supplier selling cartons $1 cheaper than his previous supplier. His old supplier, fearful of losing other "accounts", paid him a visit. During the conversation he had his arm broken in an "accident". He went back to the previous supplier. Welfare recipients are soft because they are: 1) more willing to take the chance, and 2) available night and day.

Listen to this one about young people. A teacher ordered a disruptive student out of the classroom. On his way out the student reached into his pocket, pulled out a wad of bills and sneered: "I don't need your education". The student works as a runner in one of the cigarette smuggling cartels with the potential to earn more in six months than the teacher does in a year.

That is the reality of smuggling. For those who wish to put their heads in the sand and think that is not a reality, well they are wrong.

What kind of message does it give to our young people when the one who is smuggling cigarettes and selling them in schools drives around in a corvette while the rest of the students walk home at night? We are concerned about young people.

[*Translation*]

The social contract has crumbled. When 60 to 70 per cent of cigarettes are sold illegally, as it is the case in Quebec—35 per cent in Ontario, very close to 100 per cent in my riding and as much as 25 to 30 per cent in Western Canada—I tell you that the social contract has crumbled in that respect and that we have returned to the so–called hobbesean state of nature: Every man for himself.

[*English*]

Life is brutish and short, as Thomas Hobbes put it. That is not the kind of society we want. We have to restore that social contract. The way of doing that was to take every action necessary, all governments together in concert. The federal government and the Government of Quebec did it. The Government of Ontario was dragged in kicking and screaming in order to do that which it should have done in the beginning. Nevertheless it has done so now.

There is another article from the *Standard Freeholder.* It was written by Claudia Peel on February 16, 1994 and is entitled: "Smuggling is down to a trickle":

> The volume of black market cigarettes moving through this region has dropped significantly since the federal government's crackdown on smuggling began one week ago today.
>
> OPP Det. Insp. Chris Lewis said police have seized some smuggled smokes since the federal anti–smoking plan went into effect last Wednesday. But the volume of contraband seized in the past week has been "quite a bit less" than police have been accustomed to seizing in a seven–day period.

• (1545)

[*Translation*]

As you can see, Mr. Speaker, action was required. I do not even have time to get into the whole issue of contraband, which thrives on illegality and leads to smuggling not only cigarettes but also drugs, alcohol and the likes.

Whether we come from western Canada, Ontario or elsewhere, whether we are separatists, sovereigntists or federalists, I think that we all have the same interests. In our society, we want laws to be obeyed. What was done had to be done. And to conclude, I congratulate the government, because that action was necessary and was taken. I hope that we will soon be able to say that we have managed to eliminate this evil that is preying upon our society.

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I do not know if the previous speaker managed to convince himself after the fact, as his government is now trying to do, but he would like to convince us that the decision that was made was the right one.

I think that the government lowered taxes on cigarettes because it did not want to tackle the real problem and stop the distribution of contraband goods on the territory implicitly affected by this bill; instead of dealing with the smugglers themselves, they went after the product. Except that it will be easy to replace that product with another, like alcohol, drugs or cocaine. To justify themselves, they said that they asked the commissioner of the RCMP, who told them to cut taxes. It is not

up to the commissioner of the RCMP to make the laws in this government, and you also need the political will to enforce the laws. When there is no will to enforce the laws, we end up with a bill like this one.

The government shot into its own net with this. There can be no solution to this problem as long as there is no political will to intervene and break up the distribution networks for cigarettes, drugs, popcorn or whatever. We must break up the distribution networks. That is what the government did not have the courage to do.

I would now ask the hon. member who just spoke if he has a personal solution to suggest to his government to break up the distribution networks. That is where the problem lies.

Mr. Boudria: Mr. Speaker, I noticed that some hon. members were applauding, but not the hon. member for Argenteuil—Papineau, who, I think, shares some of my feelings regarding the effects of smuggling. He can see these effects from up close in his constituency. Besides, the hon. member who just asked me a question also faces a similar situation.

He talks about the distribution network. It would be very naive to think that this distribution network did not exist in all parts of society before! In my own riding or, without even going that far, how many parliamentarians know that illegal cigarettes were sold right here on Parliament Hill?

In my riding, the day before the Prime Minister made his announcement, I received a phone call from a constituent complaining that the village's local smuggler had just made a delivery to the parish priest's house. It is a sad, very sad statement.

We saw the same thing in another region with the MATRAC group, when similar statements were made by other people in society sharing similar positions. These people did not see themselves as criminals, yet they unknowingly were part of an organized crime network.

• (1550)

[*English*]

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, the hon. member talked about realities. I would like to talk about realities as well.

Reality number one is that, yes, smuggling is against the law. Reality number two is that when people break the law, law enforcement should ensure that they are caught and punished. Reality number three is that in recent months it has been clearly identified that 70 per cent of the cigarette smuggling was occurring on the Mohawk reserves. Reality number four is that the previous government failed to act on this smuggling. Reality number five is that the current government has failed to enforce the law that would curtail this smuggling as well.

The reality is that for whatever reason the government has tied the hands of our law enforcement agencies, for political correctness perhaps, maybe for other hidden political agendas. The fact is that the RCMP has not been allowed to enforce the law, which is what it is supposed to do.

Another sad reality is that the government has failed to do the right thing: enforce the laws of the country. It has chosen instead to do something totally opposite, to disregard the fact that there are law breakers that have to be stopped. It has chosen to lower the price of cigarettes. That is a far cry from enforcing the law.

In reality I can imagine criminals on seeing a precedent set like this, saying: "Okay, let's look for the next one and see if we can get them to move away from law enforcement".

Mr. Boudria: Mr. Speaker, I do not think there was a question there. Let me add a reality number six or seven to what the member has just said. The reality is that the laws that were there have ceased to be laws because of the negligence of others in the past.

Law and order had to be restored. It was done because it was the right thing to do. Politically correct, my eye, I say this to all my colleagues. When my constituents were being shot at and when people were losing their lives over crummy packages of cigarettes, it was time for governments to do something, and I am proud of it.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I appreciate the hon. member's comments. It almost astounds me that we fail to realize what really has caused this problem.

In the 1970s when the government of that day allowed 24 per cent interest rates, allowed farmers and businessmen to be put out of business, I stood beside graves of people who committed suicide because of the overspending and overmanipulation of the political system. Today he makes a very emotional speech. I wonder what he is going to tell his future great–grandchildren when they have no food to put on the table and they shoot each other because of it. Who will they blame then?

It is because the governments of the last 25 years have not been able to make a decent decision to enforce laws, where thousands of people died in two world wars, that is why we have this problem today. We had better realize it or we will go down in history as some of the worst decision makers ever in the country.

Mr. Boudria: Mr. Speaker, I am not sure I understood the analogy the member was trying to draw. If he is insinuating that our ancestors fought for freedom and for respect for law, that is exactly what I am advocating as well.

• (1555)

Mr. Jim Silye (Calgary Centre): Mr. Speaker, this is just getting good. I hate to spoil the party by speaking in support of Bill C–11, an act to amend the Customs Act and the Excise Act and the Tobacco Sales to Young Persons Act.

In my riding of Calgary Centre this issue has attracted some concern and some comment. It is basically split 50:50. The government's four point action plan on smuggling comes under criticism where it lowers the price of cigarettes and that it impacts upon the increase in health costs and such. That is a concern and I have expressed it. Nevertheless in evaluating this bill and the steps taken by the government I feel it is worth going forward with it.

The federal government is currently losing a guestimate of $60 billion to $80 billion per year to the underground economy. This loss of revenue has a direct negative effect on the ability of small law–abiding businesses to compete in the private sector. In the end it is the Canadian taxpayers who end up paying for the loss of revenue and the increased cost associated with the lucrative practice of smuggling.

This problem is rooted in the fact that Canadians pay too much tax and have lost faith in government's ability to manage money, manage resources and live within its means. We will find out this afternoon at five o'clock how much better the government is going to do in managing resources and doing something with the economy.

Canadians are finding it more and more acceptable to purchase smuggled goods because of the taxes and surtaxes they have had to pay legally on items. This problem is not limited to just cigarettes. It is a problem related to clothing, alcohol, groceries, jewellery, guns and the list goes on.

According to government statistics the average price of a carton of cigarettes was around $45 to $48. The same carton could be purchased in the United States for $15. This differential made the cigarette trade appealing to many Canadian smokers and to a large degree organized crime.

A single case of cigarettes containing 50 cartons can produce at least $500 profit. A thousand cases per week could therefore mean a profit of half a million dollars for suppliers. With this kind of profit motive it is no wonder smuggling has become so desirable.

Canadian cigarette companies were well aware of this new market and as a result increased exports of cigarettes at an incredible rate. In 1985, 3.5 million cartons were exported to the United States. The figure now is over 62.8 million cartons per year. This increase of over 1900 per cent in eight years is not due to the fact that Americans have begun to love our cigarettes. Having gone to California quite often I know most of them hate them.

Cigarette companies knew there was a market for the product and they were using it as a means to sell more cigarettes here in Canada. It is estimated that between 85 per cent to 90 per cent of the tobacco products destined for exports find their way back here.

For non–smoking Canadians who do not feel that the problem of smuggling affects them I ask them to think again. The number of people charged by RCMP customs and excise has increased from 414 in 1990 to 3,389 to date. The number of seizures within this same timeframe has increased from 303 in 1990 to 5,044 to date.

Increased enforcement and prosecution combined with the loss of government revenues cost the government over a billion dollars a year. In the end it is every Canadian taxpayer, not just those who drink or smoke, who end up paying these costs in the form of higher taxes.

My party strongly believes that the federal government has a spending problem and not a revenue problem. Spending cuts alone will not make the problem of smuggling go away. The only way to truly eliminate the problem is to reduce the profitability to smugglers. By reducing the cost differential between smuggled and retailed cigarettes, ordinary cigarette smokers will have less incentive to seek out and purchase illegal cigarettes and on a larger scale organized crime will no longer be able to profit from it.

Only when the profit is removed will smuggling be reduced. Law enforcement alone, without the removal of the profit margin, would not be enough to solve this major problem. Bill C–11 is the first of many necessary steps toward the elimination of the problem.

• (1600)

It is estimated that over 70 per cent of smuggled cigarettes come through native reserves in Ontario and Quebec. As we know, this has become a major political issue over the past few weeks in the House, in question period and in the country.

The fact is, however, that people of all colours and walks of life are involved in the illegal cigarette trade. Also there has been a smuggling stigma created by a small group of native Indians who are breaking the law that is having a negative effect on the majority of native Indians who obey the law.

As some of my colleagues have said earlier, law enforcement on or off native reserves should be adhered to and should be adhered to quickly.

There have been many concerns expressed by health organizations and individual Canadians who believe that by reducing the

cost of cigarettes more people, especially younger people, children, will begin to smoke. In my opinion by raising the legal age to smoke, eliminating kiddie packs and limiting vending machines to bars the government has taken a step in the right direction toward the reduction of smoking for young people. This fact in combination with increased fines for retailers who sell to minors and fines for minors who are caught smoking will help mitigate the problem.

We must not lose sight of the fact that this bill is primarily targeted at the multibillion dollar smuggling market. Federal and provincial governments tax cigarettes and liquor not just to reduce consumption but to generate extra revenue for other programs. These so–called sin taxes combined with health awareness campaigns will not eliminate in its entirety the use and abuse of these substances.

If we go back to before this act, what were the facts? The facts were that people were smoking and that people were drinking, except that the purchase of cigarettes went into an underground economy. This is an attempt to bring it to the surface. It is up to all Canadians to deal with this problem at home, in schools and in their communities.

If further measures need to be taken by the government then we should vigorously examine all of our options. The bill addresses organized crime, the tobacco companies and respect for the law.

The critics of the bill, including some of my caucus members, have focused on health care costs rising, more young people smoking and the loss of revenues at a time when government can least afford it. There are other means available to deter smokers without relying on taxation only. For instance, we could have variable insurance premiums for smokers and non–smokers, the same with alcohol drinkers and non–alcohol drinkers, the same with automobiles in that the more accidents one has or the more risk one is the higher the premium.

The issue with respect to children is being addressed because to combat the lower price it is prudent and wise of the government to raise the legal age, introduce fines, enforce them on the school yards and restrict the use of vending machines to those venues that must check the age of the customer. Also, as I mentioned earlier, by eliminating mini–packs and labelling cigarettes for export this will restrict the flow of illegal and legal cigarettes to the youth of the country.

Furthermore, the advertising and education programs about the effects of smoking should be recognized as an influencing factor, although not an end in itself. Despite the many lectures of parents to their children, despite the many TV commercials, people still smoke.

We must remember that at the end of the day, try as government might, it really cannot legislate through taxation totally a country's social behaviour. It can only have an influence.

Through this bill organized crime will be neutralized by the removal of profit and greater law enforcement. The two go hand in hand. My colleague, my seatmate, has indicated that law enforcement is the cure and I agree with her. I also believe that we have to lower the price to take the profit out of it.

The tobacco companies are also being addressed and in a way punished for their past behaviour by the introduction of an export tax of 8 per cent.

• (1605)

The increase in their corporate tax rate from 21 per cent to 30 per cent and a 3 per cent surtax on the tax paid portion, which according to the Department of National Revenue will generate $200 million more revenue to the government, are indications that the tobacco companies are not getting away scot–free on this.

In conclusion, law enforcement and respect for the law are very imperative, despite what the hon. member from the Liberal Party said earlier that they are doing it. They are not doing it. We have not seen any evidence of it being done but the RCMP must move swiftly to those known major areas of smuggling activities to eliminate the perception of two sets of laws in Canada.

If this is not done and not done swiftly then all the critics of this bill will prove to be right and the government will be totally embarrassed. I do not smoke but I might go out and have one.

Mr. Julian Reed (Halton—Peel): Mr. Speaker, I listened with interest to that contribution from the hon. member for Calgary Centre.

He has taken quite an enlightened approach to this problem and pointed out a problem that every member has in the House which is that his or her constituents are split on the issue of taxation and the impact of taxation.

It should be reinforced that the only reason tax reduction was introduced was that simply to impose an export tax would only look after about half of the cigarette smuggling problem.

Close to half of the product that has been coming across the border as we all know now is counterfeit. It is manufactured in the United States and it has very nice looking Canadian packages and Canadian labelling. It is very difficult to tell it from the real thing.

That was obviously the reason why that tax reduction was introduced. One thing that we can do is convey to all the citizens of this country through our constituencies that there was a reason for it. It is not intended to knuckle under to the tobacco industry. As a matter of fact it will be reinstated as soon as this problem is brought to an end.

It is also important to put on record that Mr. Clinton in the United States with the introduction of his medicare bill has made it clear that tax will be added to American tobacco. That effort should help us a great deal. It behooves us all to encourage Mr. Clinton to bring that new tax in in the United States sooner rather than later.

This is where the member for Calgary Centre slipped. He had my attention until he said there is no law enforcement. He will find and we all will find very quickly that the law is being enforced and it is being enforced very well. The RCMP is doing its job.

Already we have a news report that in one area particularly smuggling has been reduced to a trickle. The smugglers are beginning to be put out of business. In the next few months we will be standing in this House applauding the RCMP for the very fine work it has been doing.

Mr. Silye: Mr. Speaker, I appreciate the member's opinions and comments. We know where the lines of communication are. The RCMP knows where they are. Why is there not a headline? Why are the people who are doing it not captured?

I disagree that it has enforced the law. For months we have heard the same thing from the Prime Minister. He said that there is no such thing as a no–go zone and that the law will be enforced across the land. We see on television time after time, as a lot of the Bloc members brought up, that it is not being done.

I would like to see the law enforced. I would like to see the police visual. I would like to see the police rather than the politicians capturing the headlines. I would like to see these crooks put in jail. That is what I would like to see but it is not happening.

• (1610)

The Prime Minister said he had a great reluctance to lower the tax, fine. The person who talked him into it was the head of the RCMP. This is what he needed in order to do his job, take the profit out of it and then he will go and capture these guys. Fine, the great RCMP can go and capture them. Let me see them captured. I have not seen it yet.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I can agree about 85 per cent with my colleague from Calgary Centre.

First, I agree with him most emphatically that the law enforcement the government has talked about simply has not happened. I draw a comparison between what would happen in a neighbourhood in most communities in Canada if there were a suspicion for example that there was an illegal marijuana garden in the basement of a house.

I can assure members that from seeing the results of such activities in the papers over many years the RCMP is over that residence like a swarm of bees. I suggest that growing marijuana is breaking the law the same as smuggling cigarettes. I have not seen the RCMP forces over the known areas of smuggling like a swarm of bees like we would see in other communities. I suggest that although law enforcement has been spoken about by the government it has not been happening.

I also agree that a combination of law enforcement and tax changes regarding cigarettes is necessary to solve this problem. However I suggest a different formula.

I suggest that rather than reducing the taxes on cigarettes in Canada we should have doubled the export tax that we presently have to $16 a carton. With the extra $8 a carton we could use that money to pay for increased law enforcement to cut down on the smuggling. We could cover the areas where the smuggling is taking place with a larger and more effective police force, one that was being paid for by the export tax that should have been added to the cigarettes.

Mr. Silye: Mr. Speaker, the member did not agree with me 100 per cent so I cannot have him as a seatmate.

Mr. Rompkey: Eighty per cent is not bad.

Mr. Silye: On his second point, as a constructive alternative I do not really disagree with that suggestion. However it is not within our power to makes those kinds of rules. I can say that by admitting that he has agreed to 85 per cent of what I said, we will have another Reformer voting for the bill.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I do not know if I should put my hon. colleague on the hot seat, but I would like to run this past him and see how he would respond.

There are many honest citizens in this country who object to taxes but who do not break the law in order to make their point. Here we have a government that has responded to illegal activity and reduced taxes. There are many farmers who have supported the Reform Party who really want tax reduction. Why does the government not respond to them with the same urgency with which it responded to a certain element in society?

I wonder what my hon. colleague would say if I said there are many honest citizens in the country who really want tax reduction but do not break the law in order to do that. How can we reconcile what we have done here? If we support tax reduction for this reason why do we not have that same urgency in supporting it for the many honest people?

Mr. Silye: Mr. Speaker, that is a very difficult, tough question. I guess a way that I would try to answer that is that the number of smugglers is low. The people who are cheating the system and who are developing this market are few, whether native Indians, white Anglo–Saxons, Chinese or American. We are not focusing on capturing the criminals. Where they sell the smuggled cigarettes is into a marketplace that a lot of Canadians have been willing to go because of the overspending of government after government after government, Liberals, Conservatives and now back again to Liberals. Instead of people going to

the store and paying somebody $48 a carton they will buy it if somebody shows up at $22.

• (1615)

To solve that problem, take the profit out of it and we have it cured. If there is a health problem, there are ways that we can solve the health problem. If alcohol becomes a problem, we can solve that problem. It is not the honest farmers who are causing the problem. It is the few and minor elements of society that are making the many in society look bad and they are holding up the many in society to ransom.

I hope I have answered the question somewhat.

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I applaud the hon. member for Calgary Centre and congratulate him on his excellent speech. It was certainly very intelligent and totally comprehensive of the entire package that has been brought forward in this bill.

I would like to indicate to the member that he has convinced me as to how I should vote on this bill. In terms of his colleagues, I appreciate the point that he has brought out, that we cannot legislate social attitudes and social behaviour. We can do everything in our power in this House to look at each issue comprehensively and try to find the best solution that serves the majority of people who are law–abiding citizens.

I congratulate the member on the broadness and intelligence of his approach. I hope that he can take this to his colleagues and convince them of the merits of the bill.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, the hon. member in his remarks seemed to equate law enforcement with the arrest and conviction of criminal smugglers.

I want to ask him whether he thinks it is a more effective type of enforcement where the measures taken deter or prevent the smuggling from occurring in the first place. It seems to me that is the type of enforcement that we have encouraged with the broad range of measures which he seems to support. In other words, through increased resources to the RCMP and to customs agents, increased by lowering the price of the cigarettes, by a wide range of measures that is in the program, we are deterring continued smuggling at the level that it was at.

I want to ask the member if that is not a better type of enforcement than having the crime take place and then attempting to arrest the person after the fact?

Mr. Silye: Mr. Speaker, I appreciate the hon. member's question. That philosophy and that argument is what is forcing a lot of my colleagues to argue that the government was afraid to enforce the law. The law was there. We knew where the smuggling was taking place and nothing was being done about it. Nobody was going there and arresting those people. They were staying away from those areas.

The member's philosophy now is or he is suggesting that by eliminating the profit out of smuggling that the smuggling will not occur and therefore the arrest will not have to happen.

An hon. member: Plus increase police resources.

Mr. Silye: Plus increase the police resources and enforce it. That is a fine argument, but we have not captured the people who were responsible for the smuggling in the first place. They will just find something else to smuggle now. If they knew who was doing it, why did they not arrest them prior to the price reduction?

Like the complete four point package, it is a package. I think it is a way to solve this problem. To shy away from enforcing the law—and the Minister of Justice is listening to us intently here—is backing away and shirking your responsibilities. I am not saying that the minister has shirked his responsibilities, but somehow, and I am just repeating what has been said to me by a lot of people, there is a perception that there are two sets of laws, one for native Indians and one for on reserve and off reserve natives. The RCMP has been reluctant—I am not saying it was ordered not to—to enforce the law where the law was being broken.

• (1620)

This is a package to eliminate all that. With respect to the members of my party who spoke out in terms of law enforcement, this is the area where the government's action has been weak; the argument about if the speed limit is being broken, then raise the speed limit and the law is not being broken any more. Let us enforce the law.

Some hon. members: Hear, hear.

Mr. Silye: My side woke up, finally.

I think it is imperative that the government not shy away from its law enforcement duties even though it changed the law so that the law will not be broken.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, as in past weeks we have learned a lot today about the smuggling issue and we will continue to discuss the matter, but discussion is not enough. To the government members of the House the bottom line remains that we have a responsibility to take action now against what has become a national epidemic of problems created by smuggling. That is why I am speaking today in support of Bill C–11.

As the hon. Minister of National Revenue pointed out earlier today, smuggling has grown into a national problem requiring a national solution. No longer is the smuggling phenomenon restricted to specific regions of the country. It has been evidenced today by many members in the House that it is wide-

spread across Canada. It has spread to all parts of Canada and it affects all Canadians.

History has shown us that if left unchecked, the problem can only get worse. History has also shown us that empty threats and promises are not effective against this phenomenon. It is time for action now.

As well, we have learned over the past few months that the costs of smuggling are staggering. Tobacco smuggling alone has cost the federal government over a billion dollars in lost revenue. The provincial governments have also lost a billion dollars to tobacco smuggling.

This is revenue that was to be used for programs such as health, social services and employment, revenue that has been taken away from government thus reducing its ability to help Canadians who need it the most, revenue that has been placed into the hands of criminals and organized crime to finance their elicit activities.

These activities are not restricted to contraband tobacco products but also drugs, alcohol and weapons. Smuggling has also cost the legitimate business operators in Canada who cannot compete with the tobacco contraband market. These businesses are losing more sales and in more areas of the country as contraband sales steadily increase.

The costs are not all monetary. Smuggling is no longer just an issue of tax avoidance by smokers. It has resulted in cheap tobacco products being easily accessible to young Canadians. I want all Canadians to know that the smuggling networks have penetrated our school yards. They are offering cheap tobacco products to young people. These same networks that used to sell drugs and other contraband are used to sell drugs and other contraband products to our youth.

Past government inaction and intolerance of tobacco smuggling has resulted in a disregard for Canadian laws, disregard not only from criminals but from Canadians who would otherwise be law abiding citizens.

Bill C–11 is an integral part of this government's four point anti–smuggling and anti–smoking initiative. The proposed amendments that Bill C–11 will make to the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act are evidence of this government's resolve to act to restore respect for our laws and to protect young Canadians.

I would like to describe again for those members present in the House the basic elements of the bill.

• (1625)

The first amendment would allow the government to designate provincial and municipal police forces as appropriate with authority to enforce provisions of the Excise Act, expanding the police resources to combat smuggling.

This will assist in cutting off the flow and distribution of contraband products into the marketplace. These are the same cheap products that are reaching our young Canadians and the same cheap products that undermine anti–smoking initiatives and drain revenues from legitimate public programs.

The second amendment, both to the Excise Act and Customs Act, would allow for the immediate disposal of certain seized products without hindering the successful prosecutions of the criminals involved. This measure will save taxpayers significant costs each year by reducing the cost of storage of these goods and the resources needed to protect and monitor them.

The third amendment to the Excise Act will require that each individual cigarette that is to be sold in Canada be stamped to indicate that the federal taxes have been paid. This amendment will greatly assist enforcement agencies in identifying contraband cigarettes. In addition law–abiding citizens will be able to easily identify someone smoking contraband cigarettes. We will be able to know if anyone in the room or our neighbour has bought legal cigarettes.

The last two proposed amendments to Bill C–11 are to the Tobacco Sales to Young Persons Act. The first of the two amendments would prohibit the manufacture and the sale of so–called kiddie packs of tobacco products in Canada. These kiddie packs contain fewer than 20 cigarettes per package and are targeted specifically to the young people of Canada.

The second of the two amendments will prohibit the importation of tobacco products into Canada by anyone under the age of 18. This will provide Canada Customs with the authority to prevent young persons from importing tobacco that they could otherwise not legally purchase in Canada.

As the hon. minister has outlined for everyone today, action has to be taken to address the smuggling problem in this country. Bill C–11 specifically supports two key elements of the government's anti–smuggling initiative, enforcement and the health and safety of young Canadians.

The proposed amendments to the Excise Act and Customs Act will provide additional tools to police forces to help them crack down on all facets of the smuggling trade. The proposed amendments to the Tobacco Sales to Young Persons Act will support the protection of the health and safety of young Canadians.

This bill is an essential element of the government's overall strategy. We certainly do not pretend that these proposed amendments offer a complete solution to the problem. Rather, they support the broader anti–smuggling initiatives that this government has undertaken. Without these amendments the government's efforts to combat smuggling would be significantly undermined.

The time to take action is now. As we can see from the debate today, this is a very controversial topic. But as we can also see from the debate today, there are many members on the opposite side of the House who would agree with this government's action. This action by the government reflects the responsibility of all parties that have interest in this debate.

This government can no longer afford to allow the momentum of this phenomenon to continue to accelerate. It is for this reason that we ask all members to support the passage of Bill C–11.

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, I notice that the hon. member mentioned smuggling of alcohol. The price of a bottle of spirits in Canada is about $20 as opposed to about $10 in the United States. Eighty–seven per cent of the price of a bottle of spirits in Canada is made up of taxes. An estimated four million cases of 12 bottles are smuggled into Canada every year from the U.S. and about 13 million cases are sold legally in Canada.

Provincial governments and the federal government are losing billions of dollars in revenue as a result of this smuggling. I am wondering when the government is going to come up with a plan to reduce the taxes on alcohol because there is exactly the same scenario here. These cases are parallel in my mind.

I would like to ask the hon. member when she would recommend that taxes on alcohol be reduced.

• (1630)

Ms. Whelan: Mr. Speaker, this government's action plan has addressed the issue of smuggling. We have addressed and acknowledged that smuggling is not limited to tobacco. This plan is set out with that focus in mind: to address all aspects of tobacco, alcohol, guns, whatever. We are increasing enforcement by 25 per cent. The bill allows certain sections of enforcement to be expanded and given to designated police forces to assist in combating smuggling, not just of tobacco but of alcohol and other items as well.

[*Translation*]

Mr. René Laurin (Joliette): Mr. Speaker, I am very pleased to note that most of the comments and arguments in support of this bill are, as everyone will concede, quite logical. Sadly, these arguments should have been made one, maybe even two, years ago when the Government of Quebec requested Ottawa's help in halting the spread of contraband activities and in eradicating this problem.

We were experiencing similar problems with our young people. They were dropping out of schools and joining smuggling rings. However, the problem was not viewed as too serious because it was occurring primarily in Quebec. Now that Quebec, through the presence of 54 Bloc Quebecois members in Ottawa, has forced the government's hand, forced it to take action and support Quebec's position, others are starting to get worried. It is as if suddenly, it is morally right to abolish a law which had become punitive.

People no longer obeyed the law, not because they had become thieves, but because they were no longer able to obey it, Mr. Speaker. That is what we are trying to denounce today.

Steps should have been taken two years ago so that these situations could have been avoided altogether. In some cases, it is perhaps too late. Our young people have been drawn into these smuggling networks. Perhaps the future of these 15 or 16 year olds who make $1,000 a week through their involvement with smuggling has been ruined forever.

The government should have admitted at the time that the problem existed, not just or primarily in Quebec, and that it represented a real danger for the rest of Canada. It should have intervened.

If the government takes action that is too harsh, such as imposing ill–considered fines, it runs the risk that these fines will be paid under the table. If people start bribing officials, our jails will never be big enough and we will have another problem on our hands. That is what always happens. I hope that the government has learned its lesson and that in its budget speech this evening, it will not announce further ill–considered taxes which will push citizens to the breaking point.

The Deputy Speaker: Does the parliamentary secretary wish to comment?

[*English*]

Ms. Whelan: Mr. Speaker, I could not agree with the hon. member more that if two years ago the government had taken action we would not find ourselves in the situation we are today.

Unfortunately the government two years ago did not take action. There are members on this side of the House who have pressed this issue for the past five and six years. Unfortunately the past government did not take action. However that is what we are doing with our anti–smuggling and action plan. We are taking action.

I would also like to inform the hon. member, in case he is not aware, that this government was aware of the problem as an opposition party. We took hold of the problem when we became the government. We began addressing the problem immediately after the October 25 election.

If the hon. member would refer to newspaper articles he would see that before the House was recalled in January we had already begun discussions. We are dealing with the problem.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, let me congratulate the member for Essex—Windsor on a very thoughtful presentation.

The speaker previous to her started a debate that got picked up by the member for Notre–Dame–de–Grâce. It relates to enforcement. There are two ways of doing that. Looking at policing nowadays, there is proactive policing which is being promoted by all police forces versus reactive policing. The concept of proactive policing is that we try to prevent crimes from taking place versus reacting to a crime and trying to catch the criminals after the fact.

• (1635)

Has the member thought about the distinction between the two and which she might find more preferable?

Ms. Whelan: Mr. Speaker, this government has addressed the criminal aspect and how we can prevent it from happening.

As mentioned earlier, clause 3 of this bill allows for enhanced enforcement of other police officers and other police forces designated by the government. That will assist us in preventing future smuggling and will stop it before it accelerates any further.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, I see from the list I have been asked to speak on justice enforcement. I am pleased to do that because I believe justice is one word which is rapidly disappearing from Canadian society.

Justice to me has always meant that the wrongdoer is caught, brought to accountability, prosecuted and when found guilty is punished. And the punishment is supposed to meet the crime. Seeing what is going on today with Bill C–11, we have really shown these smugglers a thing or two. We have lowered the taxes and has that not taught you a lesson, Mr. Smuggler? Boy, you ought to be ashamed of yourself. I bet that frightens you.

I cannot for a moment believe we think this is justice. We have a country full of smugglers who are happy to carry on with smuggling cigarettes east and west as much as they can but will probably move into other areas, maybe alcohol. They may have to go to illegal drugs. Probably a lot of pornographic material could be worked on. Smuggling has become a thriving industry. But there is a tough government and if smugglers are caught it will compromise.

We have become a country of compromisers. No longer do we punish for wrongdoing. We need only to look at first degree murderers. We have compromised to the point where a first degree murderer can be back on the street in 15 years. Through legislation we have compromised to that.

We have compromised so successfully that in my riding when I tour around I see bars on the windows of the houses and stores. We do not need bars on jails any more; we need them on the doors of our homes and businesses so we can lock law abiding citizens in while the crooks run around on the streets.

I really am concerned. What is wrong with the idea of justice?

We have a new bill, Bill C–11. This bill was brought about because the government could not or was not willing to enforce the current laws. We have laws against smuggling and now we have a new bill. I am not sure whether this is a way of finding work for certain bureaucrats. It will keep them busy producing more paper for us to look at.

We certainly did not need a new law to enforce smuggling. What we need is action from a government that has the political will to say it is time to stop compromising with the criminal element in the country and that justice will prevail regardless of race, colour, creed or who one is. Criminals in the country must pay the consequences.

• (1640)

The Prime Minister admitted that 70 per cent of the cigarette smuggling problem occurred in limited areas in Quebec and Ontario. If that was known, why did the government not do something about the law breaking under the existing law? "Oh, but we did. We lowered the taxes". I keep hearing that. "We have stopped the smuggling cold. No, we did not want to go in there with guns blazing. We cannot do that. We have to take these other kinds of compromising positions". It is going on and on and has been going on for many a year.

The Prime Minister filled the House with sounds of fury the other day, blustering about getting tough with smugglers. I am waiting to see that happen. One moment the government concedes that smuggling occurs in limited areas in Ontario and Quebec. The next moment it is telling Canadians that smuggling is Canada wide. I do not doubt that for a moment.

When are we going to address the fact that there are law breakers out there? Instead of sitting back in our closets trying to dream up some scheme that will cause them to quit, why not bring punishment forward? Justice is one thing the country has been proud of in the past and should be proud of in the future.

I really became discouraged when I heard a member a while ago saying that enforcement was going to take place. Then he talked about the young person who would have a pack of cigarettes in his possession. Boy, we are really going to get that young person if we catch him with cigarettes.

The other day we talked about a bill and how severe it was going to be if a person was caught using an illegal drug. I did not hear anything about what we were going to do to the suppliers, not a great number of people, who put those things in the hands of our youth. We never hear that.

We hear stories about car bombings that are supposed to be the result of some organized crime associated with smuggling. Yet a Canadian journalist cannot find this car bombing, if it took place. I did not read anything in media reports about a car being bombed because there was some kind of battle going on over

smuggling territory. I did not read anything about it, but apparently that is what happened. Why are these things so hush, hush?

The Prime Minister states there are no no–go zones. Yet a journalist reports of an RCMP officer having shots fired at him while observing smuggling. I did not see any report anywhere where the police had entered, searched or confiscated the weapons used to fire upon that police officer. Is it not the law that you do not fire upon police officers when they are trying to do their duty? If so, why was that law not enforced?

The Prime Minister has stated that the warriors on the Mohawk reserve have paramilitary weapons. Mr. Speaker, you had better not have any paramilitary weapons up there in Edmonton because they are going to come after you. Why is this just being ignored?

I inquired and discovered that aboriginal Canadians on reserves are bound by the same laws as all Canadians. When are we going to treat it that way? I did not hear that police had confiscated any restricted weapons that were documented as being used upon members of the RCMP.

I have problems believing that any new law preventing smuggling is going to be any better than the old law. Until we get the political will in this House, until we get to the point where we say justice must prevail, we have got to stop compromising with criminals and start enforcing the law and making justice happen. It has to meet the crime.

• (1645)

Stopping the so–called kiddie packs is the one thing that is excellent about this bill. The only problem is that we will not have to worry about the kiddie packs any more because now they can afford the 25 packs. Nothing was solved but it was a good gesture just the same.

I really do not understand why we could not put a high import tax on all Canadian manufactured tobacco products. If we would have done that, the price differential between domestic and smuggled cigarettes would have been so small that would have stopped it. However, that still does not for one moment indicate to me that is the answer. The smugglers can now carry on and find something else to smuggle. They have now been punished because we have made it impossible for them to smuggle cigarettes.

I have looked at the whole issue. I am prepared to support Bill C–11 if it will cause the government to go out there and uphold the law and treat all laws with equality. Good for them, if that is what it takes. However, I do not see where it is going to make a lot of difference if it continues to have the same lack of will to go out into our communities and tell the law–abiding citizens that for once it is going to look after their needs and their best interests because the bad guys are the ones who need to get caught and punished. When are we going to start doing it? The sooner the better.

I can recall not too many years ago when I saw people sell booze to minors. Those people were arrested and put into jail for 30, 40 or 60 days. It was at a point when people would say: "We'd best not do it because we can get into trouble". There is no fear of the law. I use fear in terms of respect. There is no respect and it is bodies like this that cause that lack of respect. Put the respect back into the law by giving the police and those who are asked to enforce it the power that is necessary to support them and concentrate on the victims.

I will support Bill C–11 simply because if that is what it takes for the government to do something then I will support it. Law enforcement and justice must prevail. I have not seen where it is going to do it. I am waiting for the big day.

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, it appears that the gist of what the hon. member for Wild Rose has been saying is that reduced taxation results in too much disposable income in the hands of certain people and those people then go and buy cigarettes and alcohol.

I wonder if it is the policy of the Reform Party that taxation should not be reduced in any area because it will leave too much disposable income in people's hands.

Mr. Thompson: Mr. Speaker, I see they listen as well now as they do during Question Period. I never mentioned for one moment that reducing taxes was going to cause any problems.

What I am saying is that reducing taxes is not what I call justice for the criminal element. We are going to reduce taxes and, boy, that will teach those guys a lesson. That is what is hogwash.

Ms. Roseanne Skoke (Central Nova): Mr. Speaker, the hon. member has been concentrating on law enforcement and talking about the criminal element. I would like to take this opportunity to make a comment and to remind the member that there is a distinction between civil legislation and criminal legislation and the enforcement of criminal provisions versus the enforcement of civil provisions. This proposed bill does not lessen or detract from the criminal law, nor does it detract from the enforcement provisions of the Criminal Code of Canada. It introduces a new authority to enforce the civil provisions of the Customs Act, the civil provisions of the Excise Act and the civil provisions of the Tobacco Sales to Young Persons Act.

• (1650)

No authority currently exists under the Excise Act to allow police forces other than the RCMP to enforce civil provisions of the act. What we are talking about today is the enforcement of civil provisions of these acts.

Mr. Thompson: Mr. Speaker, I am sorry but I was distracted a little bit. I did not get all of the comment. As far as enforcement of the civil aspect, yes, we want that.

I am talking about the criminals, the smugglers. That is criminal. That comes under the Criminal Code if I am not mistaken. If you get caught for smuggling you should pay the penalty. I have not seen that happen and it is high time it did.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, I listened to the hon. member and in his speech he repeated several times that justice should prevail. Of course we all agree that justice should prevail, but I notice that the hon. member's definition of justice is to be as tough as we can on the criminal and then everything will be just fine and dandy.

Some hon. members: Hear, hear.

Mr. Allmand: They all agree. It is my interpretation that the purpose of the criminal justice system is to prevent crime from taking place, to protect the public from crime.

In the southern United States they do just what the Reform Party is suggesting, be tough and throw away the key. They have the highest rates of violent crime in the civilized world. That is what the hon. member is suggesting, be tough, but forget about protecting the public from the crime that takes place in the first place.

What you have got to do if you are interested—

The Deputy Speaker: Order, please. The hon. member for Wild Rose.

Mr. Thompson: Mr. Speaker, if this member thinks for a moment that all we have to do is go out there and say: "You're not going to be able to do this any more, you lawbreakers, because we are going to lower the taxes", and they are not going to get engaged in some activity, then I do not know what he has been thinking about.

It has always been in this country, as long as I can remember since I have been here, that if one breaks the law one will pay the price and the price of that lawbreaking must fit the crime. Letting the criminal go on the streets is not doing that.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I do not want to presume to mediate between the government and the Reform Party on this but the point that is trying to be made by the hon. member is that what the government has done has in some way subverted the rule of law by changing the tax structure in order to deal with a problem which is essentially criminal in nature and that is smuggling.

If we believe in the rule of law, it is not a question of how hard we are on criminals, it is a question of whether we are hard on them at all. In fact what we have done here is simply changed the law in order to accommodate a circumstance that could have been dealt with in other ways.

That is the point I certainly want to make and have the member comment on. There are times when people break the law and we change it because it reflects changing values and changing circumstances, but I am not aware of changing values and changing circumstances that say smuggling is all right and we should therefore not try to deal with that simply by changing taxes.

There is the fundamental question here that the government has avoided. I can understand some of the reasons why it did what it did, but it is fair to say that the rule of law has been subverted by what the government has done. The government has chosen not to enforce law. It has chosen rather to change it.

Mr. Thompson: Mr. Speaker, I believe that is what I tried to say in my speech, but I do not want to leave out one factor. I will repeat it once again. Lowering taxes, as the hon. member was saying, as a method of stopping smuggling and then saying smuggling is okay is the thing I oppose. Smuggling is not okay. Smugglers must be caught, stopped and punished if we are going to put an end to it. They are going to find other things to smuggle and it will continue. You can mark my words.

Mr. Paul Szabo (Mississauga South): Mr. Speaker, it gives me pleasure to rise on this matter because again we continue to stray away from the fundamental thrust of the government's proposal and that is to break the back of smuggling now, not to deal with it after it has happened.

That is one of the reasons why the government introduced the excise tax reduction, the export tax addition and the surtax on manufacturers. It was to ensure that the combination of those actions would eliminate the profit incentive to the smugglers and break the back of smuggling.

The member has missed the point entirely and so has the entire Reform Party. I am absolutely astounded that after four or five hours' debate it continues to have such a narrow view of the world.

Mr. Thompson: Mr. Speaker, I do not believe we did miss the point of the debate, not for one little bit.

What the government is missing is that you do not compromise with criminals and say that they are free to go and do their thing again. Punishment has to come into play. I am calling for justice along with all the other moves that the government is making. That is only normal.

The Budget

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I have a question for the member for Wild Rose. I wonder if he studied sociology or the systems of the Soviet Union, Texas and South Africa in terms of law enforcement.

The Speaker: Does the hon. member for Wild Rose wish to respond?

Mr. Thompson: Mr. Speaker, I am not sure I got all that. It is a little noisy. I am sorry.

SUSPENSION OF SITTING

The Speaker: I wonder, my colleagues, if we could simply suspend for the last three or four minutes. May I have unanimous consent?

Some hon. members: Agreed.

(The sitting of the House was suspended at 4.57 p.m.)

SITTING RESUMED

The House resumed at 5 p.m.

The Speaker: Order. It being 5 p.m., pursuant to Standing Order 83(2), it is my duty to interrupt and adjourn the proceedings now before the House.

[*Translation*]

The House will now proceed to consideration of ways and means Motion No. 6 concerning the budget presentation.

* * *

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec) moved:

That this House approve in general the budgetary policy of the government.

He said: Mr. Speaker, Mr. Prime Minister, members of this House, I certainly hope you stand up at the end of this speech.

I must say this is the fifth time that I have risen in this House to speak on a budget. It is the first time there has been anybody in the House when I spoke.

I am rising to table the budget documents, including notices of ways and means motions. Details of the measures are included in the documents.

Pursuant to an order of this House I will introduce a bill seeking borrowing authority for the 1994–95 fiscal year. I am asking that an order of the day be designated for consideration of these motions.

• (1705)

This budget follows an unprecedented degree of consultation with Canadians. We have gained a great deal from this process, but one thing stands out above all others. Canadians seek fundamental change. They want their government to have a game plan and pursue it, a strategy for jobs and for growth.

[*Translation*]

Canadians know the kind of Canada they want.

Our goal is a Canada where every Canadian able to work can find a meaningful job.

A Canada where government facilitates change rather than blocking it.

A Canada where our public finances are in order, not ruin.

[*English*]

The days of government simply nibbling at the edges are over. The practice of endless process without product is gone. Our task is to put an end to drift. We need a new architecture for government and for the economy. That will not happen by leaning on nostalgia.

This budget sets in motion the most comprehensive reform of government policy in decades. We are putting in place an agenda for innovation in the new economy. We are responding to the needs of small business. We are launching a strategy through which government knows both when it can lend a helping hand and, as important, when it should stand aside.

We are undertaking a major effort to build a responsible social security system that is fair, compassionate and affordable, and that means making fundamental changes to our unemployment insurance system. It means overhauling the structure of federal–provincial transfers for social programs. It means doing so in a co–operative way with predictability built in, setting aside the old tactics of stealth and surprise.

The cold war is over. This budget sets out immediate actions attuned to the 1990s, actions that will be followed by a comprehensive review of Canada's defence policy.

[*Translation*]

To succeed we must get monetary and fiscal policy right. We have done the first. We are a low inflation country. We will stay that way.

[*English*]

We are and we will remain a low inflation country.

It is now time for government to get its fiscal house in order. For years governments have been promising more than they can deliver and delivering more than they can afford. That has to end and we are ending it.

The actions taken in this budget will reduce the deficit from $45.7 billion this year to $39.7 billion in 1994–95 and $32.7 billion the year after.

This is a two–stage budget. Therefore, detailed fiscal projections are presented to 1995–96 only. However, in terms of deficit reduction we are not waiting for the second stage. The

decisions taken today by themselves set us on a clear path to achieving the government's deficit target of 3 per cent of GDP in three years.

We will achieve this by using reasonable economic assumptions, not rosy forecasts. We believe that it is more important to meet a target than to declare an illusion and then fall short.

Canadians have told us that they want the deficit brought down by reducing government spending, not by raising taxes, and we agree. The era of tax and spend government is gone.

• (1710)

Over the course of the next three years, for every $1 raised in new revenues, we are cutting $5 in government expenditures.

[*Translation*]

But success does not lie in government shutting down and sitting on the sidelines. Success lies in careful and creative engagement in the economy. It is not the principle of industrial strategy that is wrong. It has been the practice.

[*English*]

This is a budget about jobs, jobs for today and jobs for tomorrow. It is about implementing a strategy and taking immediate action. This is a two–stage process, not a 20–stage process. There are due dates, there are deadlines and there are firm fiscal targets to guide our reform.

We believe that there are three central challenges to be met. The first is to build a framework for economic renewal. The second is to construct responsible social programs. The third is to restore fiscal sanity to government so that it can devote its full energy to helping Canadian workers and Canadian families adjust to a world of change.

Let me begin with the first challenge, jobs, training, innovation. We are keeping our word. The infrastructure program is in place. It accomplishes what has been proposed before but rarely done, getting Canada's three levels of government working together for jobs.

We have restored full funding for literacy programs. To support apprenticeship training, the department of human resources is creating a youth internship program with the provinces and the private sector. Finally, the Youth Service Corps is being launched at up to 20 sites to give young Canadians meaningful work experience.

The question, then, is once trained, where are these young people going to find employment? The answer for most is in small and medium size business. They are today's vital vehicle for jobs. What does small business need? I will tell you one thing, Mr. Speaker, it is not another massive government program. Small business needs lower taxes, it needs access to capital, it needs fewer regulations and less red tape.

Payroll taxes are a barrier to jobs. They are a disincentive to go out and hire. In 1995, without action legislation it would require that unemployment insurance premiums shoot up to $3.30 from their current rate of $3.07. We will not let that happen.

More important, after discussion with the Prime Minister and the Minister of Human Resources Development, the government has decided to roll back the 1995 UI premium from $3.07 to $3.00. This will save industry almost $300 million a year, money to be reinvested in new jobs.

Furthermore, as reform of the social security system kicks in and further significant savings are realized, more reductions in the UI premium rate will be possible and we as a government will see to their implementation.

Small business must have access to adequate capital. New practices, new attitudes on the part of the lending community are essential. To that end, a joint industry–finance task force has been set up to work with the banks and with small business to address these issues. Their first task is to develop a code of conduct for small business lending. That code will ensure that the criteria for loan approvals are transparent and provide small business for the first time with an instrument to exercise complaints when loans are turned down.

• (1715)

In addition, the Minister for International Trade and I will soon be convening a meeting of the heads of the Canadian banks and the Export Development Corporation to seek an enhanced means of furthering the capacity of small business to export.

[*Translation*]

This government is taking other steps to help small business grow.

We will intensify and accelerate the effort to reform and remove regulations that create confusion and cost. We are putting in place a task force to provide, on a fast–track basis, a better regulatory regime that will improve the competitiveness of business.

We have accelerated the process for GST reform.

One–stop shopping for government services will be expanded, so that there will be a Canada Business Services Centre in every province of Canada by next year.

[*English*]

This summer we will issue a declaration of quality service delivery standards for all government departments.

Funding will be provided for a business networks strategy to help small firms achieve together what they cannot achieve in isolation.

The Minister of Transport will implement needed improvements to the service freight transportation system with his provincial colleagues and stakeholders.

Finally, the residential rehabilitation assistance program, a major contributor to the home renovation industry, is being reinstituted. Furthermore, in consultation with the Minister of Pubic Works and Government Services, we are replacing the existing temporary home buyers' plan with a permanent program that will allow first time buyers to use RRSP funds to purchase a home.

These things are now underway. There remains much more to do. Therefore today with this budget the Minister of Industry and I, the government, are issuing a document that will serve as the basis of an intensive dialogue with small business to determine how we build from here. The 1995 budget will incorporate the results of these discussions.

Innovation and ideas are essential for jobs today and in the future. They are our country's new natural resources. The federal government spends some $6 billion a year on science and technology. Yet there is a major research and development shortfall in Canada. Public and private sector performance must be improved. We need to do better at getting ideas to market.

Therefore, after years of rhetoric and promises, the federal government will put in place a true strategy for R and D, one with real priorities, real direction and a real review of results.

We will develop a new long term space plan over the course of the next 10 years, $800 million, that is both affordable and which offers the best possibility of commercialization and the creation of jobs. We will concentrate on areas of Canadian advantage, such as satellite technology.

As part of the exercise, however, of putting in place new priorities and because of very tight fiscal circumstances, unfortunately we have had to make two decisions relating to current R and D programs.

First, we are withdrawing federal support for the KAON particle accelerator project.

Second, we have decided to negotiate an orderly reduction in current commitments to the international space station program.

• (1720)

In today's circumstances we must focus our R and D spending on areas where Canada has an advantage, areas where jobs can be created and where a clear market exists.

[*Translation*]

To create jobs and to help small business get access to cutting edge technology, we will create a technology partnership program with universities and government labs, a Canada investment fund to provide needed capital and an engineers and scientists program.

The councils and agencies that fund university research are being excluded from spending reductions contained in this budget.

Funding for the National Research Council will be increased in 1994–95 after years of cuts.

[*English*]

In the weeks ahead, the Minister of Industry will be putting forward two papers; the first on the information highway, the second on the government's priorities in terms of science and technology. These papers will set the stage for an intense national dialogue on the challenge that is required to take existing resources and redirect them toward the creation of a national system of innovation.

[*Translation*]

We believe that respect for the environment and economic renewal go hand in hand.

In order to assist the establishment of mine reclamation funds, we are proposing changes to permit mining companies to deduct their contributions to these funds.

We are also improving the tax treatment of certain types of energy conservation equipment and we are providing enhanced incentives for newer, clean technologies.

[*English*]

This government is committed to sustainable development. Later this year the Ministers of Environment and Industry will put forward a strategy to encourage the growth of the environmental technology and services industry.

Furthermore, we are establishing a task force involving government, industry and the environmental NGOs to identify barriers and disincentives to sound environmental practices and to find effective ways in which to use economic instruments to protect the environment. And this is but the beginning.

As a country, we must never put aside our compassion and our obligation to help those who are in need. Our social programs must be made more responsible so that they build bridges to work, to independence, not dependence.

[*Translation*]

In the red book we proposed a prenatal nutrition program; an Aboriginal Head Start program; a centre of excellence for women's health; the restoration of the court challenges program and the Law Reform Commission and proclamation of the

Canadian Race Relations Foundation. This budget, Mr. Speaker, keeps our word.

Charities play an essential role in Canadian society. To encourage charitable donations, we are lowering the threshold for the 29 per cent credit rate from $250 to $200. We acknowledge this is a modest step, but we believe it goes in the right direction.

[*English*]

As part of the strategic initiatives on social reform, the Minister of Human Resources Development will undertake a demonstration project in partnership with the Government of Prince Edward Island and the Canadian Association for Community Living. This pilot project will seek to achieve enhanced opportunities for persons who have an intellectual disability.

It is often women who bear the brunt of social stress and economic dislocation. This budget begins to address existing disparities by ensuring that low income earners with dependants, most of whom are single mothers, are more fairly treated by the changes to the unemployment insurance program.

• (1725)

Furthermore, the issue was raised of disparities that are perceived to exist in the tax treatment of child support payments as well as the issue of their levels and enforcement. A federal–provincial family law committee is examining that issue and will report this summer. We will respond immediately to its recommendations.

In the months ahead, we will be releasing a paper that looks at what an aging society will need in terms of services and what changes are required to the public pension system to ensure that it is affordable. That paper will also look at the question of changes to the tax treatment currently in place for private saving for retirement.

This will include the issue of pension plans and RRSPs and the use to which the funds invested are directed.

[*Translation*]

The Prime Minister will chair a National Forum on Health to foster a dialogue on the renewal of Canada's health system.

The Minister of Health will work closely with her provincial colleagues. No further changes in respect fo EPF health transfers are contained in this budget, in order to set the stage for that discussion. Our commitment to maintain the principles of the Canada Health Act remains firm and unaltered.

[*English*]

The government has announced its intention to renew and revitalize Canada's social security system within two years. A number of pilot projects will help pave the way.

[*Translation*]

This budget provides $800 million so that innovative approaches can be tried in co–operation with the provinces and territories.

[*English*]

Good public policy requires predictability and planning. Beyond May of this year the previous government did not provide for any funding to assist those whose livelihood depended on the Atlantic groundfish industry.

This budget provides a five–year program costing $1.7 billion in new funding and $200 million in reallocated funding for a total of $1.9 million for long–term adjustment. As part of that effort, the Minister of Fisheries and Oceans will with others develop innovative approaches for creating long–lasting jobs. The result of this effort will make an important contribution to the reform of the overall social security system in this country.

Today as a government, as has already been indicated by the Minister of Human Resources Development, we are advancing social security reform by taking specific actions relating to unemployment insurance and the federal transfers to the provinces that support social security.

Earlier we announced a major rollback in unemployment insurance premium rates. This will require immediate steps to begin UI reform. These changes will reduce expenditures on UI by $725 million in 1994–95 and $2.4 billion per year thereafter. The maximum duration of UI claims will be reduced for new claimants with weak attachment to the labour force.

The minimum entrance requirement will be increased from 10 weeks to 12. The benefit rate will be reduced to 55 per cent except for individuals with modest incomes who support children, an aged parent or other dependants. For them the benefit rate will be increased to 60 per cent.

Furthermore, to improve fairness there will be amendments to the provisions governing workers who quit their jobs voluntarily or who were fired for misconduct.

Let it be clear. The focus of our changes to UI is unequivocal. Our goal is greater fairness, a system that reaches out to the most vulnerable in our society, one that is progressive and one that helps get Canadians back to work.

• (1730)

[*Translation*]

It is essential that social security reform leads to programs that are more affordable and work better for Canadians. To let

us get on with the job of reform, all of us need to know what the limits on financial resources are.

[*English*]

For the federal government, transfers from the Canada assistance plan and the post–secondary education component of EPF must be no higher after reform than they are now. This will save the federal government at least $1.5 billion in 1996–97 over and above the savings from UI reform.

Our targets are firm. If reform fails to achieve at least these savings, then other measures will be taken to achieve them.

We also intend to restore greater fairness in federal support for the whole transfer assistance system throughout Canada.

[*Translation*]

We want this reform process to be a co–operative one. We are providing a two–year period of predictability and modest growth in social security transfers to provinces while reform goes on. As promised by the Prime Minister, we will build towards a five–year period of stability in transfers.

It is time to restor fiscal responsibility to the public finances of Canada. The debt and the deficit burden pose much more than an economic challenge. This is a moral issue too. What right do we have to steal opportunity away form our children, to demand that they solve problems that we are too timid to face?

[*English*]

Stronger growth will reduce the deficit. But growth alone will not bring it down enough. Direct budgetary action is required.

[*Translation*]

Following through on our platform, the government will be reducing the operating budgets of government departments by $400 million on 1994–95, increasing to $620 million per year in 1995–96 and beyond. In addition we are looking at every government–appointed board, commission and agency. That review will focus on size, scope, composition and cost, including salaries paid to members. This review by the Minister responsible for Public Service Renewal will be completed in 1994 and action will be taken immediately.

[*English*]

The solution to the fiscal challenge that is facing Canada must be shared by all of us. As part of our deficit reduction exercise we need to save an additional $1.5 billion from the operations of government over the next three years.

We very much want to work with representatives of the public service in achieving these savings. Therefore, the President of the Treasury Board will immediately initiate discussions with the appropriate bargaining agents of the public service. It is our sincere hope that these very difficult decisions can be taken collaboratively.

It must be understood, however, that these savings are not a negotiating position; they are a bottom line fiscal requirement. To ensure that they are obtained the government is therefore announcing a two year legislative extension of the existing salary freeze and a two year suspension of pay increments within grade.

• (1735)

[*Translation*]

To the degree that those savings are secured through a review of government operations, leading to greater efficiency, the government will shorten or lift those freezes.

Total savings in government operations during the next three years will exceed $3 billion, over and above savings previously planned.

The Minister responsible for Public Service Renewal and the President of the Treasury Board will review all departmental spending to identify where greater savings are possible through the elimination or reduction of low priority programs.

[*English*]

During the election campaign we made clear the need to reduce defence spending. The Minister of National Defence has taken this mandate and has acted upon it decisively.

In addition to cancelling the EH–101 helicopter program which was announced by the Prime Minister the day that we took office, defence spending will be cut by an additional $1.9 billion over the next three years. These savings, which include professional services, will be secured through major improvements in efficiency, productivity and cuts in defence infrastructure, including bases that have exceeded any probable defence need. A document attached to this budget provides greater detail.

The results of these savings will be a more modern and effective armed forces. With the end of the cold war and the pressing demands being placed on the men and women of our armed forces in the new world order, the Minister of National Defence has ordered a review of our defence policy. The government will report on the results of that review this fall.

[*Translation*]

This government is committed to continuing our tradition of strong support for international development assistance. However, the fiscal challenge requires additional restraint in spending. Therefore, we will reduce spending on international development assistance by 2 per cent for 1994–95. Spending will be frozen at that level until 1996–97. International assistance spending will still amount to $2.6 billion annually.

[*English*]

This situation will be reviewed following the re–examination by the Minister of Foreign Affairs.

[*Translation*]

Together with reductions in tax breaks for business, this budget reduces subsidies to business in excess of the $225 million target contained in the red book.

[*English*]

Fiscal reality requires that the government review its policy on funding interest groups. Our goal is to encourage greater reliance on funding from other sources. To provide a period of transition for these interest groups, notification will be provided in advance. The full effects of this review will be seen in the 1995 budget.

I now turn to the question of revenues and taxation. I must say to the Prime Minister that I have received a lot of advice in this area.

The fundamental basis of a sound tax system is the reality and the perception that everybody pays their fair share. When an increasing minority avoid doing so, then the legitimacy of the tax system itself begins to suffer. We will be strengthening enforcement through special joint initiatives with the provinces and the business community to improve taxpayer compliance. As has been done in the past, specific measures will be announced by the Minister of National Revenue.

One of the reasons for the growth of the underground economy is that Canadians believe that taxes are too high and we agree. We want Canadians to rejoin the legitimate economy, not leave it. Our objective is to get the deficit down so that in the years ahead taxes can be reduced. But we are not there yet.

• (1740)

[*Translation*]

That is one reason why it is so essential to break the back of the deficit. The bulk of the effort involves significant cuts in government spending.

But part of it must also involve looking at the tax system to ensure that all Canadians are paying their fair share. For that reason, we are acting today to eliminate a number of tax breaks that don't meet the standard of fairness that Canadians expect.

[*English*]

Accordingly, we are introducing today the following business tax measures:

Large private corporations with capital of $15 million or more will no longer be entitled to the low small business tax rate.

[*Translation*]

Deductions and credits for meal and entertainment expenses will be reduced from 80 to 50 per cent. This will bring federal treatment into line with that already in place in Ontario and Quebec, as well as in the United States.

In addition, several regionally–based tax incentives have not proven cost effective. Therefore, they are being reduced or eliminated.

[*English*]

Certain Canadian corporations are not paying an appropriate level of tax. Accordingly, we are taking measures to prevent companies from using foreign affiliates to avoid paying Canadian taxes which are otherwise due. We are taking steps to ensure that the income of financial institutions is measured appropriately for tax purposes. We are taking other decisive measures to close loopholes in the current corporate tax system.

To reduce the deficit in the fairest possible way we are announcing the following personal income tax measures:

The $100,000 capital gains tax exemption is being abolished while allowing individuals to use their unused exemption for gains accrued up until today. The $500,000 exemption for small business shares and farm property will remain. The Minister of Agriculture wins again.

We believe, however, that as circumstances permit, a general lowering of the capital gains tax rate for small business and farmers could provide a greater incentive to entrepreneurship. For that reason a special study of the taxation of capital gains as it applies to small business and farmers will be undertaken with their full participation.

[*Translation*]

The age credit for persons 65 years and older will be income tested, as is the case for certain other benefits. This will not affect 75 per cent of seniors.

The tax exemption for premiums related to the first $25,000 of coverage under employer provided life insurance plans is being eliminated.

Finally, many Canadians including members of this House, have expressed the view that the taxation of family trusts should be examined. This issue will be referred to the House of Commons finance committee for review, as requested by the Bloc Quebecois critic.

[*English*]

This budget is the result of the most open process of debate and consultation that has ever been attempted in Canada. People told us they want jobs. We have set the conditions for those jobs to be created.

• (1745)

[*Translation*]

People told us we should freeze spending. With the spending cuts in this budget, program spending in 1996–97 should be lower than in any year since 1991.

[*English*]

People have said: Reduce the deficit but do not do it with taxes. I repeat, in this budget for every dollar raised in revenues, $5 have been cut in spending. We have consulted and we have listened.

Furthermore we are publishing a report today providing a response to the public consultations that have taken place and we will open the budget process up even more in the future. We believe that a free people will only support fundamental change if they feel part of the decision–making process that led to it.

Next fall in a major departure from the past, the government will release a comprehensive statement that will clearly lay out changes in the economic and the fiscal outlook since this budget. The government's economic and fiscal goals and broad proposals and how they might be achieved in the next budget will be made public.

Discussion papers on specific options for action will be released.

[*Translation*]

This new step in the budget process represents major progress. It will provide the basis for a serious, open, national dialogue between the government and Canadians.

Following the publication of these new documents, I will meet with my provincial colleagues. That meeting will assist all governments in working towards common goals together, rather than at cross purposes and apart.

The finance committee of this House will be asked to conduct public hearings involving Canadians to obtain their views on the direction for economic policy. The committee will report before the end of the year, in time for inclusion in next year's budget. As well, I will personally continue to openly consult with Canadians across the country.

[*English*]

I would now like to conclude this presentation by setting out the motivation that underlies this budget. The decisions outlined here are about much more than the bottom line. They are about facing fault lines and fixing them. The fault line that is caused when the poor become poorer while the rich become richer. The fault line that exists between this generation and the next. The fault line that exists in moving from the old economy toward the new. The fault line that is caused by the growing gap between one class of Canadians with modern skills and another group without. And finally, the fault line that exists when governments spend more than the country can afford.

Fixing those fault lines is our challenge and fixing them is this government's commitment to Canadians. The path to renewal and to growth will not be easy. We cannot snap our fingers to erase the deficit, nor can we put in place a new framework for the Canadian economy, but neither can we delay with getting on with the job any longer.

We are pursuing a balanced approach to fundamental reform, to create jobs, to continue to care for those who are in need and to get the deficit down. This requires a game plan, it requires fairness and it requires being forthright with Canadians.

There will be those who will say we have not done enough and there will be those who will say that we have done too much. For those who would have us spend more, then Canadians deserve to know where the money would come from. For those who demand that we cut more, then Canadians deserve to be told the extent to which that would hurt growth, hurt jobs and hurt the less fortunate in our society.

• (1750)

Tough times test our patience and our pocketbooks. They also test our values and our worth. Some believe that the success of Canada lies in leaving behind the values that have made us a great people. They would have us put aside sharing. They would have us put aside partnership. They would have us put aside the common sense and the compassion that define this country. Now is not the time to move away from our values. Now is the time to return to them.

Despair has stalked this land too long. The time has come to bring back hope. We have not become what we are by sitting still. What has guided us as a country are the values we share and the vision we have chosen to pursue together. So it falls to us, this generation, in this House, in our time, to do what those who came before us did in theirs, and that is to assume our responsibilities to create opportunity today. And that in the end is the standard by which we will be judged by those who come after us.

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, I do not understand why is Liberal government is so pleased. I do not understand why the colleagues of the Minister of Finance are so pleased, because bringing down a budget that is practically meaningless is certainly nothing to be proud of. And there is certainly no reason to be proud of this year's deficit forecast of $39.7 billion, nearly $40 billion.

Considering past experience, it would not be unusual, in the light of the quality of the forecasts produced by the Minister of

Finance and his department, for this deficit to go over $39.7 billion. So there is nothing much to be proud to start with.

If we look at the tax revenue estimates, it is clear the Minister of Finance is making the same mistakes as his predecessor. He is still living in the middle 1970s and early 1980s, when tax revenues were growing at the same rate as GDP.

• (1755)

For instance, it is expected that every 1 per cent increase in GDP will result in an increase of more than 1 per cent of GDP, that is 1.2 per cent. The Conference Board of Canada has just released a study which says that every time there is a 1 per cent increase in GDP, tax revenues increase by only 0.5 per cent because of the growing impact of the underground economy. This is something the Department of Finance has completely blocked out, which tells me and my fellow members of the Bloc Quebecois that these estimates are off to a bad start.

Mr. Speaker, my colleagues and I are also beginning to realize, what the Minister of Finance meant when he talked about broadening the tax base. The Minister of Finance and his government are broadening the tax base by slashing the incomes of the middle class. That is where he wants to broaden the tax base.

A few examples: Over the next three years, by taxing employer contributions to various group life insurance plans, the Minister of Finance plans to get at least $520 million, one half billion out of middle income workers.

Another instance is when he talks about reducing or altogether eliminating the age credit for retired taxpayers. The Minister of Finance is broadening the tax base at the expense of pensioners and, over the next three years, plans to get almost $500 million in the process. He says that 75 per cent of pensioners are not affected. But 25 per cent are affected. Do these people deserve this, after having worked all their lives?

There is a third measure which shows the Minister of Finance and his government have no social conscience. Over the next three years, they want to get $740 million by reducing deductions for entertainment expenses, but according to a study released by Ernst and Young not long ago, about 80 per cent of the people that take advantage of this deduction are not rich taxpayers but middle income taxpayers, mostly self–employed, and even blue collar workers.

I repeat, this government wants to get $740 million over the next three years, mostly out of the pockets of self–employed and blue collar workers, and that is a disgrace.

These and many other measures are widening the already impressive gap between personal income tax paid by Canadians and Quebecers and taxes paid by Canadian corporations. Whe talk about corporations, we mean the big corporations.

Did we know that individuals in Quebec and Canada are already paying seven times as much income tax as the big corporations? Did we know that 72.5 per cent of the federal tax base consists of revenues from private citizens and 27.5 per cent of revenues from corporations? Twenty–five years ago, it was already twice the tax revenue contributed by corporations. Today, the measures tabled by the Minister of Finance are further broadening this unfair gap between what is paid by private citizens and what is paid by corporations.

With all the posturing on family trusts and tax shelters, why did the Minister of Finance fail to announce in his Budget that he was abolishing the disgraceful system of family trusts and the possibility for large corporations to shelter their money in tax havens like Barbados, for instance?

• (1800)

It is almost beyond comprehension that the Minister of Finance would immediately set out to attack middle–income earners through the imposition of specific measures over the next three years, while leaving unscathed wealthy taxpayers and large corporations that did not pay any taxes at all in the late 1980s and that continue to rob the tax system today. This is really rich!

The minister has not deviated from the path he initially embarked upon. Since October 26, his statements about restoring fiscal equity in Canada and in Quebec have been nothing but pious wishes. All he will commit to is consultation and more consultation. It has become his new mantra, almost as powerful as the one he adopted during the election campaign when he spoke of "jobs, jobs, jobs". The thing is, this budget contains no additional job creation measures. On the contrary, the government's tax grab over the next three years will hinder any chance for a lasting recovery and for job creation in Quebec and in Canada. This is unacceptable for a government that has been claiming from the beginning that it is concerned about job creation. I am completely baffled by this, as are my colleagues.

Some hon. members: Oh, oh.

Mr. Loubier: I would ask my colleagues opposite to show us a little respect, just as we show our respect for them every day.

There is something even more shocking about this budget, and I will tell you what it is. With this budget, the Minister of Finance, who in reality controls human resources development in Canada, has just put a straightjacket on the Minister of Human Resources Development. He has accomplished this by committing him to save $7.5 billion through social program reform over the next three years. Various income security programs will be reformed and outrageous changes will be made to the unemployment insurance system, changes which he criticized the pre-

vious government for making. In other words, he is saying right from the start to the Minister of Human Resources Development, even before the committee undertakes its work, that savings of $7.5 billion will have to be realized over the next three years. Is that what the government calls restoring fiscal equity?

Is this what the government calls restoring social justice in Canada? In point of fact, it is attacking those who are most in need, namely the least fortunate, those who are, in large part, victims of the previous government and who are being further victimized by the current government.

The leader of the Bloc Quebecois and Leader of the Official Opposition was right. When the government party speaks about reforming social programs and health care programs, what it is really talking about is making cuts. Today, we have irrefutable proof of this.

Middle income taxpayers and senior citizens certainly deserved a tax break, but the Minister of Finance is not giving them one with this budget. What about those who are unemployed and the most disadvantaged? A total of 1.5 million Canadians are out of work. The 437,000 Quebecers who are out of work were expecting genuine job creation initiatives in this budget, not merely stopgap measures such as the infrastructure program which will create 45,000 part–time jobs. They were hoping for real job creation initiatives.

This budget gives us no reason at all to hope. Aside from the nice speeches and nice smiles from the Minister of Finance and his colleagues, there is nothing in this budget to help the 1.2 million Canadians who are currently waiting for social housing and who spend more than 50 per cent of their income on housing. Nice speeches are all well and good, but when the time came to restore $600 million in funding for social housing, an issue over which they tore a strip off the previous government, their nice words did not translate into concrete action. All we are left with are nice smiles and nice speeches about social justice in Canada. That is what Quebecers and Canadians hate in politicians. That is why Quebecers and Canadians are cynical towards politicians and political institutions. It is because of a lack of courage, a lack of long–term vision that Quebecers and Canadians are feeling alienated from politicians' promises.

Not only does this budget not include anything that the government should have done, but its spending reduction targets are ridiculous. In the next three years, there will be no spending cuts in nominal terms.

I have the feeling that this government is living on another planet, that it is not aware of Canada's excessive debt, which puts it in first place about everywhere in terms of poor performance. I get the impression that this poor performance and this government are two totally disembodied things.

The Minister of Finance said that we would blame them for not going far enough. We will not blame him for not going far enough, but we will blame him for not doing what he should have done, and that is even more serious.

We will blame him for sparing, once again, the government's rich friends. But Quebecers and Canadians are starting to grasp this government's vision.

I therefore move:

That the debate be now adjourned.

[*English*]

The Speaker: Pursuant to Standing Order 83(2), the motion is deemed adopted.

(Motion agreed to.)

The Speaker: Consequently, pursuant to Standing Order 83(2), this House stands adjourned until tomorrow at 2 p.m.

(The House adjourned at 6.07 p.m.)

HOUSE OF COMMONS

Wednesday, February 23, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

BLACK HISTORY MONTH

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise today to recognize February as Black History Month.

The celebration of Black History Month is a focal point of pride for black Canadians whose presence in Canada can be traced to at least 1605 when Mattieu Da Costa accompanied Samuel de Champlain as an interpreter to Nova Scotia.

Since that time, politicians, writers, artists, educators, historians and many others have added to the social, cultural and economic fabric of Canadian life.

This is most definitely the case in Nova Scotia where there are many prominent citizens of Afro–Canadian origin whose work affects many Nova Scotians and Canadians. Wayne Adams, Nova Scotia's first Afro–Canadian MLA and cabinet minister, Maxine Tynes, prominent poet and writer, Joan Jones, a recent recipient of the Pearson Award, Dr. Carey Best and Slyvia and Marie Hamilton are just a few Nova Scotians of African origin whose contributions have been recognized by their peers.

Black History Month pays homage to the essential contribution of black people and their collective history to the fabric of Canadian life. Let us pay tribute to this vital part of Canadian heritage, not only during February but throughout the year.

* * *

[*Translation*]

WINTER OLYMPICS

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, again Quebecer Myriam Bédard gladdened our hearts today in Lillehammer, when she won a second gold medal for the biathlon, a first for an athlete from Quebec and Canada. The Bloc Quebecois hopes that this second brilliant performance by Ms. Bédard will convince everyone without exception of her tremendous talent.

However, I am appalled by those who, to quote journalist J.V. Dufresne "ooze contempt and envy where Quebec is concerned". Ms. Bédard has already shown she was able to overcome all the problems caused by Biathlon Canada. With her courage and determination, this young woman has made her dreams come true and has met the highest standards of her sport. She is a shining example for all Quebecers.

Myriam, on behalf of the people of the riding of Charlesbourg and all Quebecers, we offer you our admiration and congratulations.

* * *

[*English*]

WORLD CUP BIATHLON

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, on the heels of the winter Olympics there will be a world class sporting event in the riding I represent, Yellowhead, in Alberta.

From March 10 to 13, the town of Hinton will be hosting the world cup biathlon races at Athabasca Nordic Centre. The biathlon, which is a sport combining cross country skiing and rifle shooting, will bring an estimated $2 million in spending to our country.

Twenty–one countries and 238 coaches and athletes, many of whom are now competing in the winter Olympics, will be in Hinton for the world cup. The proud people of Hinton will have two local athletes to cheer on. Kevin Quintilio and Nicole Bressard, who belong to the Hinton Nordic Skiers Club, are world class biathletes who will make not only the people of Hinton proud but the people of Canada proud as well.

I thank all the participating countries for flags received. May I ask all members to join me in cheering on Canada's national team.

* * *

• (1405)

CANADA STUDENT LOANS

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, like many of my colleagues, I received Valentine's Day messages. One particular message was of great interest because it asked us all together to remove this pernicious bill that

prevents students from enjoying a six–month grace free period after graduation to find a job.

This particular bill removes $35 million from the pockets of students.

[*Translation*]

Mr. Speaker, I ask that together we try to improve access to post–secondary education for all Canadians and improve the Canada student loans program. Let us show how much education means to us.

* * *

WINTER OLYMPICS

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, though we live in difficult times, the Winter Olympics remain a symbol of nations gathering under one flag, the flag of universal brotherhood and peace.

[*English*]

I am very proud that a constituent from my riding of Restigouche—Chaleur, Allain Roy, is representing not only Canada but northern New Brunswick at the XVII Winter Olympic Games.

Allain is competing in Lillehammer with Canada's national hockey team.

[*Translation*]

I wish Alain and his teammates good luck. I know they will represent Canada with honour and pride, not only on the ice but also by making the spirit of these games a part of their lives.

[*English*]

On behalf of all citizens of Restigouche—Chaleur and all members of the House, I would like to congratulate Allain and all of our Canadian Olympic athletes.

* * *

TORONTO DAILY BREAD FOOD BANK

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, I rise at this moment to make an urgent appeal on behalf of the metro Toronto Daily Bread Food Bank.

It has been brought to my attention that the food bank has been enduring difficult times this winter. Currently there is only a three week supply of food. It needs at least seven more weeks worth of inventory in order to sustain itself until the Easter food drive.

Food banks serve approximately 160,000 children and adults per month. With public donations on the decline the food bank is finding it increasingly difficult to meet such high demand.

Traditionally Canadians have understood the importance of groups and organizations which provide assistance to those individuals less fortunate.

In keeping with this tradition, I call on my colleagues from the metro Toronto area to ensure their food bank is not forgotten and to encourage all the residents of their respective ridings to provide all possible donations for the continued survival of such a worthy cause.

* * *

[*Translation*]

WINTER OLYMPICS

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Mr. Speaker, on behalf of all Quebecers, we would like to extend our heartfelt congratulations to the four female athletes from Quebec who captured a silver medal yesterday in Lillehammer in the women's speed skating relay event.

The relay team composed of Sylvie Daigle of Sherbrooke and of Christine Boudrias, Isabelle Charest and Nathalie Lambert of Montreal—Nathalie Lambert in fact hails from my riding—enthralled us with their teamwork. These four athletes displayed remarkable courage and perseverance.

The spotlight also shone on Quebec yesterday when another of its native sons won a bronze medal in men's speed skating. Marc Gagnon of Chicoutimi, the world champion over 1,000 metres, gave his all in this race. We are proud of him and indeed of all the athletes from Quebec who took part in this event.

The Bloc Quebecois congratulates all of our athletes competing in Lillehammer. They are a credit to us all.

* * *

[*English*]

MAX MCLEAN

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I rise today to pay tribute to and congratulate Mr. Max McLean of Camrose, Alberta. Mr. McLean was recently named "Moose Citizen of the Year" by the local chamber of commerce.

This award is presented each year to a person who has made outstanding contributions to the community. As a full time volunteer, Max has devoted his energy and enthusiasm to canvassing for the Canadian Cancer Society, selling journals for the Canadian Diabetic Association and helping to raise money for Ronald McDonald House.

Max's extensive involvement in the community spans almost 50 years of dedicated service to his community. May Max McLean, who believes volunteers play an important role in making Camrose a better place to live, be a model for all Canadians.

NOVA SCOTIA TEACHERS' COLLEGE

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, Nova Scotia cannot afford to lose any more of its centres of excellence.

In my home town of Truro we run the risk of closure of the Nova Scotia Teachers' College because we train more teachers than we have jobs for.

• (1410)

Superintendents of schools across Canada have acknowledged the high quality training these teachers receive. CIDA and the Association of Canadian Community Colleges purchase training space for Third World teachers.

We recognize that we cannot afford duplication in educational facilities but I would like to recommend the expansion rather than the closure. We could bring the best teaching professionals to Truro and on a fee for service train teachers for the world market.

At least once a year the United States comes to Nova Scotia to recruit various trained professionals. I recommend that we capitalize on our long tradition of educational expertise and market this great resource.

* * *

CHAMBER OF MARITIME COMMERCE

Mr. Stan Dromisky (Thunder Bay—Atikokan): Mr. Speaker, I have the honour today of announcing the restructuring of the Chamber of Maritime Commerce. Established in 1959, this organization brings together all those who depend upon a viable Canadian maritime transport industry.

The recent reformation includes establishment of a board of governors that will interact with governments at all levels. The chamber's representation extends from western Canadian grain producers, Ontario steel, coal, aggregate, salt and cement interests, Quebec ore mines and Atlantic Canada shippers to the ports which facilitate these trades.

It is apparent that with such a cross section of industries crucial to Canada's economy, the chamber will provide a united, proactive voice for the growth of industrial Canada.

I would like to take this opportunity in welcoming the Chamber of Maritime Commerce in the pursuit of this common goal.

* * *

FORESTRY

Mr. Joe Fontana (London East): Mr. Speaker, as the chair of the Canada–Europe Parliamentary Association I was pleased to hear my colleague from Kootenay East remark on the success of the 21st annual Canada–Europe interparliamentary meeting held in Vancouver.

While we discussed many issues of importance to the relations between Canada and Europe, our greatest success was showing the European delegates that Canada is at the forefront of progressive forestry practices.

I want to thank all the delegates, Canadian and European, for their frank and constructive input. At the end of our deliberations I believe we found common ground and solved a potentially disastrous problem.

News reports have confirmed the ultimate success of the meetings. My hope for this association is to foster a greater understanding among European parliamentarians of Canadian policies and positions, even those of alternative points of view.

Reports in *La Presse* suggest the change in venue from Quebec City to Vancouver reflected a reluctance on the association's part to discuss the political issues of Quebec. Nothing could be further from the truth. Both executives agreed to the change in venue.

I need only remind the members of the serious economic repercussions a ban on wood products exported to Europe would have on communities across Canada.

* * *

[*Translation*]

COLLÈGE MILITAIRE DE SAINT–JEAN

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, it is a well–known fact that Quebec has traditionally been disadvantaged in the distribution of defence expenditures, of which it receives only 15.8 per cent. With yesterday's budget, the federal government seemed to indicate that such inequity would continue and actually intensify.

The Collège militaire de Saint–Jean, a university–level educational institution, a stronghold of recognized francophone expertise in strategic studies, space science and computer science, the only gateway to a career as a military officer for francophones, the one and only French–speaking military college in Canada, is about to disappear. Removed from this environment, French–speaking military education will become a mere shadow of its former self and be swallowed up by the very unilingual Royal Military College in Kingston.

By axing the Collège militaire royal de Saint–Jean, which is really a French Canadian institution, the federal government is giving a clear indication of how little regard it has for francophones in Quebec and in Canada.

[*English*]

INDIAN AFFAIRS

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my statement concerns questions raised in this House yesterday.

I am the spokesperson for my party on aboriginal affairs and I am deeply and personally offended by comments made inside and outside the House about my colleagues in caucus by other hon. members regarding our attitudes toward our native brothers and sisters.

There are philosophical differences between members of parties in this House. Let us not slur each other. Instead, let us hope for light to shine in and assist members in arriving at a reasonable and acceptable conclusion.

I will not rest nor will I be satisfied until one hon. member opposite apologizes for remarks made about me and my colleagues.

* * *

• (1415)

[*Translation*]

THE BUDGET

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, the people of Bonaventure—Îles-de-la-Madeleine, like all Canadians, applaud the budget tabled yesterday because it closes tax legislation loopholes by, among other things, reducing from 80 per cent to 50 per cent the deduction for meals and entertainment.

I have good news for you. The government's budget does away with certain deductions accorded corporations with capital of over $15 million. It also eliminates the $100,000 capital gains exemption only benefiting higher income Canadians, like those in the opposition.

This government will prevent Canadian-based companies from using foreign affiliates to avoid paying taxes. In addition, the House of Commons finance committee, at the opposition's request, will once again review the taxation of family trusts. It is good to see that this government listens to the people and honours its election promises of social justice and human dignity in Canada.

* * *

[*English*]

SMALL BUSINESS

Mr. Harbance Singh Dhaliwal (Vancouver South): Mr. Speaker, yesterday the finance minister announced that the budget would be responsive to the needs of Canada's small business sector. Coming from a small business background myself, I could not agree more.

Payroll taxes have long been a thorn in the side of small businesses, in effect taxing job creation. The decision by the Minister of Finance to roll back the 1995 UI premium will save industry $300 million next year alone.

On behalf of the small businesses in Canada I would like to congratulate the minister on this bold and responsive initiative which we expect will significantly help job creation.

* * *

[*Translation*]

FIGHT AGAINST ORGANIZED CRIME

Mr. Gilles Bernier (Beauce): Mr. Speaker, I am pleased to see that the RCMP has now started the fight against organized crime on some native reserves.

It was said that until now, federal and provincial police forces had been ordered not to take action so as to avoid igniting the situation. There was total confusion as well as a lack of political will. From now on, the law will be implemented everywhere in the country.

As the member representing Beauce, I have been fighting for a long time to put a stop to this tolerance, this hesitation on the part of the police, and this political laxness. Those attitudes created social chaos which allowed organized crime to get a better foothold in our community and create networks of people selling tobacco, arms, liquor and drugs. There is no longer any no go zone. From now on, the police will have all the necessary power to conduct surveillance activities and, if necessary, to arrest people.

I do hope that the only elected independent member in Canada is not dreaming.

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

The budget brought down yesterday by the government was met with deep disappointment in all quarters. Many critics today say how disappointed they are with this lax attitude. Moreover, the government is launching an unprecedented attack against the unemployed by taking over $5 billion from their benefits, while the budget contains no specific new job creation measure.

Can the Prime Minister tell us why his government chose to attack the unemployed rather than federal government spending and administrative duplication and overlap?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I will simply quote the record of the Leader of the Opposition when he was in the Mulroney government.

The GST, a tax on the middle class, an end to universal pensions for our seniors—that is the Leader of the Opposition's doing and he dares tell us about unemployment insurance. The last thing he did as minister was to take $3 billion from the unemployment insurance fund. He is in no position to criticize us as we are stuck with the problems he created.

Some hon. members: Hear, hear.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, in other words, the government is telling us that they are no worse than the Conservatives, a party which I left with pleasure.

Some hon. members: Hear, hear.

• (1420)

Mr. Bouchard: The question is, how dare this government make the poor unemployed victims of the present neglect bear the burden of the public spending fiasco, not only by cutting unemployment insurance but also by not providing any concrete new job creation measure, thus going back on its sacred election promise to restore hope and dignity to the unemployed?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, the Leader of the Opposition left the Conservative Party, he left the Liberal Party and he left the Union Nationale. When will he leave the Bloc Quebecois?

Some hon. members: Oh, oh.

Mr. Martin (LaSalle—Émard): So we have done nothing for the unemployed? The infrastructure program, which should create between 50,000 and 60,000 jobs in Canada; the residential rehabilitation assistance program, which was abolished by his former government; the home ownership program, which was to end on March 1, has been extended again; a youth service corps to help our young people; new apprenticeship programs. And he still has the effrontery to tell us that we are doing nothing. We are creating jobs, we are getting the economy on track, and we will do it, Mr. Speaker.

Some hon. members: Hear, hear.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, let me say how surprised I am at the vehemence with which the minister attacks the Conservatives, since his budget is identical to the one they presented. It is a budget which no Conservative still in that party—and there are fewer and fewer of them—would renounce today.

I must say that I find something profoundly indecent in this budget, since the Minister of Finance is an accomplice of fiscal unfairness. On the one hand, he takes more than $5 billion over three years from the poorest people, and on the other, he lets the wealthiest people in this country put billions into family trusts and earn income from them without paying tax.

I ask the minister, who voted with us in the Bloc Quebecois last year against the extension of this undue privilege, to tell us how he can preach fiscal fairness today when he supports such a double standard policy.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, at least we are entitled to some consistency. His finance critic suggested referring the question of family trusts to the Auditor General. Since we believe that members of this House should assume their responsibilities, we referred it to the finance committee for study. We will look into it. We took his advice. So instead of asking me this question, he sould ask his friend.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, in the budget which he brought down yesterday—if we can still call what is left of it a budget—the Minister of Finance projected a record deficit of nearly $40 billion. Considering how accurate Finance Department forecasts are, it is possible that the deficit could be much higher than $40 billion. In fact, in the 1992 budget, revenues were overestimated by $11 billion, and in the 1993 budget, by $10 billion. A slight discrepancy, would you not agree. In point of fact, for the past two years at least, government revenues have been declining, while the underground economy has been thriving. Consequently, tax revenue forecasts have been completely thrown off.

How can we take the Minister of Finance seriously? How are we supposed to take a stand–up comic seriously when he announces an already record deficit of nearly $40 billion, given that he arrived at this figure by overestimating revenues, like his predecessors, when in fact he knows full well that for several years now, tax revenues have not been growing at the same rate as the economy.

The Speaker: I hope that the answers will be as brief as the questions.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, I know that the critic for the Bloc Quebecois did not have a chance to read the document because he was in too much of a hurry to ask his questions. However, if he were to look on page 53, he would find a very clear explanation of some of the special factors which combined to dampen budgetary revenues this year. When we exclude these factors from our calculation, it becomes very clear that we can forecast a real increase of 3 per. cent or a nominal increase of 4

per cent. This is in line with the forecasts of the vast majority of the country's economists.

• (1425)

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, does the minister not agree that a record deficit of more than $40 billion would undermine the confidence of investors and taxpayers and jeopardize a lasting recovery on the economic and employment fronts?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, we are fully cognizant of the problems associated with the deficits we inherited. That is why our targets are very clear: $39.7 billion, $32.7 billion and $25 billion. And we will reach these targets, Mr. Speaker.

[*English*]

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is also for the Minister of Finance.

The budget presented by the minister yesterday will add $100 billion to the federal debt over the next three years. Many members on this side of the House are deeply concerned that the budget simply does not address the deficit and debt problem.

If this House, through its committees or the consideration of estimates, were to put forward further proposals for further reducing the deficit in 1994–95, would the minister be open to adopting such proposals?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, at a recent meeting of the finance committee in response to an invitation from the member's seatmate, I said very clearly that we would be delighted to sit down with them and look at whatever constructive suggestions members opposite have.

I also said they should be based on current financial numbers. They should not be based on the financial numbers presently used by members of the party opposite which through no fault of their own are some six months out of date. They should also be based on responsible economic forecasts, not inflated forecasts such as was the case with the economic platform of the party opposite in the election campaign.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I thank the minister for part of his answer. My supplementary question is for the same minister.

The minister's budget bears some resemblance to the first Clinton budget in the United States which also included a new spending package combined with a cost–cutting package. When the Clinton budget got to Congress it scrapped the new spending proposals and applied the savings to the deficit to the benefit of the American economy.

Would the minister be willing to scrap or at least defer for a year or two his new spending proposals of $1.7 billion so as to get greater cost and deficit reduction in 1994–95?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, first of all a substantial portion of that spending is the infrastructure program which has been signed by all of the provinces. That program has been tremendously welcomed by all of the provinces and the municipalities. Along with our other measures it is going to lead to a substantial amount of job creation.

I am sure the member opposite understands the absolute importance of job creation at this stage of the fragile nature of our economy. That is what we are committed to do. That is what our budget is going to deliver. That is why those spending proposals, which are all a bit modest, are going to lead to substantial job creation.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a further supplementary question for the Minister of Finance.

The budget is completely silent on strengthening the ability of Parliament to control government overspending. Can the minister tell the House whether he favours strengthening Parliament's ability to control overspending through the passage of sunset clauses, spending limits, freer votes on estimates and other measures of that kind?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, if the member looks at the deficit projections we have made he will see they are substantially below the limits that would have been established by the current spending control limits. In fact we have gone far beyond them. It really demonstrates a government that has political will and conviction can do a great deal more than some kind of an artificial standard which in fact the previous government sought to get around.

• (1430)

In terms of the role of Parliament the member had an opportunity to read what I said yesterday in the budget speech. We are opening up the process completely. The finance committee of the House is to play a very important role.

We said that we were going to lay before the finance committee our projections for the next budget, the proposals that we would consider within the next budget, our spending plans, and that they would be subject to more detailed investigation by a committee of the House than has ever been done in the history of the Parliament of Canada.

We were prepared in the House to have a unique debate on the budget before we brought it down and sought from the members of the House their comments. In terms of estimates, the controlling of spending and the examination of the budget, we are not only prepared to co–operate with members of the House but we are most desirous of doing so.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, my question is directed to the Minister of Finance. Instead of dealing with the real problem, the high level of government spending, and eliminating costly duplication, the government says it intends to cut $7.5 million from social programs, mainly by reducing unemployment insurance. Like its predecessor, this government is trying to get the deficit down at the expense of the unemployed and senior citizens.

Why is the minister putting the bite on the unemployed, although he criticized the previous government every time it reduced benefits under the unemployment insurance program? What has become of those high–sounding principles, Mr. Speaker?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, if we look at what we did about unemployment insurance, first, we raised the level for the neediest in our society from 57 per cent to 60 per cent, which applies, for instance, to mothers who are heads of single parent families and families who have their elderly parents living with them. I think it is clear that this measure is targeted to those who need it most. We are freeing up money for training because we really want people to be able to work and not go on unemployment insurance. Furthermore, because of these measures, we were able to reduce unemployment insurance premiums from $3.07 to $3.00, which will create a lot of employment in this country.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I have a supplementary. Oddly enough, the minister is reversing measures that they themselves introduced. Since the minister is so proud of getting at the wealthy in his budget, would he say that a senior citizen with an annual income of $26,000 is wealthy, to justify a clawback of $200 million from 800,000 senior citizens?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, when we looked at the problem we had with the deficit and we conducted much needed consultations across this country, senior citizens we met told us that everyone should share the burden. So if we look at what we did in this case, seniors must have an income of $49,000 or $50,000 to lose the age credit. This age measure affects a mere 5 per cent of senior Canadians. It does not affect 75 per cent of them, and the remaining 20 per cent are hardly affected at all. Only 5 per cent will be affected.

[*English*]

Mr. Stephen Harper (Calgary West): Mr. Speaker, my question is also for the Minister of Finance.

In the pre–budget discussions the minister promised the House that he would provide complete and realistic financial information in the budget papers.

The notable absence in the budget papers is full financial data for the third fiscal year 1996–97 where he was to attain his 3 per cent GDP target. We do not have economic projections from the department. We do not have a summary statement of transactions and many tables were incomplete. Will he provide the information from the Department of Finance and table it in the House immediately?

• (1435)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, we made it very clear that this was a two–stage budget and that we were providing financial projections for each of those two years.

On the other hand we did provide full financial information for the third year, tracing the effect of the expenditure cuts that were taken in this year. That tracing demonstrates that we will arrive at the $25 billion figure or the 3 per cent of GDP.

All the information the member requires is in there. The only thing that is not in there is the projection of economic growth. The reason we did not do that is that we did not want to fall into the same mistake the previous government did, that is projecting so far out and making promises on the basis of illusory growth that we are not able to keep.

The fact is that we provided full information in terms of tracing the cuts we have made in this budget, cuts which are to bring the deficit down to 3 per cent of GDP in three years.

Mr. Stephen Harper (Calgary West): I have a supplementary question, Mr. Speaker. That is an interesting answer. I agree there are tracings of the third year in the budget, but there are no economic projections or detailed third year data for any of the tables.

Will the minister admit—and I know he will want to consider carefully this answer—that if he provides realistic economic projections, combined with the data in the budget, it will show that from this budget the deficit will in fact not go below $30 billion in the third year and will remain close to 4 per cent of GDP?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, if the member opposite would take a look at the document underneath the charts, he would see there is a very clear statement after tracing the decisions taken in this particular budget through to the third year that a level of growth

in the third year similar to that which is occurring in the second year will give us the 3 per cent of GDP.

The answer to his question is quite the opposite. Absolutely, with that level of growth we will attain the 3 per cent of GDP.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Minister of Finance.

Wealthy families can use family trusts to avoid paying tax on billions of dollars. It was a Liberal government, in 1972, that created this unacceptable system. Just last year, the Liberals voted against the continuation of these trusts proposed by the Conservative government. But, as we discovered yesterday, the wealthy family lobby has won.

How can the minister justify digging even deeper into the pockets of the unemployed and the poorest of the poor when he will not even touch the privileges granted to the wealthiest? Will the minister admit that he caved in to the pressures of wealthy families and party friends?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Not at all, Mr. Speaker. All we did was do what his party's finance critic had suggested when he said that, given the complexity of the issue, it should be referred to the finance committee. That is on the record, by the way, Mr. Speaker.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, either the minister misheard our suggestion or he does not want to admit to having heard it. His logic is somewhat twisted. He tells us that, when it comes to taxing the rich, we have to look into the matter for one year. On the other hand, taxing the poor can be done immediately. That he can do.

Mr. Speaker, I would like to remind the minister that, in 1987, when the economy was flourishing, over 90,000 Canadian businesses which had made in excess of $27 billion in profits did not pay a cent in taxes, and the Liberals denounced that fact.

Why does the minister refuse to accept the principle of minimum corporate income tax that the Liberals talked about when they were in opposition?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, there is already a minimum tax on the income of major companies. We are levying it on banks, insurance companies, all major companies. It already exists. I wish I could say it did not exist, so that I could then levy the tax, but what can I say, it already exists.

• (1440)

Second, in our budget, we have changed the private corporations taxation system for the exact reasons cited by the hon. member. I am sorry, but perhaps we could pursue this discussion tomorrow, after the hon. member has had the chance to read through the budget.

[*English*]

Mr. Ray Speaker (Lethbridge): Mr. Speaker, my question is also for the Minister of Finance. On page 58 of the budget plan the minister indicated that the Spending Control Act would not exist after 1995–96.

Would the minister consider extending that act just on the basis it could be a benchmark or a target for the government that would recognize the goodwill of the government in keeping the deficit or the expenditure pattern below the level expected here?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, the Spending Control Act put in place by the previous government is a reasonably ineffective piece of legislation in that it permitted borrowing from one year to the other year, going back and going forward. It allowed governments to engage in a fair amount of accounting tomfoolery.

When we take a look at the deficit projections we have made and at the spending projections we have made which by the third year, to respond to the member, will have us spending lower than this year, from our point of view it is very clear our spending targets are substantially lower than anything that would be contained in the Spending Control Act. That is why we are not going to extend it.

As the Deputy Prime Minister has said, why do we need a benchmark; we are in the process of hitting home runs.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, would the minister consider bringing in a tougher Spending Control Act? Would the minister commit the government to rethink current expenditure projections and introduce this fall a minibudget outlining expenditure reduction targets for the next three fiscal years?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, as I have already indicated we are quite prepared—in fact we plan to meet with the finance committee with a full set of projections in terms of next year and all our proposals—to spend as much time and go into as much detail as members opposite want on each and every spending item and on each and every item contained within those sets of projections.

In terms of the question as to whether we are going to bring in a minibudget this fall, the answer is no because we are going to hit the targets set in the budget laid before the House.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Finance. I will start by quoting him: "The unemployment insurance changes being proposed in this budget, estimated at $5.5 billion, must be seen as interim measures until the full social security reform, estimated at around $7.5 billion, is in place".

He went on to say: "That reform will lead to further significant reductions in unemployment insurance expenditures".

How can the minister reconcile the beginning of consultations on social program reform with the extensive—$7.5 billion—and definite measures announced yesterday?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I just want to give my friend a rest.

I would be very happy to answer the hon. member because I think the logic is very clear. We have announced in the budget a clear stimulant for job creation. By reducing the premiums on the unemployment insurance rate we will be putting in place the creation and maintenance of over 40,000 jobs in the country. That is what we were elected to do. It is the beginning of a real changeover as to how we can go from a system which would rather have people on UI than have people in jobs.

• (1445)

I ask the hon. member to now commit himself, the party and all Canadians to help redesign the programs of unemployment insurance, the Canada assistance plan, employment, training and education so that the start we made yesterday can be continued throughout the next year and we can have a brand new system of employment and social security so that we can get hundreds of thousands of Canadians back to work.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, I have a supplementary question. How can this government, which raised unemployment insurance premiums in January, be the same one now telling us that it will create jobs by maintaining them at that level and reducing them next year by the same amount?

My question is this: Is it not indecent to make the unemployed pay for the government's inability to manage its own affairs?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I remind the hon. member of what she said on January 19 in the House of Commons when she was very upset about the fact that unemployment insurance premiums were too high. She said at that time: "Don't raise them". We have gone one better, we have brought them down.

I would say to the hon. member that not only did we bring them down for the next two years, but if we continue on this path of reform we will bring them down even further and create even more jobs for Canadians.

* * *

ADVANCE PAYMENTS FOR CROPS ACT

Mr. Paul Steckle (Huron—Bruce): Mr. Speaker, my question is for the hon. Minister of Agriculture.

In our short period in office Canadians have been happy to see that this government lives up to its promises and commitments. During the election we as a party promised repeatedly to reinstate the interest free portion of Canada's cash advance programs under the Advance Payments for Crops Act.

Can the minister inform the House when the government is going to eliminate the interest charges on the first $50,000 of advance payments?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, I thank the hon. member for the question.

I fully acknowledge the good policy ideas on agriculture which were contained in our red book during last fall's election and which enjoy a great amount of support among farmers and farm organizations in this country, including the proposals having to do with cash advances referred to in the hon. member's question.

I am indeed anxious to proceed with improvements in our agricultural cash advance system subject to only one thing, and that is I want to solicit and receive the advice and recommendations of major farm organizations in this country. I would like them to confirm to me their concurrence that the $50 million to $75 million that we might spend on cash advances in any particular fiscal year is in their judgment the highest and best possible use for those funds, bearing in mind that the overall pot of money for agricultural programs is limited and we must set our priorities.

* * *

THE ESTIMATES

Mr. John Williams (St. Albert): Mr. Speaker, my question is for the Minister of Finance.

For the last 25 years Parliament's annual review of the estimates has led to a total reduction in government expendi-

tures of one–millionth of one per cent. Clearly the system has not been allowed to work. It has been 20 years since the government last accepted a recommendation to reduce expenditures.

Therefore, I ask the Minister of Finance if he is prepared to accept recommendations from committees to reduce the estimates, thereby allowing Parliament to do its job.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, there is no government that is more desirous of having Parliament participate in the righting of the financial problems of this country.

The answer to the member is an unequivocal yes. If parliamentary committees come up with suggestions that enable us to improve the financial conditions or the financial administration of this country, you can rest assured that the government will respond very favourably to any such recommendations.

• (1450)

Mr. John Williams (St. Albert): Mr. Speaker, according to the budget tabled yesterday, the government plans to spend $163 billion this coming year.

Is the Minister of Finance now telling us that because he is committed to deficit reduction he is prepared to accept reductions as recommended by the committees to the main estimates as they will soon be tabled?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, I think it is perhaps the same question and therefore I would give exactly the same answer. The answer is yes.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, in the budget tabled yesterday, the Minister of Finance decided to freeze transfers to the provinces to save $500 million in 1995 and $1.5 billion in 1996. A quick calculation shows that the Quebec government would thus lose about $600 million over two years.

Are we to understand that the Minister of Finance has decided to follow his predecessors' strategies and shift part of his deficit directly onto the provinces?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, the answer to the question is absolutely not. First of all, we should say that when we signed our equalization project with the provinces a month and a half ago, we were very generous with the provinces and certainly with Quebec.

Second, what we did this time around is that, instead of cutting, we decided to freeze for two years. We will declare a moratorium, a period during which the Minister of Human Resources can work with the provinces to really save money on both sides. We hope that, with the social security reform led by the minister, this will not cost the provinces or the provincial governments anything. I had discussions with the provincial finance ministers, including the Quebec finance minister, and this approach was quite popular.

Mr. Michel Gauthier (Roberval): Mr. Speaker, by directly raising the number of provincially–supported welfare recipients through unemployment insurance cuts while reducing transfers to the provinces, by saving $2 billion on the backs of the provinces, does the Minister of Finance not agree that he is crippling the provincial governments, which will soon be forced to make further cuts at the expense of the poorest Canadians?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, as part of our new literacy program we are going to recommend that members opposite start reading the budget more carefully because they clearly have not read the full details.

In the budget is an $800 million special fund to work with the provinces to develop a program to get the chronically unemployed back to work, $800 million to help the people most in need to get them back to work and back in the workforce.

It is about time that members of the opposition began to recognize it is time for a real change so we can get Canadians back to work.

* * *

INDIAN AFFAIRS

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

On Monday in the House the Minister of Indian Affairs and Northern Development stated that the Sawridge band of northern Alberta is probably one of the richest bands in the country. Yet, and I quote, "that band is saying to its people that it will not share".

For the minister's information I spent three years in the early 1980s as an official with the Alberta government helping to prepare native and Métis communities in northern Alberta for local self–government. I observed firsthand both the business acumen and the generosity of the Sawridge band under its chief Senator Walter Twinn.

I ask the minister what evidence he can provide to back up this outrageous insult to the Sawridge band.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the question is what evidence. The evidence is before the Federal Court.

Right now the Sawridge band under Senator Twinn and his family has a case before the court which in essence says that the Bill C–31—women should not be able to come back and share.

• (1455)

As a government in the early 1980s we brought legislation into the Constitution which would do away with that. In essence it says that a woman should not be discriminated against solely because she is a woman. That is the basis of it.

We supported the development of Bill C–31 which was brought in by the Conservative government, but we fathered that bill. Today we are back and we are saying the issue is this, do you support—

An hon. member: Fathered?

Mr. Irwin: We personed that bill. Today we are back again saying there is poverty, there is richness, there is discrimination and non–discrimination, but we stand on the side of those who are discriminated against and those who are poor. That is the story of what is happening over here.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I have a supplementary question.

Yesterday the minister completely side–stepped a question about his alleged remark to Alberta natives over the weekend that the Reform Party hates Indians and wants to be the defender of the white man.

I ask the minister, did he or did he not make those remarks attributed to him by the media, yes or no?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, when I was much younger I was very influenced by, as a matter of fact, a Tory. I hate to say this, but it is true. Former Prime Minister John Diefenbaker came to Sault Ste. Marie and said that he loved this House and because it was partisan it did not mean that we could not walk away friends. He loved the partisanship. That is the way I approach this House of Commons. I could never love it as much as he did. I could never be as good as he was.

What I am saying is that I do not believe I made such a statement. I have gone further. I have checked with others who attended the same meeting and they do not remember such a statement being made. It is unfortunate that such an impression is being created. It is unfortunate that the Reform Party is being dragged into the wrong side of this issue.

The Reform Party does not want to be on the side of this issue where they in fact look like or appear to be supporting the rich against the poor, women who should be back in the band on the side of Mr. and Mrs. Walter Twinn.

NATIONAL DEFENCE

Hon. Charles Caccia (Davenport): Mr. Speaker, my question is for the Minister of National Defence.

Will the minister tell the House how he intends to proceed in ensuring that the Downsview base in Toronto is owned by the public in perpetuity, enjoyed as an open space, an urban forest with recreational and educational facilities? This would provide enjoyment for Canadians interested in nature studies and urban dwellers seeking relaxation in a green environment.

Will these lands be designated to become our first national urban forest?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, this is a very detailed question. I will have to respond to the hon. member in detail at a later date.

However, I think this is a unique initiative on the part of the government. The Prime Minister should be thanked for giving in perpetuity a large urban recreational green space for the benefit of Torontonians for years to come.

I believe what the government is saying here is that there is an alternative to paving over lands and buildings, especially in high density areas. This is a plan to have the ownership of those lands retained by the Department of National Defence and developed for the benefit of all Torontonians recreationally in conjunction with my colleague, the Minister of Canadian Heritage responsible for Parks Canada and my colleague the President of the Treasury Board, so that we truly create a unique area for the benefit of all people in the future in Toronto.

* * *

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, there is only one French–language military college left in Canada, that is, Saint–Jean. Unfortunately, we were told yesterday that the federal government has decided to axe this true symbol for francophones. My question is for the Minister of Finance or the Minister of National Defence.

How can he reconcile this decision with the official languages policy so highly spoken of by the Prime Minister? Will he have us believe that the French heritage of the Collège militaire royal de Saint–Jean will not be lost if its activities are transferred to the Royal Military College in Kingston?

• (1500)

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, what we have here, I think, is an example of the Bloc Quebecois' double

standard policy. Indeed, last week, here, in this House, the hon. member stated and I quote: "In spite of it all, the defence infrastructure remains far too big for the size of the forces".

[*English*]

Today he is standing in the House criticizing one of the actions taken by the government which unfortunately was to close our military college in Saint–Jean. There is also Royal Roads in Victoria. There are two and they conveniently forget that.

If we are going to reduce the number of armed forces personnel then obviously we need a reduction in training for our officers. That is why it is being consolidated at one college. It made financial sense to do it in Kingston.

I take great umbrage at the suggestion that there cannot be a bilingual college in Ontario. Hon. members in the Bloc Quebecois should know the Official Languages Act was created to make, and has succeeded, Canadians of the two languages comfortable in all parts of Canada. Kingston will have a bilingual military college.

The Speaker: The Chair fully realizes this being the first day after the budget, and I might say my first budget in the Chair, great latitude was given both in the formulation of the questions and in the responses.

It being three o'clock I have a point of order which is being raised by the hon. member for Markham—Whitchurch—Stouffville.

* * *

POINTS OF ORDER

WITHDRAWAL OF REQUEST FOR DELAY

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville): Mr. Speaker, on a point of order I inform you that I wish to withdraw my request for the delay because I have been unable to consult with counsel. It may take some time. I believe that delaying the matter would not serve the purpose.

At a future date once I have consulted with counsel I will request of you again for the point of privilege to be raised in this House. For the time being I request that this matter be withdrawn until further notice.

The Speaker: The House will be advised that I will not be rendering my decision on the particular point of privilege raised earlier by the member for Markham—Whitchurch—Stouffville.

GOVERNMENT ORDERS

[*Translation*]

DEFENCE POLICY

The House resumed from February 17 consideration of the motion of Mr. Collenette.

The Speaker: It being three o'clock, pursuant to order made Tuesday, February 22, 1994 the House will now proceed to the taking of the deferred division on the motion, No. 8 under Government Business, that a Special Joint Committee be appointed to consider Canada's defence policy.

Call in the members.

(Motion agreed to on the following division:)

(*Division No. 6*)

YEAS

Members

Abbott
Alcock
Arseneault
Augustine
Bakopanos
Beaumier
Benoit
Bernier (Beauce)
Bethel
Bhaduria
Blondin–Andrew
Bonin
Breitkreuz (Yellowhead)
Brown (Calgary Southeast)
Brushett
Calder
Cannis
Cauchon
Chan
Chrétien (Saint–Maurice)
Collins
Copps
Crawford
Cummins
DeVillers
Dingwall
Dromisky
Duncan
Easter
English
Fewchuk
Finlay
Fontana
Frazer
Gagliano
Gallaway
Gerrard
Godfrey
Gouk
Gray (Windsor West)
Grose
Guarnieri
Hanrahan
Harper (Simcoe Centre)
Hart
Hayes
Hickey
Hill (Prince George—Peace River)
Hopkins
Ianno
Jackson
Johnston
Kerpan
Kirkby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
Loney
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (Esquimalt—Juan de Fuca)
Mayfield
McCormick
McKinnon
McLellan (Edmonton Northwest)
Meredith
Milliken
Adams
Anderson
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Berger
Bertrand
Bevilacqua
Blaikie
Bodnar
Boudria
Breitkreuz (Yorkton—Melville)
Brown (Oakville—Milton)
Bryden
Campbell
Catterall
Chamberlain
Chatters
Collenette
Comuzzi
Cowling
Culbert
de Jong
Dhaliwal
Discepola
Duhamel
Dupuy
Eggleton
Epp
Finestone
Flis
Forseth
Fry
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gauthier (Ottawa—Vanier)
Gilmour
Goodale
Graham
Grey (Beaver River)
Grubel
Hanger
Harper (Churchill)
Harris
Harvard
Hermanson
Hill (Macleod)
Hoeppner
Hubbard
Irwin
Jennings
Jordan
Keyes
Knutson
Lastewka
Lee
MacAulay
MacLaren (Etobicoke North/Nord)
Maheu
Maloney
Manning
Marleau
Massé
McClelland (Edmonton Southwest)
McGuire
McLaughlin
McWhinney
Mifflin
Mills (Broadview—Greenwood)

Minna	Mitchell
Morrison	Murphy
Murray	Nault
Nunziata	O'Brien
O'Reilly	Ouellet
Parrish	Patry
Payne	Peric
Peters	Peterson
Pickard (Essex—Kent)	Pillitteri
Proud	Ramsay
Reed	Regan
Rideout	Ringma
Robichaud	Rock
Rompkey	Schmidt
Scott (Fredericton—York Sudbury)	Serré
Shepherd	Sheridan
Silye	Skoke
Solberg	Solomon
Speaker	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Stinson
Strahl	Szabo
Telegdi	Terrana
Thalheimer	Thompson
Tobin	Torsney
Ur	Valeri
Vanclief	Verran
Volpe	Walker
Wayne	Wells
White (Fraser Valley West)	White (North Vancouver)
Williams	Wood
Young	Zed—202

NAYS

Members

Asselin	Bachand
Bellehumeur	Bergeron
Bernier (Mégantic—Compton—Stanstead)	Bouchard
Brien	Bélisle
Canuel	Caron
Chrétien (Frontenac)	Crête
Dalphond-Guiral	Daviault
Debien	Deshaies
Dubé	Duceppe
Dumas	Gagnon (Québec)
Gauthier (Roberval)	Godin
Guay	Guimond
Jacob	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
Leblanc (Longueuil)	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Marchand
Mercier	Ménard
Nunez	Paré
Picard (Drummond)	Plamondon
Pomerleau	Péloquin
Sauvageau	St-Laurent
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Venne—49	

PAIRED MEMBERS

nil/aucun

● (1520)

[*English*]

The Speaker: I declare the motion carried.

Mr. Richardson: Mr. Speaker, I rise on a point of order. I came in after the whip sat down and therefore I was not entitled to vote, but I would like to give notice that I would have voted with my party in any event.

Mr. Simmons: Mr. Speaker, I rise on a point of order. Had the bells not stopped prematurely I would have had the triple luxury of voting for my government, voting with the Reform, and having a free vote.

Mr. Pagtakhan: Mr. Speaker, for the same reason I would have voted as well with the government.

Ms. Cohen: Mr. Speaker, had the bells not been cut short I too would have voted with my party.

ROUTINE PROCEEDINGS

● (1525)

[*English*]

BORROWING AUTHORITY ACT, 1994–95

Hon. Marcel Massé (for the Minister of Finance) moved for leave to introduce Bill C–14, an act to provide borrowing authority for the fiscal year beginning on April 1, 1994.

(Motions deemed adopted, bill read the first time and printed.)

* * *

INCOME TAX ACT

Hon. Allan Rock (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C–15, an act to revise certain income tax law amendments in terms of the revised Income Tax Act and Income Tax Application Rules.

(Motions deemed adopted, bill read the first time and printed.)

* * *

[*Translation*]

PETITIONS

IMMIGRATION

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I have the honour to submit a petition signed by more than 4,000 residents of my riding of Québec–Est and several other areas of the province of Quebec. Their names should be added to the 5,000 which are on petitions already submitted, and I will add 13,000 more tomorrow.

The petitioners are asking Parliament to urge the Minister of Immigration to reconsider the decision of his department to expel the Maraloï family from Vanier, and to allow this family to stay in Canada where, after three years, it is very well integrated. I wholeheartedly support this petition and I urge the government to follow up on it.

SOCIAL HOUSING

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, on behalf of my constituents, I would like to submit a petition in accor-

dance with Standing Order 36, urging the government to reinstate in full the funding for social housing.

This petition bears more than 400 signatures and is submitted to remind the government that its duty is to provide the neediest with adequate housing, geared to their needs and their income.

CANADA POST CORPORATION

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, I am pleased to submit a petition from residents of the municipality of Vianney.

The undersigned, residents of the municipality of Vianney, in the county of Frontenac, wish to draw the attention of the House of Commons on the following: We humbly pray and call upon Parliament to urge the Canada Post Corporation to recognize the municipality of Vianney, made up of the village of Vianney and ranges 1 to 4, so that our addresses could be Vianney and not Saint–Ferdinand or Bernierville, while keeping the same postal code, G0N 1N0.

[*English*]

CRIMINAL CODE

Mr. Jay Hill (Prince George—Peace River): Madam Speaker, pursuant to Standing Order 36, I have the privilege to present a petition on behalf of over 1,000 constituents from the Prince George—Peace River riding.

They call upon the House of Commons to repeal Bill C–17, the most recent amendment to part III of the Criminal Code.

• (1530)

These citizens believe that gun control legislation was sufficient prior to the Bill C–17 amendments and that the bill has placed undue restrictions on law abiding gun owners instead of focusing on the punishment of those who criminally misuse firearms. I am very pleased to support the petition.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I would ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Shall all questions be allowed to stand?

Some hon. members: Agreed.

[*English*]

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I would suggest that the sole notice of motion for the production of papers be allowed to stand.

The Acting Speaker (Mrs. Maheu): Shall it stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 22 consideration of the motion that this House approve in general the budgetary policy of the government.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Madam Speaker, we seldom have an opportunity to do so but before resuming our comments on the budget of the Minister of Finance, I would like to start by congratulating the interpreters who do an excellent job, both in French and in English. This is not always easy, especially when members speak quickly and use technical terms.

Yesterday's budget speech by the Minister of Finance is a direct contradiction of any expectations we might have of a new government in this House. This government promised us jobs that would restore the dignity—as the present Prime Minister said and kept repeating, especially during the election campaign—of a million and a half unemployed Canadians and nearly half a million unemployed workers in Quebec. That did not happen in this budget.

This budget merely refers to the infrastructure program which already been announced on many occasions and will create only 45,000 temporary jobs, or barely 3 per cent of the needs of the unemployed. Three per cent, that is what the government and its Minister of Finance are giving us after repeating for I do not know how many months, while waving their little red book, that what was needed was jobs, jobs, jobs. And all we get is 45,000 jobs, 3 per cent of what the Canadian labour market needs.

The government was also committed to putting its financial house in order. However, the deficit for 1994–95 will remain very high, at nearly $40 billion the highest deficit estimate ever in federal history.

And since yesterday, this government has felt very proud. The minister says he is proud of this budget, and he brings us the highest deficit in Canadian history. How can anyone be proud of a budget as disastrous as this one?

The government failed to make much–needed cuts in government spending. It failed miserably. It did not have the guts to attack departmental operating expenditures and cut the fat in the federal bureaucracy. The fat is still there. Every year the Auditor General keeps repeating the fat should be trimmed from program administration and public spending in general. But where is the political will to do what the Auditor General asked the government to do not so long ago? Nowhere.

• (1535)

This government, and the Minister of Finance in particular, does not have the courage either to end overlap and duplication which at the very least cost Quebec alone between $2 and $3 billion. This is unacceptable for a first budget from a federal government which promised to get its fiscal house in order. If my memory serves me correctly, yesterday's budget reduces federal government operating expenditures by only $400 million, out of a total operating budget of nearly $20 billion. How can it be proud of this achievement?

Instead of cutting expenses, the Minister of Finance and his government have foolishly chosen to increase the fiscal burden of taxpayers, specifically the burden of the middle class, thereby falling into the same ruts as the previous government.

Overall, the government will collect no less than $575 million in 1994–1995 from a variety of new taxes, and more than $1.3 billion in 1995–1996. Not so long ago, every member of this government, and in particular the current Prime Minister and the Minister of Finance, was saying that when they came to power, there would be no tax increases and no income tax increases. They are doing exactly the opposite of what they have been saying for months. They are also doing exactly the opposite, Madam Speaker, of what they said they would do in their red book, this rag that they have been waving in our faces every day.

Some hon. members: Hear, hear.

Mr. Loubier: In so doing, Madam Speaker, they are also directly contradicting themselves and their claims to want to increase economic growth opportunities, because by increasing the fiscal burden of taxpayers, the government is reducing their purchasing power and jeopardizing the already anemic economic recovery.

Finally, the Minister of Finance, the stand–up comic of Canadian economic policy, is soaking middle–income earners for more than half a billion in tax revenues over three years by taxing—and this is just one example—life insurance premiums paid by employers, by taxing middle–income earners.

Moreover, we now know the true meaning of the words "modernization" and "rationalization" when spoken by the Liberal government and the apparatchik.

The Minister of Finance, the real boss when it comes to running public affairs in Canada, is making, on the backs of the very people who have to rely on assistance from the entire community, a shameful $7.5 billion cut in social programs.

An hon. member: Unacceptable.

Mr. Loubier: And inadmissible. It is inadmissible that a government which, not so long ago, was complaining to the previous government that it was outrageous to attack the universality of social programs and to start cutting back such programs.

Members opposite have the gall to talk about—and I have been hearing the same thing over and over for a very long time—social justice and a fair contribution in looking for ways to better control public finances. The government claims to be concerned with poverty and unemployment and then turns around and attacks the victims of these two social evils to solve its own problems.

I cannot figure out what kind of social conscience these people have, but as soon as they have the reins of government in hand, they forget who they owe this to, and that is inadmissible.

These are not the only tax bites suffered by the taxpayers. Reneging on its election promises, the government has cut transfer payments to the provinces, payments which are used to support education and social assistance programs. It is taking away, stealing from the pockets of the provinces nearly $2 billion for fiscal years 1995–96 and 1996–97. That is what has come to be known as shifting one's deficit onto the shoulders of the provinces while sparing oneself the unpleasant task of confronting the voters with additional tax increases.

Some hon. members: There. That is it.

An hon. member: The cat is out of the bag.

An hon. member: Put that in your pipe and smoke it.

Mr. Loubier: Who is going to pay for all this? Who will pay? Again, as always, the taxpayers. The same people pay for it all. We do not have different groups of taxpayers for federal income tax, provincial income tax or municipal property tax. The same people pay at all three levels. Whether we increase taxes directly at the federal level or pass the buck to the provinces, in the end, the taxpayers are paying and the middle–income taxpayers in particular have been overburdened with taxes since 1984. Yet, they have just been struck another blow and are seeing their tax burden become even heavier.

• (1540)

From this perspective, the Official Opposition can only condemn the fiscal stance of the Minister of Finance, which does not solve the huge problem of the federal deficit, quite the contrary!

[*English*]

There is no action in the budget for job creation and no hope for the 1.5 million unemployed in Canada. The infrastructure program is supposed to create 45,000 jobs, only 3 per cent of the needs of the Canadian labour market.

The finance minister expects the most spectacular deficit in Canada's history, the highest ever calculated. We know by tradition, especially the treaty of tradition, that the deficit will go over $40 billion. It will probably go over the $45 billion mark this year.

The Minister of Finance does not have to be proud of it.

There are no reductions in federal spending, but taxes will increase for middle income earners. There is nothing in the fiscal loopholes under family trusts but promises to study them in the finance committee. There is nothing concerning the recommendation of the Auditor General on the possibility of saving more than $5 billion a year by removing inefficiencies in public services. There is no provision for social housing in the budget. Instead, the minister decided to cut social welfare by $7.5 billion for the next three years including a cut of $2 billion in provincial transfer payments.

[*Translation*]

Madam Speaker, there is really no need to remind this House that the inability of the government to control the deficit is merely the continuation of the fiscal laxness of Liberal governments in the seventies and the early eighties, and I did say Liberal, not Conservative. As you know, the current Prime Minister was even the Minister of Finance for a while during those years. This laxness on the part of all those Liberal governments is directly responsible for the huge increase in the public debt, which is now over $507 billion.

From 1970 to 1985, during 15 years of almost uninterrupted Liberal regime, the ratio between the budget and the GDP went from a surplus of 0.3 per cent to a deficit of 8.5 per cent, a high which remains unequalled. This disastrous state of our public finances is the legacy of successive Liberal governments.

If the past is any indication of what the future holds, and I believe it is, we are in for quite a ride with the budget tabled yesterday by the Minister of Finance, especially because it maintains social injustice, fiscal laxness and tax unfairness. Rich people and major corporations will not pay any more taxes, while the poor and the middle class will continue to pay for the Liberal government's attitude. This is unacceptable!

The Minister of Finance has no reason to be proud to announce a deficit of some $40 billion for the fiscal year 1994–95. Especially since he knowingly—and I do mean knowingly—and wilfully increased the amount of the deficit for the last fiscal year, so as to look more efficient with the cuts announced in his budget of yesterday.

According to several economists, some of whom he consulted during the pre–budget exercise which took place recently, the actual national deficit for the current year is not $45 billion but somewhere around $42 billion. In fact, the Conference Board, which can certainly not be accused of promoting sovereignty, wrote this in its note on the Canadian economy for the winter of 1994: A large part of the $3 billion cost overruns for 1993–94 results from changing the implementation date of certain measures announced in policies and, as such, is due to one–time discretionary accounting decisions. What that means is that, based on the deficit forecasts from the Department of Finance and on the budget tabled yesterday, the Minister of Finance moved only $2 billion towards his expense–cutting objective. The minister speaks of cutting the deficit by $7 or $8 billion, but it is a fraud, a sham. I will not say that they are lying, because that is unparliamentary, but I will say that they are not telling the truth.

• (1545)

Since the deficit for 1994–95 will be reduced by only $2 billion, where is the effort to restore fiscal sanity to government? They must be joking, they are not credible! Do you think, do we all think, that the Minister of Finance and this government are waiting for a third warning from the International Monetary Fund before doing something? Are they also waiting for a further deterioration of Canada's fiscal situation as a result of a lower credit rating from the major rating agencies? Madam Speaker, this government and especially the Minister of Finance are grossly irresponsible.

I believe that compared to other industrialized countries, the economic situation in Canada called for aggressive budgetary measures. If you allow me, Madam Speaker, I will give a few examples of Canada's bad performance to show that we needed more than budgetary cosmetics from the Minister of Finance.

The facts that I will now present are known, and I hope they are known to the Minister of Finance. I hope he knows his ABC's. First of all, the relative size of the Canadian deficit is greater than in the other G–7 countries. In 1993, according to the Organization for Economic Co–operation and Development and according to the definition given in the national accounts, Canada's deficit–GDP ratio was 63 per cent higher than the G–7 average. It is spectacular in the bad sense of the word.

The second fact that the Minister of Finance should know, that his government should know and that all ministers should know but instead pretend not to know in order to hide the fact that our present system is a national catastrophe, is that our debt is growing much more rapidly than in that of the G–7 countries as a whole. From 1985 to 1993, the debt–GDP ratio of OECD countries grew by only 21 per cent, whereas Canada's debt–GDP ratio grew by 82 per cent. That is 82 per cent versus 21 per cent.

In less technical terms, this means that Canada's debt is growing much more rapidly than the revenue that could be used to reduce it some day. When a country gets to the point where it cannot generate enough revenue to be able some day to pay the interest and part of the principal on its debt, it means that things are bad, really bad.

As if that was not enough, between 1983 and 1992, the proportion of the federal debt held by non-residents more than doubled. This is unacceptable. It makes us lose control over the Canadian economy, so that future generations, our youth, are crippled more than other taxpayers. They are the ones who will have to pay off the debt, including our enormous foreign debt.

I can tell you that the present government, as did the previous ones, is leaving quite a legacy to our youth, seing that the unemployment rate is at 17.5 per cent in the under 25 age group. Such are the figures for the last quarter of 1993. It is quite a legacy, which does not allow them much hope.

Again, according to the OECD data, due to structural factors the Canadian public sector's spending is increasing faster than that of most countries of the OECD, and faster than in all G-7 countries. Simply put, it means the system is no longer working.

• (1550)

This system is rotten to the core, as we say in Quebec. The system does not work and things only get worse because of the fact that tax revenues do not flow in the federal coffers as they should, given the economic growth. Why? Because of overtaxation, and to put it bluntly, because Quebecers and Canadians are fed up. A new underground economy has emerged and is becoming larger and larger.

I believe the Minister of Finance, with the budget he tabled yesterday, is contributing to the growth of the underground economy both in Quebec and in Canada. That is unforgivable. He is contributing to the collapse of our country and of our system which he pretends to be protecting.

According to the technical data from OECD, government expenditures are now out of control and changes are needed, not only some patching here and there, but major changes the Minister of Finance does not have the guts to make. Tabling a budget like the one the Minister of Finance put forward yesterday is an act of cowardice.

Even if the members opposite laughed at us before their first budget was tabled, we did not take any pleasure in constantly urging the government to set up without any delay a special parliamentary committee not only to consider, but to analyse carefully and in detail all of the expenditure items of the Canadian government, not only the budgetary expenditures but also tax expenditures. We wanted to make major changes that would help us to control somewhat the degradation of public finances in Canada, since we cannot totally control the situation, with the system on the brink of collapse.

Of course, we will not go over the history of the past three months, but already, even without the committee, even without the government's response to the establishment of a special parliamentary committee, the Minister of Finance yesterday, if he had the courage of his convictions which he showed when he was in the Official Opposition, could have applied the Auditor General's recommendations of the past three years and thus taken a considerable amount, not just $40 million, from the government's spending on operations. According to many tax experts, he would get at least $5 billion a year in wasted public spending and inefficiency and bureaucracy of all kinds, but the Minister of Finance and his government did not have the courage to take that medicine.

As for revenue, when we look at the forecasts—and these forecasts are absolutely ridiculous; they have no credibility in economic and financial circles—we must admit that the Minister of Finance is making exactly the same mistakes as his predecessor in this House. He still thinks he is in the period from the mid-1970s to the mid-1980s, when tax revenue rose in step with economic growth, as measured by the gross domestic product, that is growth in the nation's wealth.

The Minister of Finance wrongly predicts that any 1 per cent increase in national wealth as measured by the gross domestic product will result in an increase of over 1 per cent in tax revenue. Since the mid-1980s, that is no longer the case, as a Conference Board study done in January confirms. When the nation's wealth as measured by the gross domestic product grows 1 per cent, tax revenue grows by only 0.4 per cent. Why? For a very simple reason, as I just said: the emergence and growth of a large underground economy in Quebec and Canada, because taxpayers are fed up with taxes and have had enough of being overtaxed, while seeing that the present government, like the previous one, does not have the courage to act to eliminate waste and inefficiency.

• (1555)

I would remind you, Madam Speaker, that revenue forecasts are unrealistic, even in comparison with the estimates done in the last three years. For example, the February 1991 budget overestimated revenues for the 1991-92 fiscal year by $6.5 billion. The following year, the budget again overestimated revenues for the 1992-93 fiscal year not by $6.5 billion but by $10.6 billion. Finally, according to the Department of Finance's estimates, the April 1993 budget overestimated revenues by nearly $10 billion. So how much credibility can one expect with such revenue estimates in the finance minister's budget when, on one hand, the assumptions underlying economic growth-re-

lated tax revenues are false and, on the other hand, the team responsible for the previous government's economic and financial forecasts is still giving the finance minister the same kind of estimates?

According to the analysts I heard yesterday, the finance minister's estimates are totally unrealistic and he will not meet his target to reduce the deficit to 3 per cent of GDP in the next few years. It is technically impossible.

Not only does the finance minister lack finesse and credibility in this respect but, like his predecessors, he also shows a lack of vision because he goes even beyond using data that is not credible. He said in his speech yesterday that government revenues would not only follow economic trends but grow faster that the economy. Imagine, he goes even further than the previous government by using totally unrealistic assumptions. He says that tax revenues will increase faster than the collective wealth.

I do not know how this bill of goods was sold to the finance minister. I do not know whether he believed in it from the start but I can assure you that it is impossible. It is impossible and if it ever happened, the government's friends or the Chamber of Commerce representatives would be deeply concerned about this kind of forecast.

I do not know if the finance minister remembers how indignant he acted and how he condemned the Conservative government's surrealistic forecasts when he was on this side of the House. Like his predecessor, is he wearing rose–coloured glasses which encourage finance ministers to overestimate government revenues or is he trying to live up to its reputation as a stand–up comic, as the prestigious Toronto daily *The Globe and Mail* recently called him.

With regard to revenues, the government and the Minister of Finance are broadening the tax base as they promised to do, but they do it again on the back of the middle–class which is already overtaxed.

Madam Speaker, let me give you a few examples to flesh out my argumentation. In the next three years, the Minister of Finance will unduly burden middle–income workers with taxes, first by taxing the employer contribution to various group insurance plans. In the next three years, the Minister of Finance will hit middle–income workers for at least another $520 million, that is half a billion dollars.

Furthermore, last week, while looking at ways to eliminate abuses and loopholes for the rich, maybe the Minister of Finance had a stroke of genius, who knows. However, in seeking to end abuses and close loopholes, he has thrown the baby out with the bath water by reducing the tax credit for meal and entertainment expenses. While it may be true that some of the people who benefit from this deduction fall into the high–income category, it is also true that nearly 80 per cent of those claiming these kinds of deductions fall into the middle– or lower–income categories. This provision will primarily affect self–employed workers. They are not the ones with hefty incomes who shelter their money safely away in family trusts. They are the people who work tirelessly to create their own jobs because they must contend with a government that is incapable of supporting their job creation efforts.

• (1600)

Obviously, the minister, even though he continues to wave his red book and to chant "jobs, jobs, jobs", did not give a moment's thought to the impact, largely negative, that this measure would have. He did not give any thought either to the effects of this measure on jobs in the restaurant industry. He did not think about this. He did not think about how this provision would discourage self–employed individuals who, day after day, work doggedly and struggle against the tax burden and the federal bureaucracy to earn a living.

My feeling—and we have an illustrious representative of the former administration—is that the Liberal government, and its Minister of Finance, is simply following without question the advice of federal apparatchiks. We see before us a pale reflection of these mandarins. To spend $170,000 to deliver a speech in New–York City, great! He travelled in a Challenger at public expense, at the expense of the very same people on whom the Minister of Finance is now imposing a tax hike, an irresponsible tax increase, as irresponsible as a $170,000 expenditure to travel in a Challenger to go and deliver a speech.

By eliminating the age credit for seniors, the Minister of Finance is widening the tax base at the expense of 800,000 older people. That is social justice! That is how we reward seniors who worked hard all their lives to start a family and build this country that this government claims to stand for.

They will actually be squeezing out of seniors another half billion or so over the next three years. How can the minister think seriously that a senior with an annual income of $25,000 is affluent and use that as an excuse to cut the age credit for seniors? How can he justify such an action when, at the same time, very profitable large corporations are allowed to pay not a cent in taxes? That is inadmissible.

I gather from this that, like his Conservative predecessors—because this is basically a Conservative budget tabled by Liberals—the Minister of Finance is relentlessly targeting the middle–class. Must the minister and his government be reminded that, from 1971 to 1991, the actual tax rate for families with an average annual income of about $46,000 increased by

32.3 per cent on average, as compared to only 26.7 per cent for families with an average annual income over $110,000?

This blatant injustice, when it was uncovered not too long ago, prompted the editorial page editor of *Le Devoir*, Mr. Jean-Robert Sansfaçon, to point out to his readers the unfair situation the middle-class was being put in. This is what he said: "Since 1980, middle-class Canadians have had to hand all their additional income over to their governments". They had to give all their extra income since 1980, everything they have earned since 1980, to the government. It goes on to say: "The tax burden climbed faster than the combined inflation and growth rates. Last January, the Liberals, newly arrived in the federal capital, raised unemployment insurance premiums by 7 per cent, a direct tax on job creation".

• (1605)

The finance minister behaved in an odious fashion, worse in some respects than the Conservatives, whom he criticized for taxing middle-income Canadians. It is a rather silly situation when part of the budget denounces the payroll tax to finance unemployment insurance, which was increased from $3 to $3.07 in January, and accuses it of slowing down job creation. But it is the Liberals who, last January, increased employers' and employees' premiums, thus taking some $800 million from workers' and entrepreneurs' pockets and compromising their promise of creating long-term jobs in Quebec and Canada.

I do not understand, Madam Speaker. I get the impression that the Liberals are laughing at Quebec and Canadian taxpayers, as no other government has dared to do in the political history of Canada.

They recognize that this increase has slowed down job creation, but they still agree to keep it at $3.07 throughout 1994 and say they will create jobs this way. They agree it is an obstacle but they still want to keep it. How ridiculous, Madam Speaker! Jobs, jobs, jobs, cut, cut, cut. How utterly ridiculous!

Does the Minister of Finance know that taxpayers from all income groups pay proportionally seven times more taxes than businesses in Canada? This is another aspect of the budget which I would like to discuss.

The federal tax base is split like this: roughly 73 per cent of the money is paid by individual taxpayers, compared to 27 per cent by Quebec and Canadian businesses. Maybe it is time to create a better balance, because contributions made to the federal tax base by businesses are getting smaller year after year.

I would like to mention some figures, again from the OECD, to those who, like the minister, his colleagues, and the friends of and contributors to the Liberal Party of Canada—and I will get back to this later, Madam Speaker—believe that businesses, and particularly very big money-making corporations, are doing their share.

The Canadian corporate tax burden represents approximately 6.6 per cent of our gross domestic production, whereas for all the G-7 members, that is for the seven most industrialized countries, this proportion is 9.9 per cent. I think there is still some margin for manoeuvre without jeopardizing the competitiveness of major money-making corporations, and I think we could tax those big companies which have made $27 billion in profits in 1987-88 and still did not pay any taxes. It seems to me that we should look at this possibility.

Some say "it is not industrialized countries we have to look at but our main trading partner". Indeed, Madam Speaker, if you look at the corporate tax burden in the United States, you will see that it represents 7.2 per cent of their GDP, compared to 6.6 per cent here in Canada.

• (1610)

So considering this difference between Canada and the United States, there is room for an entirely legitimate tax grab from large corporations that take advantage of tax loopholes.

I think this is clear proof that we need a minimum corporate tax. There is no minimum tax for large companies that are very successful and manage to transfer their profits elsewhere and patriate losses from other countries to deduct them in this country. This proves that a minimum tax would be most welcome. I think it is high time to get rid of the inequities and unfairness in our tax system.

In the same vein, we have repeatedly asked the federal Minister of Finance to put a stop to the outrageous family trust scheme which was actually introduced by a Liberal government.

Mr. Plamondon: Again.

An hon. member: Friends of the party.

Mr. Plamondon: Them again.

Mr. Loubier: Exactly! The system allows wealthy families to defer indefinitely, in other words, until the death of the last heir—this could go on forever!—all taxes, not only on the capital deposited in these trusts, but also on the interest generated by the trusts which themselves are not subject to tax.

A number of analysts estimate, unlike what the Minister of Finance claimed this afternoon, that the government could obtain at least $350 million annually in new federal revenue from this source—

Mr. Milliken: Who said that?

Mr. Loubier: —and even as much as one billion dollars in new revenue, according to the estimates.

I hear some comments from our friends opposite. They did not have the guts, and if they think these trusts are so funny, why did

they not get rid of them right away, to see how that would affect the government's tax revenue?

Why did they not do away with the family trust system right away, instead of raising direct and indirect taxes on middle incomes? They had no hesitation in doing that. They did not ask the Finance Committee for a study. They did not ask for an impact assessment of these tax increases.

Mr. Plamondon: Hold a forum? Certainly not.

Mr. Loubier: They increased taxes, so why did they not do anything about family trusts?

The minister was saying this morning that, since the Finance critic of the Official Opposition had requested that family trusts be reviewed, he had referred the problem to the Committee on Finance. The minister knows full well that what I asked him to do is to abolish those trusts. It is true that I asked him to instruct the Auditor General, with the consent of the House, to review all the tax loopholes used by rich individuals and large companies, as this could be part of the attributions of the Auditor General, but I specifically asked that family trusts be abolished immediately.

The minister knows full well that the government, for political and politicking reasons, has already given the Committee mandate to find alternatives to the GST and that, consequently, the review of family trusts could not possibly be undertaken before next year.

If that is not helping the friends of the party, I wonder what it is. If this is not not telling the whole truth, what is it?

An hon. member: Protecting your buddies.

Mr. Loubier: Instead of going after middle– and low–income earners, why did the government not go after those tax shelters of the wealthy? Why did it not tackle the real problems, the problems that Quebecers and Canadians are faced with, which are unemployment, the curse of our time, and underemployment? The government is always talking about jobs, jobs, jobs, but it did not even give an absolute priority on this desirable objective. We would have supported them on that, but there is nothing in this budget, but another repetition of the creation of 45,000 temporary jobs as a result of the urban infrastructures program.

• (1615)

Regarding job creation, we can only condemn the absence of genuine job creation strategies in the budget. Need we remind the Minister of Finance that the anemic economic recovery has had virtually no effect in terms of creating new jobs. For example, Quebec has recovered only 25 per cent of the jobs it lost during the recession, while the recovery rate in the rest of Canada is slightly higher at 40 per cent. As I said, the recovery is anemic everywhere. In Quebec and in Canada, unemployed workers and families struggling to make ends meet will suffer even more as a result of the Finance Minister's budget.

Moreover, I would add that the Minister of Finance was not being completely truthful yesterday in so far as Canadian economic policy is concerned when he stated with a straight face and without encountering any opposition that his government, the Canadian government, was very proud of the fact that since October 26, it had followed through on its election platform as set out in the red book. In referring to monetary policy, he said that his government had set monetary policy right so that it would never again jeopardize economic recovery. The minister is making fun of Quebec and Canadian taxpayers. What a joke!

Last December, I attended a press conference at which the Minister of Finance was accompanied by the new Governor of the Bank of Canada, Mr. Thiessen, who was the principal adviser to and right–hand man of the former governor, John Crow. Mr. Thiessen took this opportunity to unveil his monetary policy. And what was his monetary policy? They have exactly the same monetary policy as the previous administration, with their relentless and dogmatic fight against inflation without paying any attention to this goal they claim to have, namely job creation. Stop kidding the people and stop telling them that, once recovery really gets under way—if and when that happens and if this government does not jeopardize it—the Governor of the Bank of Canada will take, as he did during the first quarter of 1990, drastic measures to bring inflationary pressures under control.

I did not understand the point the minister was making yesterday when he said that this policy was changed to reflect a quantitative target to achieve balance between long–term price stability and short–term job creation requirements.

An hon. member: The red book has turned blue.

Mr. Loubier: Exactly! I was also surprised to notice that there was nothing in this budget to help the business community, and the small and medium–sized businesses of Quebec and Canada in particular, face the challenge of globalization. Again, the red book is disregarded, because the red book said this was a priority, that support would be provided to the small and medium–sized businesses to help them recover from the recession and face market globalization. What do we find in this budget? As expected, the Minister of Finance was true to himself and the budget is pure posturing. It reflects a taste for consultation, consultation and more consultation, without ever making decisions or taking positive steps.

The Minister of Finance is suffering from acute consultation fever. When he said: "Working in partnership with the private sector and the financial community, the government will seek the best possible way to provide long–term funding to businesses". The government is not making any decision, only a commitment with regard to consultation. I am still new to some things, but I get the distinct impression that I have been hearing about nothing but consultation, whether in the form of constitu-

tional talks or citizens' forums like the Spicer Commission on the future of Canada, the future of something which is technically flawed.

• (1620)

That is something! I quote another passage from the budget speech, where it says: "The government will undertake a thorough review of federal spending on science and technology, in order to implement a more effective policy to assist research and development".

Once again, for about five years, Canada has had a chronic R and D deficit; it is lagging in technological development, the key to meeting the challenges of globalization, and we are told that a thorough review will be done. What credibility can the Minister of Finance and this government have in presenting such things to us?

Still quoting the Minister of Finance: "The Minister of Industry, with funds available in 1994–95, will establish a program of technological partnerships to strengthen co–operation between public and private institutions, so that the results of research lead to new products and employment". For ten years we have been discussing these things, for ten years we have had no decision and the minister is continuing this governmental inaction.

I think that the time has come to act, to stop discussing, to stop sitting around a table and trying to develop new partnerships. The partners are there. They are waiting for this government to get out of its laissez–faire attitude, to make concrete decisions and not to compromise the economic recovery by its actions, by increasing taxes or in various ways. That is what people want. Presenting things like that is not serious.

Another very important point in the budget, which I found particularly disturbing, yesterday we discovered—I hear laughter from the other side, that is not serious, but so is the budget—who the real Minister of Human Resources Development was and we saw that it was the Minister of Finance, the member for LaSalle–Émard, who was dictating to the Minister of Human Resources Development that he would have to do without $7.5 billion for social programs over the next three years.

I was shaken because there always is some trust between individuals and I believed the members opposite were serious in some regards. When the Liberals were the Official Opposition, they said that social programs should not be tampered with and they warned the Conservatives against meddling with the Canada Assistance Plan and the federal contribution to post–secondary education.

The current finance minister and the Prime Minister rent their clothes every time the Conservatives talked about changing social programs one iota. In this regard, yesterday the minister made everyone proud and happy by presenting us with a $7.5 billion budget reduction plan over the next three years.

What kind of social conscience do these people have? Is this how they intend to restore tax equity and fairness in Quebec and in Canada? Is this what they had in mind? Is attacking the underemployed and the poor what they were thinking of? It is outrageous.

The Leader of the Bloc Quebecois and Leader of the Official Opposition was right. When the members opposite talk about reforming social programs or about reforming the health–care system, like the hon. member for Hull—Aylmer did, they are talking about cuts. They are not talking about improving the systems but about cuts, pure and simple. We had undeniable proof of that yesterday.

It is the same thing with social housing. As you know, Madam Speaker, maybe better than I do, 1.2 million Canadians, mostly women and young children, are waiting for social housing. Why is that? It is because these people spend between 30 and 50 per cent of their income on rent. This means that they have roughly half of their income left for clothes, hydro, telephone, medication and unforeseen expenses.

• (1625)

Not that long ago, some poor people from Quebec and every part of the country took part in a demonstration here in Ottawa. This is actually a good opportunity to make a point. Five MPs were there to meet these people, and all five were Bloc Quebecois members. Neither the Liberal Party nor the NDP were represented.

These people asked us to be their spokespersons and tell this House as well as other Quebecers and Canadians about their plight and their daily hardships. The hon. members for Laurentides and Ahuntsic, a couple of others colleagues and myself have had the opportunity to work with these people and help them make a budget. Once they had paid for rent, food, clothes—and I mean the bare essentials—and medication for their children, some of these people, particularly single–parent families, had a deficit in their monthly budget. In the case of one person whom I had the privilege of helping with her budget, that deficit was $27.

Again, the Liberals were in opposition last year and they were outraged when the Conservatives announced a $600 million cut in social housing programs. But what are they doing now with this budget? That is the problem: they do nothing to give some hope to the poorest families.

I remind the Minister of Finance and member for LaSalle—Émard that the level of poverty in Montreal has constantly been on the rise in the last ten years. In that city—and the minister should know that since he is one of its prominent representa-

tives—close to 64,000 families, that is one family out of five, spend more than half of their income on rent. This makes Montreal the Canadian city with the largest number of renting households spending more than 50 per cent of their income on accommodation.

There is more, and I want the minister of Finance and member for LaSalle—Émard to listen to this. He is not here? Surely he must be listening to me. Excuse me, Madam Speaker, I apologize. I made a blunder. I wish the Minister of Finance would realize that in Montreal, as I said earlier, 64,000 families—one household out of three—pay more than 50 per cent of their income on housing, and 20,000 people are homeless. Are the Minister of Finance and his government going to close their eyes much longer to this human suffering?

It is time to stop the pretty speeches and take action. The government should stop saying it will do anything at all to help people, when it agrees to maintain a decision to cut $600 million from the budget for social housing.

I have a few comments on national defence, since the Minister of Finance and the Minister of National Defence referred to the Bloc's position on the subject this afternoon. The measures in this budget are not what the Bloc Quebecois asked for. I will explain, perhaps for the last time in this House, what the Bloc's position was on the budget for National Defence. The Bloc Quebecois was in favour of a 25 per cent cut in the defence budget. It favoured using part of the resulting savings on reconversion of defence industries to civilian use, something which is entirely absent from the budget plan of the government and its Minister of Finance. It is not the same perspective. They can use as much political rhetoric as they like, as the Minister of National Defence did this afternoon, but they cannot deny that this was requested by the Bloc Quebecois.

• (1630)

Second, we asked, and we defended the principle during the election campaign, that a fair share of Canada's national defence budget be spent in Quebec. We asked that fairness be restored to the system before proceeding with drastic cuts just about anywhere.

Today, and the Official Opposition defence critic will correct me if I am wrong, about 19 per cent of Canada's national defence budget, let us say between 17 and 19 per cent, is attributed to Quebec, although Quebec represents 25 per cent of the population, and now they say: of course you will agree with the closing of the only francophone military college in North America. I think that is outrageous. We will never agree with that decision, and I can assure you that in the case of the Collège militaire royal in Saint–Jean, the Bloc Quebecois and its supporters, and I think we have quite a few in Quebec today, will stand and fight, and I mean this quite seriously, against the closing of the only francophone military college in North America.

Some hon. members: Hear, hear.

Mr. Loubier: Time is flying, but I was told I had unlimited time. I find that fantastic, although I would not want to exaggerate.

I would like to say a few words on international assistance. We did not talk much about that, and I think we should start. The budget contains a 2 per cent cut in international assistance. That is a $400 million reduction in the budget over the next three years.

The Bloc Quebecois, short of increasing the budget for this item, would have asked the government to keep the level of Canadian development assistance, because we are still quite far from the objective of 0.7 per cent of our GNP for international aid programs. As I could see during my years of employment with a farmers union, poverty in Latin America as well as Africa is not only still there, but it is increasing. The government could have corrected some of the administrative problems in international development that the Auditor General pointed out in his last report. We should, at least, have had the decency of maintaining the level of our international assistance, our commitment to helping the neediest on this planet. It seems to me that it is not much to ask of a country like Canada.

We should not forget that every time we teach people in the developing world to do something, they become wealthier and therefore, they acquire goods and services in Canada. Such a cut is therefore postponing possible growth in the demand for Canadian goods and services. From an economic point of view, the only one that the government ever takes into consideration, this fact should have been remembered. We deplore the $400 million reduction in international development assistance over the next three years, while children in Africa and Latin America continue to die every day.

In conclusion, I would just like to say that this budget is devoid of the measures that the government should have taken. Moreover, its spending reduction targets are ridiculous because as I said at the outset, in nominal terms, expenses will not be reduced over the next three years. In fact, spending levels will remain relatively stable.

This budget does not contain any serious measures which would allow the government to get its finances in order. As many observers have pointed out since yesterday, it is not a visionary budget. It does not contain any job creation incentives to give some hope back to the 1.5 million Canadians and 460,000 Quebecers who are unemployed. The middle class is being taxed to death, while the poor and the disadvantaged will feel the effects of cuts to social programs.

• (1635)

If I may digress for a moment, last week I was rereading René Lévesque's memoirs and a thought came to mind. As you know, in Quebec, Mr. Lévesque left us with a legacy whereby political parties can only accept contributions from individuals. I notice that the federal Liberal Party and the Reform Party have no such system in place. This seems to be the case just about everywhere in Canada. I wonder if the fact that the Liberals do not have such a system explains in part why they did not move in this budget to close the various tax loopholes which benefit large corporations or to do away with family trusts which benefit the wealthiest members of society.

I went and got a copy of the report the Federal Liberal Agency of Canada submitted last year to the Chief Electoral Officer of Canada, only to discover that among the contributors whose names I will not mention —the report is public domain, anybody can refer to it— there are Canadian manufacturing industries which have contributed up to $68,000 to the election fund of the Liberal Party of Canada. Probably the same ones dodging tax in tax havens like Barbados and the likes. I also noticed that the Liberal Party of Canada received from banks and trusts companies amounts ranging from $12,000 and $45,000. They are the ones responsible for administering family trusts.

I wondered if that did not explain in part why the government across the way, the Liberals, did not eliminate this kind of preferential tax treatment for contributing friend of the Liberal Party of Canada. When you accept contributions like that, you have to expect to have your hands tied once you are in office. You must also expect that you will not really be free to make the right, timeliest and fairest decision. I wondered if that was not the reason. If indeed it is, I am outraged. If not, prove it to me. Let our friends opposite put in place a system based on René Lévesque's great legacy, a system similar to the one we, the Bloc Quebecois, have adopted.

Our hands are not tied. We can speak on behalf of middle-income taxpayers and those suffering the most hardship in our society, without the diktat of large corporations and the wealthiest families of Quebec and Canada being imposed upon us.

To conclude, I would ask the Minister of Finance to take off the work boots the Prime Minister has offered him, because I believe he is not worthy of wearing them.

I therefore move:

That the motion be amended by deleting all the words after the word "That" and substanding the following:

"this House denounce the reversal of the Government's position on the budget which:

(a) tackles the problem of the deficit on the back of a middle class already bled white by the tax increases of recent years:

(b) gives up trying to control spiralling deficit-related expenditures by basing its fiscal analysis on unrealistic revenue projections;

(c) refuses to eliminate tax loopholes for the wealthy and for big business;

(d) abandons the poor to their fate by its readiness to slash funding for social programs; and

(e) continues the destructive policies of preceding governments by demonstrating a flagrant lack of long-term vision and by giving no hope to the jobless."

Some hon. members: Hear, hear.

• (1640)

[*English*]

Mr. Ray Speaker (Lethbridge): Madam Speaker, thank you very much for the opportunity of addressing this assembly. I would first of all congratulate the minister for presenting us with his first budget. I encourage him today to do better. That will be my objective.

In summary, what I would like to say to the assembly are basically three things: First, look at some of the positive aspects of this budget; second, examine taxation, the deficit budget proposal; and, third, make some proposals on behalf of the Reform Party to this assembly and as well to the Liberal government in terms of the priorities and some of the things it can do to bring the spending of this country in line and deal in a more responsible way with our fiscal budget.

As well at this moment I would like to offer my appreciation to the hon. member for Saint-Hyacinthe—Bagot. The hon. member has been very eloquent today and has laid out a number of proposals. I do not agree with a number of the specifics that were presented to us here today, but I hope when I am able to speak en français that I am as fluent and as facile as the hon. member was here this afternoon.

This budget gives us as Canadians, and certainly members of this House, the first opportunity to judge the government on its promises. Canadians over the last few years have faced a number of difficult things: inflation, large tax increases, GST, and certainly recession.

Canadians are now asking the government a most important question. Will this new budget offer them hope, tax relief, and an end to the chronic deficits that this country has had in the last 10 years, deficits that have smothered us and created difficulties for employment opportunity, business growth and economic growth? They are asking that question and this government must answer it.

To be fair, and this is the Reform way, I want to talk about some of the positive aspects of this budget. First, I want to acknowledge what the government has done in terms of social programs, that it has started to target them toward those most in need. In these sad economic times we as Reformers believe that is a basic principle to be adhered to. In light of that principle, we

recognize the changes to the UIC and the elimination of the age credit as well for wealthy seniors.

Second, I recognize that this budget does bring about restraint, not excessive restraint or the type of restraint we would like to see, but modest restraint. If that is a slight flavour of what we are going to see in the future, then it is a good beginning. If it is not, then it is a very unacceptable start.

• (1645)

What we do not see along with that restraint is a real spending plan and that concerns us. We see this restraint in the military reductions. I know the hon. minister will address this today and will go into detail on some of those reductions which we hope will have fairness across Canada.

Our first review and examination of the reductions taking place regionally seem to be fair and spread across Canada as such. We appreciate the way that was handled. We were concerned prior to the budget that the cuts might be all in one province or in one region which certainly would have been very unfair.

The other area of modest restraint we see is in terms of decreases to business and regional subsidies. The red book had indicated $225 million to $250 million. They are around $150 million less but there is restraint.

The third item is the modest reduction in some of the government operations. We certainly salute that and encourage the government to pursue that direction.

When I examined the budget, and listened in the lock–up and listened to the speech by the hon. Minister of Finance, my attention was drawn to some of the comments on pages 1, 3 and 15 of the budget speech. I would like to read those comments into the record to set the tone for what I have to say later.

This is what the Minister of Finance said they want as a government:

> A Canada where our public finances are in order, not ruin.
>
> The days of government simply nibbling at the edges are over.
>
> We need a new architecture, for government and for the economy.

On page 3 we can read this quote:

> The era of tax and spend government is gone.
>
> People told us we should freeze spending. We agree.

On page 15 is the support for what I have already quoted: "One of the reasons for the growth of the underground economy is that Canadians believe that taxes are too high. We agree". He said that; I say that. He went on to say:

> We want Canadians to rejoin the legitimate economy, not leave it. Our objective is to get growth up and get the deficit down so that in the years ahead, taxes can be reduced. Ultimately, the pay–off for getting the deficit down will be lower taxes.

Those are excellent statements. When I heard them I felt as if I were flying like an eagle over the prairies of Alberta. I felt dominion over all. But all of a sudden, as I read other parts of the budget I felt as if I had crashed like a duck on the ice of Lost Lake in southern Alberta. What a change and what a let down.

When we examined the budget speech we came to the conclusion that the government was not coming to grips with some of the problems. We have renamed it the child of the red book and the budget speech is the red ink book. I am going to talk about that for a few moments today.

First, let us look at why the red ink. Canadians told all members of this House of Commons that they were overtaxed. However, if we look at the red ink book—

The Acting Speaker (Mrs. Maheu): I am sorry. Perhaps the hon. member is not aware that it is not permitted to raise the red ink book in the House of Commons.

Mr. Speaker (Lethbridge): Madam Speaker, certainly I will try to—

The Acting Speaker (Mrs. Maheu): I am sorry. I requested that the hon. member not raise the red book from his place in the House of Commons.

• (1650)

Mr. Speaker (Lethbridge): Thank you very much, Madam Speaker. I will adhere to that directive from the Chair.

The red ink budget presented to us told Canadians that there was going to be an increase in taxation levels and that the government would be relying on increased revenues for a large portion of its deficit reduction program. That was unacceptable.

Canadians have said in the last few months that we must stop overspending and get rid of the deficit now. What did that red ink book say to Canadians? What did the government say yesterday and today?

The budget will contain a $40 billion deficit and there will be minor expenditure reductions to reduce the deficit, a little today but mostly later. Mostly later, not today. If we examine the budget further we find that most of those reductions were taken by other expenditures, new expenditures of government, so we did not get ahead. We are $40 billion in debt.

Canadians wanted a long term plan, a plan for at least the 35th Parliament. Did we get it out of the red book? We got a two phase plan but it did not meet the request of Canadians. It is totally silent on a formal plan to deal with Canada's economy.

Another thing Canadians wanted was jobs, jobs and jobs and this was on the marquee of the Liberal Party during the election. When we read through all of these documents presented to us, the budget speech, the budget plan, the supporting documents, and the hearings we attended, there was no mention of numbers in the goals for jobs, either through job creation or job opportunities created by small and medium sized businesses across

Canada. The numbers there are minor to the real need of Canadians. There is nothing comprehensive in a plan that speaks to Canadians as to what this government intends to accomplish.

To sum up why I call it the red ink book plan it is because this government has not heard what Canadians have said on taxes, on the deficit, on the plan. Most important the government has not dealt with the question of jobs.

The minister claims he is going to do that. He presented the budget in a pair of what I call farm work boots. I want to say this very clearly. If someone came to my farm one morning, I hope ready to work, and at noon those boots were still clean and nothing really had been done, I would not keep that person around very long.

It is time for the Minister of Finance to get to work and get those boots dirty. It is time that the minister, the Prime Minister and other ministers of this government take on the tough job they face in terms of the economy. They have to show the will to deal with the difficult circumstances, the overexpenditure, the high taxation which is suppressing businesses across Canada, the high taxation which is creating doubt and a lack of confidence for investment that would create job opportunities for all Canadians.

I want to make some remarks about taxes and the attitude of the Liberal government on taxes which is highlighted in the budget. The minister was so proud when he presented it. He said: "For every $5 of cuts we only are raising taxes $1 over the next three years on a three year average".

Looking at some of the projections on the cuts, they are questionable in terms of whether the government will achieve them with the present policies which are in place. That is number one. However the other indicator that may be more realistic is the 1994–95 budget. The cuts for 1994 according to the budget speech are going to be $2.1 billion. The new program funding that will be introduced will be $1.7 billion. The net cuts that are realistic are $.6 billion.

• (1655)

Looking at that picture in terms of taxes versus cuts, for every $1.25 of tax increase there is $1 in cuts. This is the opposite of what the government is claiming in terms of a $5 cut for $1 increase in taxes.

The second thing that concerns me with regard to taxes is that this budget depends on revenue growth; that is, more tax revenue to deal with its responsibility. The expenditure levels are somewhat consistent at $122 billion. However to deal with the deficit and bring it down the government is placing all of its hope on revenue growth. That is all right on one hand but on the other we have to look at the expenditure side.

Looking back in history to the 10 years of government under the Tories and what they did in their plan, they never came to grips with expenditures. They never dealt with priorities and kept on spending. One of the major criticisms that can be made of the present budget is it seems that the tax and spend days of the Tories are not too far away from us. That is unfortunate because we expected this government to do better.

Why should we have some concerns about high taxes and increased taxes? First of all, as was said by the finance critic of the Bloc Quebecois, internationally Canada has the highest tax burden of the G–7 nations, except Germany. When we look at that we wonder about our underground economy. We need to lower the taxes.

The second thing I would like to bring to the attention of government is the provinces. They are concerned about this continuous increase in taxes.

Not too long ago Quebec Premier Johnson said in an article that we have to do everything possible to avoid higher taxes. In that same article his finance minister made some similar comments that we have to work on the expenditure side, cut on the expenditure side, not increase tax revenues. They called on Ottawa to keep the tax levels down.

In Alberta a very comprehensive program of deficit reduction is going on. The premier intends to balance the budget within at least three or four years and get rid of the deficit. That is a very noble plan.

However if Ottawa continues to increase taxes and impose costs on the provinces it makes their job very difficult. We have to deal responsibly with this budget at the federal level.

Another item which concerns me is noted in a document dated February 1994 from the Dominion Bond Rating Service. It comments on the weaknesses of the Canadian government sector. In trying to rate the credit for the federal government, two things are said: "Revenue, the new problem: (a) The economy has a lower tax generation capacity than in the past; (b) Tax rates are high relative to the U.S. in almost every category". I do not think that speaks well for the Canadian scene. We should recognize that and deal with the problem before us.

I would like to comment on the deficit reduction plan of the government. As I said earlier the proposed cuts are offset by spending in 18 new program areas. In this budget there are 15 program reviews. My experience has been that every time a committee or group is put together to conduct a review most of the recommendations are expensive and call for increased expenditures. I certainly hope that does not happen here. However, that is usually the pattern.

• (1700)

The third point I would like to make is that total budgetary spending is to increase over the next two years. It is not going to decrease. There is a slight increase built into it. Under the current conditions that is a rather scandalous circumstance.

One item I raised in the House today was with regard to the Spending Control Act. I feel that is an act that had at least the possibility to set some benchmarks so that when people wanted to examine whether the government is in a positive trend or in a progressive way dealing with the deficit, reducing expenditures, through that act, there would be a benchmark. The government has felt that it can do it on its own. It takes the ceiling off and is going to be responsible. It has not proved that yet and the question is still out. Why not leave it there? Is the government afraid of targets?

Another point I would like to make is that this two–stage budget is not meeting the needs. Stage one is doing almost nothing. Stage two is measures after lengthy and costly studies. That is not good enough. Where and when can we meet these lofty goals?

The 3 per cent plan of the government to deal with the deficit and to reach $25 billion in the year 1995–96 is not good enough either. Canadians need something more concrete. There are a number of reasons why that 3 per cent target is not adequate. The Maastricht treaty that was set up required that as an entrance requirement. Any country that was involved in that economic union was asked to deal with its deficit and balance its budget. That was part of it.

The priorities of the Reform Party are to reduce and eliminate debt. During the period we are here we want to be the conscience of this Parliament and call for very responsible spending.

I would like to move an amendment very quickly:

That the amendment be amended by removing all the words after "government" and by adding thereafter the following words:

and regret that the necessary measures were not taken to balance the budget by the end of the 35th Parliament.

The Acting Speaker (Mrs. Maheu): The Chair will examine the proposed subamendment and will advise the member shortly.

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, I ask the indulgence of the House.

I would like to ask the hon. member for Lethbridge a question. I can appreciate some of his comments. He has been pretty fair in his analysis. However, in the context of the subamendment that he has just laid down, the Reform Party obviously wants drastic cuts to our budget.

I would like to ask him how those cuts, if implemented, would play out in the defence budget. Is he advocating in the House today the closure of further defence facilities, more than were done yesterday, such as CFB Winnipeg, CFB Moose Jaw, CFB Edmonton, CFB Calgary, the training facilities at Wainwright and Suffield, CFB Cold Lake? Could the member answer that question?

Mr. Speaker (Lethbridge): Madam Speaker, I appreciate the question from the minister of defence. The Reform Party did call for reductions in the area of defence spending based on budget figures of some eight to twelve months ago. Things have changed somewhat in the interim. However, our figure at that time was in the area I believe of 25 per cent, around $2 billion dollars.

In terms of where we are at the present time, we support the reductions that have been made. We are concerned, however, that we sort of put the cart before the horse.

• (1705)

Like other members, and I am sure the minister would like to have done this, we would like to have been able to examine Canada's defence position in total. Then, once we have agreed as to what our objectives are, we could work back and have the budget facility there to support those objectives.

I am sure the minister would like to have done that and we would as well. Under the circumstances, we cannot always have the conditions that are most favourable.

Concerning the reductions that have been made, we support those. I think now we should get on quickly and do the review so that we can then look at whether further reductions can be made.

In terms of specifics, as a caucus or a group we have not done an analysis of each one of the bases. I cannot answer the hon. minister's question regarding that. If I had the information, I would lay it on the table. Our caucus has not taken a step–by–step procedure through which we have made a judgment on each one of those bases.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Madam Speaker, I have a short question for the hon. member. I listened carefully to his comments and I find them rather philosophical, dealing in generalities. However, now that we know exactly what is in the budget, we know that the government is attacking two things, to name only these: unemployment insurance and seniors. We know that the tax credit for people 65 or older will decrease progressively for net incomes over $25,921 and will disappear for incomes over $49,100. We also know that the government will cut transfers for unemployment insurance, education and welfare by some $466 million and by $1.5 billion 1996. I would like the hon. member to tell the House whether the Reform Party agrees with this kind of measure. Can seniors and people receiving UI benefits count on the Reform Party, which is

an opposition party, to raise its voice loud and clear against this injustice? Can these people count on the Reform Party for support?

[*English*]

Mr. Speaker (Lethbridge): Madam Speaker, in terms of unemployment insurance, the Reform Party believes that we should build that program into an insurance program so that it pays its way. Those who pay in get the benefits thereof. That is number one.

Second, in terms of some of the changes that have been made to deal with the $6.6 billion deficit that is currently in the unemployment insurance program, those changes would be supported. We think those who are most in need will still be able to receive benefits.

With regard to transfers to provinces in the area of education and health care, that was one of the areas I was to cover in my remarks here today, but I was not able to set out that list of priorities.

The Reform Party has said very clearly that the transfers given to the provinces for health care and education in the budget of 1992–93 would be maintained and that we would not reduce the transfers any lower than that fiscal year. If the current proposal of the government indicates that the transfer payments would be reduced below that, we would have cause for concern.

The Acting Speaker (Mrs. Maheu): The Chair has looked at the subamendment. We have examined it and we find it to be receivable. I will read the English translation. It is moved by Mr. Speaker:

> That the amendment be amended by removing all the words after "budget" and by adding thereafter the following words:
>
> and regret that the necessary measures were not taken to balance the budget by the end of the 35th Parliament.

• (1710)

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, I am very pleased to have an opportunity to address the House in this first day of the debate on the impact of budget 1994, especially as it concerns the Department of National Defence.

In the past few weeks it seems that every time we turn around there are defence issues facing us. We have had a debate on our peacekeeping mission in the former Yugoslavia. We have had a debate on the cruise missile test. We had a debate last week on the establishment of the special joint committee on defence review and there have been many questions in the House relating to some of those issues.

It is quite obvious that there is a great interest in defence policy in the country.

[*Translation*]

Why such great interest? Because the government intends to keep its election promises to Canadians, particularly the promise to review defence policy and to substantially reduce the national defence budget.

The time has come to fulfil our promises and that is what we are doing. That is why we have taken important steps to implement the economic program outlined in the red book. If I may, I would like to start with our economic program.

The government's number–one priority is to put the Canadian economy back on track. The government has expressed its intention to tackle the enormous federal deficit. At the same time, we must stimulate employment and economic growth. Our policy, based on these two requirements, translates into a program in two parts: one, job creation and economic recovery and two, decisive action to bring the debt and deficit under control.

[*English*]

In fiscal policy, our goals are quite ambitious but realistic. This distinguishes ourselves from the members of the Reform Party. As we have just heard from the member for Lethbridge, his party would like to put in place a deficit reduction regime that in our view would bring on an absolute economic depression in the country if the measures were put in place to reduce the deficit during the life of this Parliament as he and his colleagues are advocating.

Instead, our government intends to get the federal deficit down to something more realistic, 3 per cent of GDP during our first mandate. This will require very strict discipline in government spending in all departments. To stimulate growth in employment, which is the other side of this debate, and it seems the Reform Party forgets, we will be moving on several fronts.

For example, together with the provinces we have launched the public works program to renew elements of our national infrastructure. In the last election campaign the Liberal Party promised to cut defence spending by $1.6 billion over four years beginning April 1 of this year. Much of the money that we cut yesterday in the budget will have gone to the national infrastructure program.

While on the one hand we have been taking it from the defence end of expenditures, we have been recycling it and reinvesting it, if you will, in the public works infrastructure program which is now taking effect and which will have an impact on all parts of the country.

The hon. member for Lethbridge raises a very interesting point. I dealt with it last week, but I want to reiterate it. Why did we make the cuts that we made yesterday in the budget without first waiting for the results of the defence review? It is a genuine question and I will repeat the answer I gave last week.

In a perfect world we analyse our priorities, our policies and then we look at the money we have to implement those policies and put them into effect. We do not live in a perfect world. The fact is, and the hon. member for Lethbridge will agree, the debt situation is becoming quite alarming. The deficit has gone up astronomically. It is much larger than we believed when we first entered office. The Minister of Finance has made that point. As a result we had to act very quickly.

We acknowledged this before the last election campaign. I will not raise the red book. I do not have to raise it. It has become a benchmark for political discourse in the country and will go down as one of the great political documents of all time.

• (1715)

In the red book we outlined a regime to reduce defence spending, as I mentioned, $1.6 billion beginning April 1. We could not wait for a defence review. The mere setting up of the committee has taken time. Parliament only returned in January. We had to debate the motion. We were surprised that there was a recorded division forced by members of the Official Opposition on the motion. We voted on it this afternoon. They objected to the participation of the Senate although, to give them their due, they are willing to participate after they express their views against the Senate.

We are just getting the committee under way. The Minister of Finance had to act. He had to demonstrate to Canadians and to the financial markets that we knew where we were going in terms of the financial regime of the country. As a result these cuts had to go into effect now.

To preserve the integrity of the process upon which we voted this afternoon, I say to the hon. member for Lethbridge, we have cut the defence budget in such a way as not to impair what is known as the sharp end of defence. In other words we have taken the tough decisions. Members will see in the days ahead when the full impact of the budget becomes known that we have taken tough decisions in base closures and other installations. There are 21 closures and reductions altogether that other governments had failed to make.

For 10 years the Conservatives sat here in the biggest post–war economic boom and did not deal with the tough questions of surplus military infrastructures. They just sat on them and saddled Parliament with the consequences of their action, which is a deficit last year of $45 billion. They should be ashamed of themselves.

They paid the price in the last election. That is why there are only two of them sitting in the House. I am not so sure about the member for Saint John. She voted with us more than with the Conservative Party. Maybe she knows something the rest of the Canadian public figured out in the last election. The Conservative Party has been penalized, perhaps irrevocably, for what it has done to the country. The Conservatives should have taken these tough decisions and not left them to us.

It has been heart–wrenching and gut–wrenching for us on this side because most of the closures are in ridings represented by Liberal members of Parliament. It is pretty tough for them to go back home to Cornwallis, to Shelburne, to Gander or to Chatham. Even the Minister of Industry in Ottawa and those of us from Toronto find it tough. I see some colleagues here from Don Valley North, High Park and Rosedale; they are all here. We have to go back and say why 1,000 jobs are being left in Toronto. We are not dumping this on the opposition. We are taking the responsibilities the Tories should have taken in the last 10 years.

If we had not done that we would have had to have taken it out of the sharp end. We would have had planes that would not fly. We would have had lovely new frigates admired by many nations in the world, certainly by our American friends, that would not sail. They would not get off the Grand Banks because we would not be able to afford to operate them. We would have peacekeeping troops in Bosnia; luckily they do not have to shoot much, but we might very well have had to send them over there without bullets. I am being somewhat facetious, but we could not have continued our international commitments if we had taken out of the sharp end of the military budget at this time. We dealt with the tough questions.

When the review is complete we will have a military of which we can be proud. Even with these reductions the number of combat personnel in the army is going to go up about 2,500. We are reducing the number of uniformed personnel from the current 76,000 to 66,700 people. Yet we are adding, because of the economies we are making, 2,500 combat troops for future engagement. That is good management and I think Canadians will appreciate it.

Some people could ask: "Why are you cutting bases and throwing people out of work? Why don't you just cut capital expenditures?" I hate to say it but the former government of which I was a part in the early 1970s took that approach. We kept the capital expenditures low and the results were not very well appreciated by our NATO allies or certainly by our military. It is like anything else. If we let our cars run down and do not get them fixed, if we do not have our houses painted, at some point our past catches up and we have to repaint, buy new cars or spend a lot of money as I did this week on my car to get it running after this tough winter.

• (1720)

We did not cut the capital projects. Would hon. members want us to cut the armed personnel carriers now being constructed in London, Ontario, by General Motors? Our order has given the critical mass to produce and sell 800 armoured personnel cars to the U.S. marines and bring needed foreign exchange and jobs not only to southwestern Ontario but to other parts of the

country that contribute components. Do they want us to cancel that? I think not.

I said to some colleagues on the east coast: "Did you want us to cancel the coastal patrol vessel with nearly a billion dollar contract that will keep the Halifax shipyards working for the next few years?" This is work that can be built upon by other contractors and value added for the future. No.

[*Translation*]

I ask members of the Bloc Quebecois, the Official Opposition: Do they want that contract for the construction of a new supply depot in Montreal to be carried out?

[*English*]

We are going to build a state of the art supply centre in Montreal, in consitutencies represented by the Bloc Quebecois. We are not playing politics. We are thinking about the best interest of people in Quebec in this case.

Are they saying they want the 25 per cent reductions they bandied about to be taken out in this way, by cancelling a $270 million computer contract, much of which will be spent in the province of Quebec? Did they not want us to consolidate the supply mechanism in Edmonton and in Montreal? I would like answers to those questions.

While I am on the subject of the Official Opposition, I read a quote from question period that I liked so much I will read it again. Before doing so I will read a quote from yesterday's debate.

[*Translation*]

I quote the hon. member for Saint–Hyacinthe—Bagot, who just ended his speech and who said this in his reply to the budget speech yesterday in the House: "I have the feeling that this government is living on another planet, that it is not aware of Canada's excessive debt, which puts it in first place about everywhere in terms of poor performance".

[*English*]

They say we are living on another planet and ask whether we know about the debt. Then they sit here this afternoon and criticize us for the cuts that were made to the province of Quebec.

My friend over there, the critic, is a nice guy but this is what he said in the House of Commons on February 17.

[*Translation*]

I quote the hon. member for Charlesbourg: "In spite of it all, the defence infrastructure remains far too big for the size of the forces. With a strength of merely 78,000 members, the Canadian Armed Forces are maintaining from coast to coast facilities that could accommodate 140,000. Obviously, more cuts are needed, especially since several of our bases"—several of our bases, Madam Speaker—"are obsolete and increasingly expensive to maintain".

But not in Quebec. Oh no! Not in Quebec! Make cuts, but not in Quebec! That is what the Bloc Quebecois member is saying.

I continue to quote, Madam Speaker: "Also, their strategic value is not the same as it was at the time they were built. So, for all these reasons, the government will have to make a choice and impose a new round of closures". I just quoted the Official Opposition critic for National Defence and Foreign Affairs.

I will now quote the hon. member for Verchères, who said this during the same debate, on February 17: "During the last election, and many times since October 25, the Bloc Quebecois has reaffirmed its support for cuts in the budget of the Department of National Defence. Despite the international context I have just described, we believe that we could cut that budget by some 25 per cent without dramatically impairing the operations of that important department". That is what he said in the House, Madam Speaker.

• (1725)

If we cut the defence budget, as we did yesterday, there will be a decrease in the number of soldiers and officers in the army and other Canadian forces. That is why we do not need three military colleges. I want the hon. members over there to be honest and to acknowledge that we are not closing only the Collège militaire de Saint–Jean, in Quebec, but also the Royal Roads, in British Columbia. We are trying to be fair to the people in Quebec and to all Canadians.

An hon. member: How sad!

Mr. Collenette: We made cuts, yes, and it is sad. Ten years ago, when I was a member of this House, I went to the Collège militaire de Saint–Jean to study French, and I am sad at the idea of closing this college. As I said during Question Period, there will be a military college in Kingston, a national military college for all Canadians, where everything will be done in both official languages. I see the hon. member does not believe me.

[*English*]

These people over there say one thing every night on the news in Quebec; I watch the news from Quebec. They say one thing there and another thing here. They do not believe in the same concept of Canada we believe in.

The hon. member for Charlesbourg stood in the House and said, as have some of his colleagues, that there cannot be a bilingual college because it is not in Quebec. What about the million francophones who live outside Quebec? What about them? I do not get upset very often, but I get upset when I hear that kind of rhetoric. That kind of rhetoric tries to tear the country apart and we are not going to have any part of it.

Before I lose my composure let me say I am really concerned about some of the two–faced comments I have heard on the closing of the military college in Quebec.

[*Translation*]

Mr. Crête: Madam Speaker, on a question of privilege.

The Acting Speaker (Mrs. Maheu): The hon. member for Kamouraska—Rivière–du–Loup on a question of privilege.

Mr. Crête: Madam Speaker, the Minister of National Defence is putting words in our mouths that we never said. He is misinterpreting our statements. I am not talking about speeches which were read, but about speeches where he accuses us of being windbags. We are in a situation—

The Acting Speaker (Mrs. Maheu): I am sorry, but this is not a question of privilege. The hon. minister.

[*English*]

Mr. Collenette: Madam Speaker, there are worse things in life than being accused of speaking in rhetorical tones.

I want to be serious for a moment. What we did yesterday is, as I have said, gut–wrenching. There will be 16,500 people in the armed forces phased out over the next four years. It is going to be tragic for many lives. In a sense we have walked through the lives of many Canadians. We have to show our understanding as members of the sacrifice these people will be making.

We are putting in place a very generous regime to deal with both our uniform personnel and our civilians. In terms of uniformed personnel there are measures such as pensions, annuities and training. For the civilians there will be in a sense a buyout package, training moneys over and above what would normally be coming to them through the workforce adjustment act. We have been discussing these matters with our unions and we hope to have their co–operation. I know it is a bitter pill to swallow.

When hon. members examine the true picture of how we are trying to deal with the people who are losing their jobs, they will see we have been as fair as possible, given the financial situation of the government.

With respect to the communities affected we have a real problem in some areas. I mentioned some of my colleagues from South West Nova, Miramichi, South Shore and Gander. These are poor areas. There is very little industry there. Afacilities were surplus. They were facilities that we could not justify keeping open. We will work with those members. We will work with the provincial premiers, especially the three Atlantic premiers concerned, Premier Wells, Premier Savage and Premier McKenna, to try to find uses for those facilities.

• (1730)

As I said last week, there is no magic solution. We just do not have a pot of money to throw at the situation as the previous government did with Summerside. We are going to have a very lean, effective military when this is all done. It will be one of which all Canadians will be proud. In the meantime we have to try to soften the blow as a result of some of these base closures.

I think when all is said and done, after the next few months when the defence review works itself out, Canadians will appreciate the role of defence spending. They will appreciate what good measure for money we get with those taxpayers' dollars, both in our international presence and domestic presence. I hope there will be a well thought out, well crafted policy, one that we can afford.

Again, by doing what we have done in the last few days we have preserved the ability of the sharp end, the ability of the forces to have a very professional, lean, efficient presence, well equipped to be able to go overseas and march with the best because we will have a proud group of people worthy of our Canadian military tradition.

In closing, I would only repeat the words of the Chief of Defence Staff yesterday who appreciated very much the efforts that have been made, especially by those who will be losing their jobs, and the understanding of the forces across the country.

[*Translation*]

The forces use both official languages.

[*English*]

Those forces, which are part of the fabric of Canada and help to unify Canada, will get through this difficult time and move on to better things in the future.

Mr. Ian McClelland (Edmonton Southwest): Madam Speaker, I would like to say first of all that before I am a member of the Reform Party, I am a Canadian and a very proud Canadian. I hope that the budget brought down by the Minister of Finance works. This is our country and we need to work together. All of us here are Canadians and all want to be Canadians at the end of the day.

In this budget debate the Minister of National Defence has been explaining the difficult time he has had with the cuts that he has had to be responsible for. I think on balance they have been very fair. The minister is absolutely correct that these are decisions that should have been made 10 years ago. Had they been made 10 years ago, it would not have been nearly as rough today. I personally commend the minister for the good job that I think he has done in that regard.

I do have a question and it has to do with the budget forecast. The budget is relying almost exclusively on an increase in revenues. It is relying on an increase in revenues of about 15 per

cent over two years after coming from a year, last year, with a decrease of 5.6 per cent.

In my experience every time I have had trouble in my business, and most bankers would say most businesses have a problem, it is with forecasting revenues too high and expenditures too low. The expenditures are forecasted to rise just .3 per cent over this same period.

My question for the minister is this. In a period of deflation, which we are in right now—at least in my opinion we are in a time of deflation—do we have any backups to prevent a further erosion of our fiscal position if the revenues that are projected and we hope arrive do not arrive?

• (1735)

Mr. Collenette: Madam Speaker, I am not sure I am qualified to answer this question. I have been somewhat preoccupied with a department that is looking at a dearth of revenues. The Minister of Finance should really deal with it.

He is pretty confident that the projections he has given will be realistic and will be met and that the doomsday scenario that is implied in the question of my hon. friend will not materialize.

I would also like to say that his comments were most appreciated and in the best tradition of parliamentary debate in understanding the difficulties that we have had with the defence cuts.

[*Translation*]

Mr. Claude Bachand (Saint-Jean): Madam Speaker, I listened very carefully to the minister's comments, and it seems to me there are some figures or details he either failed to mention or mentioned so quickly that I did not hear what he said.

Before putting my question, I just wish he would agree that as far as bases, colleges and infrastructures are concerned, Quebec has always been short-changed. There is no comparison between what happens in Quebec and what happens in the rest of Canada.

For many years, the policy at National Defence was to compensate for this imbalance with substantial military contracts that made up for the lack of military infrastructure in Quebec.

The international situation has changed, however. So much so that the Bloc Quebecois does not protest when a contract is cancelled, as in the case of the helicopters, because although this contract would have gone mostly to Montreal, we preferred to see the money invested elsewhere. We never objected to the cancellation as such.

There is also the new procedure for distributing these contracts across Canada. In any case, will the minister confirm today that Quebec has only 13.8 per cent of all the infrastructures? That Quebec has only 15.8 per cent of defence spending in Canada although it has 25 per cent of the population?

I did not hear him mention those figures. But when he closes bases or colleges in Quebec or cuts as little as 5 cents or a dollar, he adds to the imbalance in this respect.

The figures I mentioned, 13.8 per cent of military infrastructures and 15.8 per cent of defence spending, while we have 25 per cent of the population, if the minister can confirm those figures, would he agree that he is adding to the imbalance by making budget cuts that affect Quebec?

Mr. Collenette: Madam Speaker, I am not sure whether I have enough time to give the hon. member a detailed reply, but he is right that the percentage of the defence budget spent in the province of Quebec is lower, simply because there was a lot of construction in the maritime provinces during World War II.

I must point out, however, that as a result of major cuts in the rest of the country, after this budget the percentage of military spending in Quebec will have increased. It was 19 per cent yesterday, and today it is 22 per cent, even after closing the Collège militaire royal and part of the base in Saint-Jean.

I appreciate his reasoning that Quebec is not getting its fair share, but that is a result of its geographic location in this country. If we had cut 25 per cent we would have had close the Valcartier base in Quebec City or perhaps Bagotville. If we had followed the recommendations of the Bloc Quebecois with budget cuts of 25 per cent, there would have been more drastic cuts.

• (1740)

This is not a good time for Quebec, but it is not a good time either for other provinces, especially in the Atlantic region. I think Quebecers will appreciate they have done their share to fight the deficit by taking these cuts in the defence budget.

[*English*]

Mr. Jay Hill (Prince George—Peace River): Madam Speaker, I thank the minister for his comments. I enjoyed listening to his statement.

I noticed he used terms like maintaining the sharp end of defence and that our military in the future would be a lean, effective military. I notice when I review the red ink book that there seems to be no mention, although they took the hard decision following the election to eliminate the contract for the EH-101 helicopters, of the cancellation costs for those contracts. There seems to be no mention in the red ink book about replacement costs. It is obvious if we are going to have a lean but effective military that those helicopters will have to be replaced. Yet there seems to be no costs for those things built into this budget statement.

I would ask the hon. minister where those cost estimates are and why they are not part of the projected costs for the government.

Mr. Collenette: Madam Speaker, the cancellation costs for the EH–101 will be borne in the overall budget rather than in the general budget revenues, thankfully not out of the defence revenues. The President of the Treasury Board perhaps could address that when he tables the estimates and it will be very clear.

The other question was what would we do to replace the EH–101s. If the defence review believes that we should have this capability, and I assume it will because we need a search and rescue craft, the old Sea Kings will be okay until the end of the century, but they will have to be replaced.

Obviously their replacement will have to come out of this drastically reduced budget. Not only did we cut $7 billion yesterday, added to the $14 billion the Conservatives had cut, but out of that we have to fund ongoing operations and also new equipment purchases such as a potential replacement, probably off the shelf, for the Sea King helicopters some years in the future.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Madam Speaker, in the House of Commons of Canada, February 22, 1994 will remain the day of broken promises and betrayed hopes. A number of Quebecers and many Canadians believed the leader of the Liberal Party when he promised jobs, jobs, jobs. Unfortunately for them, it was only a flashing slogan, but nevertheless an election campaign slogan.

Broken promises, betrayed hopes by a party that promised to break with the Conservative policies and management, but whose budget is blatantly in line with and even reinforces the financial, fiscal, economic and social policies of the previous government.

The budget speech shows clearly that this government does not have the slightest political will to address unemployment. It does not have any employment policy except a few devices such as the infrastructure program, which will only mean about 15,000 non permanent jobs for all of Quebec for two years. Even worse, instead of addressing unemployment, this government is attacking the unemployed and the most vulnerable people in our society. Indeed, the Minister of Finance immediately announced, without any embarrassment, that he intends to cut social programs in order to collect more than $ 7.5 billion by 1996–97.

Let us look at these points one by one. On employment, not only does the government not have an employment policy, but it has seriously harmed employment.

• (1745)

It must be pointed out that this government, as early as January, increased unemployment insurance premium rates, thus adding a further $800 million to the tax burden of businesses and workers. The finance minister went so far as to recognize, as the Bloc Quebecois had maintained on several occasions, that this kind of payroll tax harms employment and businesses which are more labour–intensive than technology–driven.

Make no mistake about it, even though the minister recognized that such a tax was bad for employment and businesses, he has not reduced it yet. He has maintained it for the remainder of 1994. It is only next year, when it will have taken $800 million from workers and businesses, that he will bring it back to its 1993 level. He will do so, not only when it will have produced $800 million, but also after benefits owed to workers will have been reduced.

Therefore, such a measure compounds non–productive decisions which, far from helping the employment situation, make it worse. It is no wonder that the finance minister is forecasting in his budget that unemployment rates will only drop from 11.2 per cent in 1993, to 10.8 per cent in 1995. We know that Ms. Campbell paid dearly for similar comments she made early in her campaign. They are taboo during an election campaign.

Let us talk about unemployment insurance. According to the minister's projections, it is more than $5 billion he will save in that area. Let us see what he is planning and who will suffer. By increasing the minimum number of weeks a person must work to qualify for UI, especially the first time around, one will have to work 40 weeks to be entitled to 20 weeks of UI; by reducing the duration of benefits, the finance minister is pushing many people, especially in areas already economically depressed and those who are already experiencing major difficulties, on welfare. In so doing, the minister is passing the buck to the provinces, since there will be no jobs. He is making the poor poorer.

This flies in the face of the official discourse to the effect that we must bridge the ever widening gap between social classes and their income discrepancies. On the other hand, the finance minister proudly announces special measures in favour of the least fortunate members of our society. He is proud to say for instance that individuals with a weekly income of $390 who support dependants would receive 60 per cent of the average business income. But these individuals are already in a position such that they will not be receiving more than $234 a week in benefits. He stated that the benefit rate would increase to 60 per cent, but see under what conditions. This is important. It has not been emphasized yet.

Let us not forget that, in Quebec and probably other provinces as well, social assistance services have reported cases of single mothers who have suffered humiliation as their private lives were brought under scrutiny because they did not qualify for

this or that benefit because they had dependant children. So, when the minister introduces this notion of dependant children to justify bringing the UI benefit rate down from 57 to 55 per cent for all recipients, a rate which is getting close to the US rate by the way, when the minister uses that excuse to say: "How generous. We do have the well–being of the less fortunate at heart", he is actually taking us back to the dark old days when women had to prove they were worthy in their private lives of being recognized as independent, single mothers who needed adequate support.

• (1750)

That is why I want to denounce as a fraud a budget speech which is supposed to be liberal and progressive, but is in fact bringing us back to the days before the 1970s reform. This measure will open the door to all sorts of inquiries, nit–picking, whistle–blowing and create a system within a system, again, to save about $10 a week.

Chances are that this measure will not cost much, considering how long it takes for a decision to be made and for the first UI cheque to be issued. It is not true that we are creating this wonderful world. On the other hand, we are setting ourselves a dangerous course with this widespread consultation on social programs. The government is leaning toward the concept of family income, a concept which, in so far as social assistance is concerned, plunged us into a kind of inquisition situation which I denounced earlier.

The axe will also fall on seasonal workers, on those who have trouble finding steady work either because they are young, lack basic experience or work in areas where despite their qualifications, they cannot find work. These are the people who benefit from the 10/42 or 10/39 system.

Instead of attacking the regions' structural problems, the government is shifting the burden of responsibility onto individuals and restricting their access to unemployment insurance and to the benefits to which they are entitled. What is the Minister of Finance doing to resolve the problems of those who are in need? Nothing. He has failed to propose any solutions. Worse still, he has scrapped several tax incentives and regional subsidies, leaving people in the regions without any hope at all.

The extent of the cuts to unemployment insurance and the introduction of the concept of family income prove to anyone who may have doubted it that with its attempt at the so–called modernization and restructuring of social security programs, the government is merely turning the clock back to the 1970s. At the same time, the Minister of Finance and the Minister of Human Resources Development are resurrecting the old ghosts of the 1970s. They are proposing to take a trip down memory lane and to reinstate the outdated, archaic concept of basing benefit levels on family status.

The government is announcing a reduction of more than $5.5 billion in the unemployment insurance budget over the next two years. And that is not all. That is only one aspect of the upcoming social program reform.

We cannot help but be concerned about another aspect, namely social assistance reform, and the more than likely decision on the part of the government not to renew the Canada Assistance Plan. It is indeed cause for concern because it is specific. As for total savings, the Minister of Finance says that the reform will have to result in savings of more than $7.5 billion by the end of 1996–1997. That is his objective and the consultation currently being planned may in fact never take place.

Three clear, inescapable conclusions can be drawn from the budget figures. First, the only major cuts announced in this budget—and I am not saying that the cuts to the military are not major, but when compared to cuts to social spending, they are minor—for the next two years affect social programs, more specifically, the unemployed and those who are often the most vulnerable.

Second, the Minister of Human Resources Development cannot continue making fun of Quebecers and Canadians any longer by pretending to consult them about their priorities and concerns, since his own priorities and concerns, namely moving ahead with cuts, are reflected in the budget.

• (1755)

I urge him, Madam Speaker, to immediately table his reform project and to get rid of these experts at $500 a day plus expenses.

Third, if the finance minister is able to assess so accurately the effects of reform, it must be because his government's project has been ready for a long time since it is that of the Conservatives.

We can understand by looking around us and guessing the rest why, early in the election campaign, Ms. Campbell shied away from the possible consequences of reform. She was not as cynical as this government, elected to create jobs, which is sticking to its predecessor's policy of cutbacks.

It must be said that, in their time, the Conservatives followed the Liberals' policy. They implemented all major recommendations of the Macdonald Commission created by former Prime Minister Trudeau, except for one, income security reform. That is where we are now. We are looking at the Macdonald Commission's plan, with variations we may admire, of course, but most of that plan is there, with details we can guess at.

Declarations by the minister followed on the heels of declarations by the deputy ministers. We must not forget that the deputy ministers who briefed the minister are the same ones who

briefed the former government, who briefed Mr. Benoît Bouchard before the OECD conference held on the 8th and 9th of December in Paris, where Mr. Bouchard gave a speech that the Minister of Human Resources Development could not disown, that could even be his.

Does this mean that there is no other way to play politics than the way of Liberals and Conservatives? For the Liberals, the answer is no. Until Canadian federal parties escape from the clutches of the big corporations that finance them and whose interests prevail government after government, Canadians will have a choice between six of one and half a dozen of the other.

Why did the finance minister refuse to go after the real sources of revenue and to ensure that large corporations pay taxes by blocking the royal road to tax shelters. Fortunately, and I was happy to see that our finance critic came to the same conclusion, Quebecers exercised that prerogative thanks to the late René Lévesque. No one is saying that governments are not in a difficult situation, but nothing less than equity between individual and corporate citizens is acceptable.

Without this fairness, citizens are tricked, manoeuvred and manipulated by a clique who are not affected by the many and growing insecurities of ordinary people. They do not even have an idea of what it is like to be afraid of losing a meagre unemployment insurance or welfare cheque. They do not know the humiliation and anguish caused by the raised eyebrows of all the welfare and unemployment insurance officials in the land. They could not live for a single day on what a woman has to raise two children on for a whole month. And now this woman will have to prove that she really is the head of the family and that her personal income is such that she is entitled for a few weeks to 60 per cent of not much, scarcely more than the minimum wage. The minister tells us about the responsible management of social programs.

It is both scandalous and revealing that the Minister of Finance forgot to attack costly duplication, a big source of potential savings, in his speech. It shows that this government lacks the will to deal with this important issue, especially with the Government of Quebec. It also shows this government's desire to centralize and its eagerness to meddle in fields of provincial jurisdiction.

Mr. Speaker, I will tell you something, and I thought about it twice. I had heard that the Minister of Human Resources Development was a progressive man whom I could help, in the strange way that the Official Opposition usually does. Now I know that is not at all the case; despite his generous words, he agreed to make the only significant cuts which the Liberal government is making at the expense of the most vulnerable people and their children. The Minister of Finance told us today, "We are advancing social security reform by taking specific measures affecting unemployment insurance and federal transfers to the provinces for social security".

We say to the Minister of Finance that he has not advanced social security reform. He has shamefully attacked the most disadvantaged. He has refused to attack the main cause of all these problems, employment. He has also refused to attack seriously the most important sources of potential savings: family trusts, defence and duplication. Because we in the Bloc reject this vision, which is the same as the one previous governments had, we want the people of Quebec to have a real plan for the future, which can only come about if Quebec goes it alone as a sovereign state, even though that will not be easy.

• (1800)

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I was paying attention to the hon. member's speech and I was quite puzzled by some of the statements she made, particularly in relation to unemployment insurance premiums.

I recall a few weeks back when the hon. member was complaining that perhaps the premiums were too high at $3.07. Now we have reduced them so that we can give the type of relief to small business to go ahead and create over 40,000 jobs.

I will tell the hon. member that one thing she will learn very quickly in this House is that inconsistencies are quite dangerous, when we promote certain ideas in the House of Commons, particularly as a member of the opposition.

I am also quite puzzled by the fact that the hon. member would say that this government is not addressing the concerns of young people. Perhaps the hon. member should be reminded of the establishment of the Canadian youth corps and the national apprenticeship training program that this government introduced. It was part of our red book initiatives.

It is fundamental for the hon. member to understand that the issues we have raised in the budget are quite consistent with the commitments made in the red book. I will tell the hon. member why that is important. In case she has forgotten, that red book was what gave us one of the strongest—

The Deputy Speaker: Order. There are three people who wish to make a comment or ask questions. I do not think the purpose of this is to have a speech from the hon. parliamentary secretary. Would he make a brief comment or ask a question so that other members may participate in this part of the debate.

Mr. Bevilacqua: Mr. Speaker, you may have been aware that there were three people who wanted to participate. I thought I was the only one who had the floor at this time and that is why I raised those issues.

There is some inconsistency. We have to really give a fair assessment of what this budget does. The budget does address the commitments made in the red book. I do not think it is fair for the hon. member for Mercier to somehow tell the Canadian people that it does not.

Mrs. Lalonde: Mr. Speaker, the inconsistencies are not on my side. When the government was elected it had the choice as to whether or not to raise UI premiums. The finance minister yesterday said that the raising of UI premiums is bad for small enterprises and for jobs. However, the government raised them from $3 in December to $3.07 in January 1994 for small businesses.

If the hon. member does not know it, he should look at the facts. The inconsistency is to say that it is bad for enterprise, taking $800 million from the economy and then a year after going back to $3.

The government was inconsistent by saying it was not good and then doing it. I am glad that it has done it. For me it was a pleasure to read that it is not good because it has done it.

• (1805)

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I listened with great interest to the remarks of the member.

What came to my mind is a quotation from Jesse Jackson, the American political activist, who stated that it was not the poor that attended the banquet of the 1970s and 1980s when we saw deficit financing by the Liberal and Conservative governments that created the inflation and tremendous increase in wealth and real estate, stocks and bonds, the over–indulgence to leverage buyouts, the huge waste of public money and private corporate money. It was not the poor that attended the banquet, but it is the poor that gets stuck with the bill.

Does the hon. member agree with Jesse Jackson's analysis and also agree that what this government is doing is presenting the poor with the bill even though the poor were not responsible for creating the deficit and the financial mess we are in.

[*Translation*]

Mrs. Lalonde: Mr. Speaker, I thank the hon. member for his comment. I think he could draw his own conclusions from that document.

The fact is that there are people right now who do not have access to secure jobs. I mentioned in particular young people, women, many who live in remote regions, and others as well. In Quebec, more than 4,000 bright young engineers are unemployed. These people can only rely on the social safety net which the government wants to make even smaller, on top of making them pay for the inconsistencies of successive governments.

[*English*]

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, I thank the hon. member for Mercier for her speech.

She made reference in the last sentence to Quebec sovereignty. Earlier this afternoon the first speaker for the Bloc spoke of Canadians and Quebecers. In referring to Canadians and Quebecers and to Quebec sovereignty, are the members of the Bloc Quebecois Party referring to Quebec separation from Canada?

[*Translation*]

Mrs. Lalonde: Mr. Speaker, it is no secret that Bloc Quebecois members were elected on a platform that promotes Quebec's sovereignty. However, they are not in Ottawa to achieve that but, rather, to protect Quebec's interests. Quebecers respect and appreciate Canada, but during all these years of attempting to make reforms which would have given appropriate status to our province, the notion that enough is enough gradually grew stronger.

Instead of wasting time and let intolerance grow, for the very reason that there is so much poverty and unemployment, let us put all our energy into finding a solution to those problems. To that end, Quebec must assume all powers and develop the best possible relations with Canada. This is what I was referring to.

[*English*]

Mr. Paul Szabo (Mississauga South): Mr. Speaker, I will be brief. The point about sovereignty has been raised.

On a financial issue in that regard, the member concluded that as a result of the inconsistencies therefore the answer must be that a sovereign Quebec will be the solution.

I wonder if the member would care to advise the House how much of the $500 billion national debt Quebec is prepared to assume and how it intends to finance that and survive as a separate country.

The Deputy Speaker: Before the hon. member for Mercier responds, with the Speaker having just left, I must remind members to please put their comments to the Chair. He gets quite upset if you do not do that.

• (1810)

[*Translation*]

Mrs. Lalonde: Mr. Speaker, you will understand, and so will the hon. member, that the Bloc does not have a mandate to negotiate what will be a normal settlement under the circumstances. Assets, liabilities and the repayment of the debt will have to be examined. Some people in Quebec have already looked at this and I imagine that others are doing the same in Canada.

[*English*]

Mr. John Cannis (Scarborough Centre): Mr. Speaker, I listened to the member and her compassionate approach. She brought back memories of the short lived Prime Minister and what price she had to pay in the most recent process.

Never before have inclusion and consultation taken place with respect to putting the budget together. There is no question the minister has gone from coast to coast to coast. He opened up the process. He listened to the people. Based on what they told us he delivered with respect to the RRSPs and capital gains.

The member spoke about manipulation and humiliation. I do not see any manipulation in going out to the people and asking them what we can give them and for their input so that we can put a package together that will be good for all in Canada.

There were no tax increases. Does the hon. member not think that putting $300 million back into small businesses as a result of the reduction in the UIC will enhance their opportunities to hire people?

Mrs. Lalonde: I will say again that the raising of the UI premium has deprived small enterprises of opportunities to have more employees. I will not go back on that.

[*Translation*]

As for consulting, nobody is saying that the Minister of Finance did not consult people. In fact, as a member of a committee, I can say that I would appreciate being able to hold such consultations across the country, although I am aware of the cost of such an exercise. However, it may be that the minister did not consult enough young unemployed people, unemployed single mothers and others who will be adversely affected by the new system. In fact, the only ones who will really be penalized are precisely those who were not consulted.

[*English*]

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I will be splitting my time with my colleague from York—Simcoe.

As I was writing this, my maiden speech, I realized it was fitting to talk about my riding since I believe the success of the federal riding of Waterloo embodies the spirit of the government's budget plan.

My riding encompasses the city of Waterloo, part of the city of Kitchener, and Woolwich township in the heart of southwestern Ontario. I am proud to say the Canadian Chamber of Commerce recently selected this area as one of five model Canadian communities from which to seek advice in order to help other communities in their aim for success.

In addition, provincial government projections show that Waterloo region will be the fastest growing region in Ontario over the next two decades. My riding has been successful because there has been a partnership of business, academic and local government communities supported by the broader constituency. This has made Waterloo riding work.

As the government stated in the red book upon which the budget is based, we must do more with what we have by stressing the notion of partnership with all sectors of society and by taking advantage of economic and social opportunities that can only be realized when all of us are working together.

As an example we in the Waterloo region have what is called spinoff companies. These companies have used technology and human resources transferred from the university community as a prime ingredient in their business. These companies have already created over 2,000 jobs in Canada. The concept of universities and businesses working together is outlined in the budget.

Waterloo riding, apart from having many companies in the new information based economy, also has many traditional companies doing well. That is not to say we have not had our share of companies and people deeply affected by the recession: names such as Seagram's, Uniroyal, Goodrich, Labatt's and others. That is why the budget is important, as it creates the environment wherein businesses can grow and flourish to create the jobs which will put these constituents and others like them across Canada back to work.

• (1815)

To the victims of the recession and the evolution of the economy we need to show compassion. The status quo will not do for the 1.5 million unemployed Canadians and the millions who rely on assistance. I applaud the government for undertaking a major effort to build a responsible social security system that is fair, compassionate and affordable.

Canadians deserve a hand up, not a handout. The ultimate social program we can design should provide an economic climate so that every Canadian who is willing and able to work can find meaningful work. When Canadians work Canada works.

In particular the budget supports the small and medium sized business sector which will continue to be the number one creator of jobs in Canada. This holds true in my riding as well. Our strong economy is helped greatly by their entrepreneurial drive. The global economy is not just a catch phrase of local businesses; it is an integral part of their market.

The concept of networks of organizations outlined in the agenda of the budget has been practised in my riding for some time now. Local businesses, civic leaders and academics have formed networks for exporting, environmental companies, computer technology firms and total quality management. Total quality management practised for years by local governments in my riding has become a plan that will be pursued by the government with its commitment to streamlining government

operations and reducing spending to make them more efficient and effective.

The Prime Minister and the Minister of Finance are to be applauded for recognizing the concerns of my Liberal colleagues and myself that middle class Canadians would not tolerate an increased tax burden. I am pleased to note the Minister of National Defence has taken courageous steps in the budget to rationalize the excessive national defence infrastructure on the basis of need and function. He is further committed to examining my concern about government waste, including government moves, a commitment to cost savings and efficient operations in government. That has always been part of my public life and continues to be so in the House.

In keeping with this idea we should debate expanding the number of seats in the House. It is my strong wish that any reallocation of boundaries be reconsidered in keeping with the central premise that the number of MPs be restricted to the present number of 295. Canadians do not want more politicians; they want us to do more with what we have.

People in the community have also been working on creating a community venture capital fund by which the community could support its own entrepreneurs through capital investments. It is ideas like this one which embody the spirit of programs such as our Canada investment fund.

Environmental issues are not simply a current trend in my riding. The University of Waterloo has been a leader in environmental studies education for years. The Waterloo public interest research group was created by students from the University of Waterloo 20 years ago. Through voluntary contributions of time and money it has spent over $1 million on consumer and environmental concerns. Environmental related companies are a growing segment of our business community.

For this reason I join with Friends of the Earth to applaud the finance minister who is the first ever to speak about sustainable development in a budget speech and the government's commitment to this end.

To achieve this objective the budget outlines the establishment of a task force involving government, industry and environmental NGOs to identify barriers and disincentives to sound environmental practices and to find effective ways in which to use economic instruments to protect the environment.

The expertise of the riding's workers, managers and entrepreneurs is enhanced by the presence of the post–secondary institutions mentioned previously, namely Conestoga College, the University of Waterloo and Wilfrid Laurier University. These world class institutions participate in explicit transfers of expertise through their excellence in co–operative education and apprenticeship programs.

The riding can enjoy a recruitment advantage in this well trained pool of potential employees. As a result the post–secondary institutions of the Waterloo region offer their expertise to the community well before their students graduate.

• (1820)

Until now there has been an alarming trend for our best resources, these students, to look for a future in other countries. It was a sad commentary that these students were looking to companies such as Microsoft in the United States for jobs. In effect we had our own brain drain.

I am happy our government has addressed this problem by active promotion of programs such as the Canadian technology network and engineers and scientists program to keep our most precious resource, our youth, in Canada.

Our commitment to established programs financing expenditures to universities will be maintained. This government is concerned with education and literacy as demonstrated by fully restored funding to the national literacy program. This is important to my riding as well.

The public and Catholic school board systems offer high quality education to our region's students. Both offer progressive innovative opportunities for individuals in the region. The public school board offers the opportunity for the region's workers to complete their high school diploma through on site classrooms in the workplace. As well, the separate school board is world renowned for placing a priority on full and successful integration of challenged students into the mainstream classroom.

As the finance minister said yesterday, the budget reduces the deficit by $6 billion next year and by $7 billion the year after. This is an important accomplishment in light of the fact that the previous government underestimated the deficit we inherited by $13 billion. Over the next three years for every dollar of deficit reduction on the revenue side there are $5 of spending cuts by this government.

What was demanded by Canadians in pre–budget consultations was a fair and equitable budget. This has been presented by our government. It is our commitment to make this government transparent. We will work together, as I know personally from my riding that Canadians can, to build a partnership that will create opportunity for this country. This budget is the foundation that will make that happen.

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs): Mr. Speaker, I congratulate the hon. member for Waterloo on his excellent speech.

I remind him that the neighbouring riding of Kitchener is also encompassed within the model community cited by the Canadian Chamber of Commerce.

The hon. member is well known in the area for his interest in and knowledge of environmental matters. I was wondering how the budget would affect the Waterloo riding and community. He referred to the Friends of the Earth comment about the finance minister and this particular budget. Waterloo is an area where environmental related businesses are most prominent. Is it likely that those businesses will be assisted by this budget?

Mr. Telegdi: Mr. Speaker, I thank my colleague and neighbour from my sister riding.

There is no question that the Waterloo federal riding and my community has a great history of involvement in environmental matters.

I refer to a situation which probably started in terms of heightening environmental awareness in Canada. In the Love Canal in the United States toxic substances were impairing the lives of people. The company working on that was Conestoga–Rovers which is located in Waterloo. It is one of many companies that has started up in our region.

I can say to the member for Kitchener that yes, this budget will very much enhance those operations. We hope to be one of the centres of excellence. I believe we already are and we can build on that to make sure in the new economy Canada gets its fair share of international business for cleaning up the environment.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I thank the hon. member for his speech. I would like to ask him a question about the budget.

Does the hon. member have an opinion as to the consequences this nation will face if we add another $100 billion to the federal debt in the next three years? There is no indication within the budget speech or the budget itself of any such consequences.

Would the hon. member care to comment on it?

• (1825)

Mr. Telegdi: Mr. Speaker, it was not too long ago that I and many of my colleagues were debating these very questions at all–candidates meetings. I have always been amazed at the extent to which it was hard to get the point across, particularly to members of the Reform Party.

Our position has been very consistent. It is in our red book. We went to Canadians. We told them about it. We put the plan forward and it is the foundation for everything we do. I believe this is where we differ from their approach. Fundamentally, we as Liberals believe in making this economy grow. We have outlined in our expenditure program that is exactly what we are going to do.

The Reform position was that it would eliminate the deficit within three years. Our position was that we would cut back the deficit to 3 per cent of the GDP in three years. The leader of the Reform Party has stood up on different occasions and challenged the government to attain that 3 per cent of the GDP. From looking at this budget and from studying the figures my answer is that we can.

I have to say to my friend from the Reform Party I hope he will stand in this House and applaud when we do accomplish that. We believe we have to make this economy grow. We cannot shrink it. If the economy shrinks we will go back into a recession. We have to believe in ourselves and we have to believe in the Canadian people.

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, as a new member of Parliament I am pleased to deliver my maiden speech.

I am humbled by the history of this place and yet comforted to be part of the long tradition of Canadian democracy. This is not to say that tradition is static, unchanging. In fact, this is far from the case. Tradition, particularly the Canadian parliamentary tradition has adapted and evolved throughout the history of this institution.

There are many pressures on Parliament, on government and on parliamentarians to transform the way government operates. Economic, social, environmental, technological, political and global forces all act in different ways to challenge, to push and pull, to mould a new kind of relationship people have with their institutions. The Minister of Finance and the government recognized and welcomed this.

As a result the Minister of Finance has set upon an unprecedented budgetary process, a process that does not end with this one finite document. It is a process that if allowed to develop fully will lead to a new kind of partnership, a real and meaningful partnership among the people of Canada, their government, and their social and economic institutions.

It is only when we are able to understand the full extent and nature of our problems and when we undertake exploration of the widest possible range of solutions that we will ever begin to address the tough economic problems that affect our nation.

Canada has a rightful place as a leader among the nations of the world in the 21st century. Through the kind of consultation process the Minister of Finance has just begun we will not only solve our own problems successfully but we will also provide a model for other countries to emulate. The Minister of Finance has given all of us a great opportunity to work together and let our voices be heard, let our ideas be tested, let our vision of Canada meld with the rest to form the Canada we all want.

We have a difficult and challenging task before us: to restore integrity to government and erase public cynicism. As one parliamentarian I stand here today and say to the constituents in York—Simcoe, to Canadians from across this land, and to my colleagues on the other side of this House: We have the political will to open dialogue. We have the political will to renew the social, economic and political institutions of the country.

• (1830)

This is the reason I decided to run for office. I believed it is important, now more than ever, to rebuild the trust that has been broken between the people of Canada and their elected officials. I am sure that many of my hon. colleagues in this House have similar goals.

As Canadians, the most important thing we can remember is that we are in this together.

When I was elected a member of Parliament I did not stop being a citizen of Canada. I also have a stake in this. I have a family that I love dearly, a community that I am committed to and I have a country that I honour.

Like other Canadians across the nation, like my hon. colleagues on both sides of the House, I want this country to succeed. I want this Parliament to succeed.

My colleagues and I need all Canadians to have patience because as the hon. Minister of Finance said yesterday in his speech, the challenge today is not to rush. The challenge is to get things right.

We are not asking Canadians to have patience while the government sits back and does nothing. We have acted on our commitments and will continue to do so. We have fulfilled our promises to reinstate the court challenges program and to implement the national infrastructure program, the youth services program, the aboriginal head start program, the women's centres of excellence, the Canadian technology network, as well as many others.

The red book lives in this budget.

We need to have an opportunity for ideas to be generated and tested without being torn down. Creative juices are quick to freeze in a climate of frosty, unconstructive criticism. Now more than ever, it is necessary to develop alternative understandings and approaches to problem solving.

To paraphrase Albert Einstein, everything has changed but for our way of thinking.

If we are to approach government differently, we must all understand that not only government must change but we must change as well.

The Deputy Speaker: Order, please. I am very sorry to interrupt the member during her maiden speech but is there unanimous consent to let her finish, another four or five minutes?

Some hon. members: Agreed.

Mrs. Kraft Sloan: I thank my hon. colleagues in the House for the patience they have shown me.

Government has a responsibility for taking leadership to create the framework and environment necessary for open, inclusive dialogue. The issue now is for government to continue to build on the consultation process that has lead up to this budget.

As members of Parliament we can support this process in our own ridings.

Fairness and equity are important principles upon which this budget is based. These principles must continue to be the cornerstones upon which the consultation process rests.

Equity is served when consultation is inclusive, when all perspectives that represent the differing aspects of Canadian diversity are respected and validated.

Our diversity arises from geography, race, religion, ethnicity, age, gender, sexual orientation, physical and intellectual capabilities, class, education and physical appearance, among many others. Equity is served when our intergenerational responsibilities are acknowledged, when our global roles and relationships are honoured.

Equity is also served when the natural environment is respected.

All costs, be they social, health or ecological, are economic in the long run. It is very important that the government, through these consultations, finds a way to include a new accounting, a new way to value the ecological and health benefits and costs that government programs, subsidies and taxes provide.

This new, ongoing budgetary consultation process, coupled with the review and renewal of major government departments and policies, particularly human resources, health, defence, and industry, means that this government is serious about taking action to meet the central challenges facing this nation.

This results in the kind of responsible government Canadians demand and deserve.

It was in my riding of York—Simcoe where the seeds of responsible government were first sown in Upper Canada. It was here that the rebel, William Lyon Mackenzie, joined forces with the farmers and small business owners to challenge the Tory family compact.

Although it has been over 150 years since responsible government has been instituted, the descendants of these rebels have carried on the tradition of farming and operating small businesses in York—Simcoe, a riding which I am proud to represent.

Today their farms grace the landscape of New Tecumseh, King, east and west Gwillimbury. The world famous Holland Marsh is located near Bradford. Small businesses were and are still the heart of the economic engine in communities like Newmarket and Bradford. Their trades have always been carried

out along the main streets of the villages of Sutton, Keswick, Mount Albert, Beeton, Tottenham, Pefferlaw and Schomberg.

My riding of York—Simcoe is also graced with the beautiful beaches of Georgina along Lake Simcoe. A tourist trade booms here all year long with boating in the summer and ice fishing in winter.

We are also fortunate to have a First Nations band, the Chippewas of Georgina Island. This band is determined to achieve its inherent right of self–government.

I am privileged to stand here today as a representative of a riding that reflects the diversity of this great nation. The 35th Parliament is a milestone in the Canadian parliamentary history as it, far more than any other, is representative of the rich tapestry of Canadian diversity.

Sitting in this Chamber I look around at my colleagues on both sides of the House and I know that we are merely passing through. This institution will exist long after the pages of *Hansard* fade and crumble.

As parliamentarians we will be measured by the respect that we show all Canadians.

The Deputy Speaker: It being 6.35 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.35 p.m.)

HOUSE OF COMMONS

Thursday, February 24, 1994

The House met at 10 a.m.

Prayers

HOUSE OF COMMONS

The Speaker: My colleagues, I have the honour to lay upon the table the expenditure plan in relation to the 1994–95 estimates for the House of Commons.

ROUTINE PROCEEDINGS

• (1005)

[*English*]

MAIN ESTIMATES, 1994–95

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1995, was presented by the President of the Treasury Board and read by the Speaker to the House.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, I submit Part II of the estimates for laying on the table.

I would also like to table in support of the estimates Part I, the government expenditure plan. In addition I will table with the Clerk of the House on behalf of my colleagues Part III of the estimates consisting of 76 departmental expenditure plans.

These documents will be distributed to the members of the standing committees to assist in their consideration of the spending authorities sought in Part II of the estimates.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to several petitions.

MAIN ESTIMATES, 1994–95

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, today I present the 1994–95 main estimates for the Government of Canada.

[*Translation*]

I have the honour to table the first Estimates of this 35th Parliament, which contain the government's expenditure plans, department by department, program by program, for the next fiscal year.

[*English*]

I take pride that these estimates reflect the commitments we made to Canadians in the election last fall. They reveal a balanced approach in which the government supports growth and creates jobs while taking steps to reduce the deficit.

The main estimates set out the details of $160.7 billion in planned expenditure in the next fiscal year. This includes the $112.1 billion in statutory expenditure that flows from legislation that Parliament has previously approved and $48.6 billion in expenditures for which we are seeking parliamentary authority at this time.

• (1010)

The main estimates are the first step in carrying out the expenditure plan amounting to $163.6 billion set out in the budget of two days ago delivered by my colleague, the Minister of Finance.

However, unlike the budget, the main estimates do not include reserves and they do not anticipate the impact of proposed legislation. In other words, if legislation has not yet been passed then the dollar figures would not be in the main estimates.

The main reason total spending is up is the increase in public debt charges. Program spending, which is our total spending less public debt charges, is virtually flat, increasing by only 0.7 per cent. Spending on most programs is down.

Old age security and aboriginal programs account for a large part of the increase in program spending. That is because of an increase in the population in those two categories which are drawing on the programs.

As the Minister of Finance made clear two days ago, this is a budget that sets in motion the most comprehensive reform of government spending policy in a decade. The budget tabled on

Tuesday and the main estimates that I table today provide a framework for the future delivered by a government for the future.

One of the clear policy planks of this government is that we are going to do what must be done and we are going to do it in a fiscally responsible way.

In the main estimates we have set a course of action for each component of the agenda in "Creating Opportunity", better known as the red book. Canadians have told us that job creation is a high priority and in the red book we have said that a national infrastructure program would be a key element in job creation.

Since we have come to office, I am proud to say that we have made this a reality by signing agreements in every province across this country. In the main estimates we are asking Parliament to appropriate more than $700 million in the coming fiscal year for the implementation of this program.

Also in the red book we said we would impose further cuts in operating budgets by some $400 million in 1994–95, increasing to $620 million in the following two years. The main estimates reflect the commitment. We hope that we can generate a lot of these savings through efficiency gains, but we realize that it may also require having to set priorities.

Of the $400 million just mentioned, the largest part will come from savings on professional services. These are services that we contract for. We will shortly be asking Parliament to look at this whole area of contracting out.

However, this was not enough. Solving our fiscal problem required taking more restraint measures in the operating budgets. We looked at different options available to us. We looked at what other governments and the private sector were doing. We consulted with our public service unions in this process. In the end we did what we believe is best for Canadians, best for public service employees and for the economy.

As the Minister of Finance stated in the budget, we extended the freeze on the federal public service for a further two years and we suspended annual increments for two years beginning in 1994–95. We also provided for the opportunity, working with our employees and working with their bargaining agents, to be able to shorten that period of time by finding other efficiencies in government spending so that we could in fact end that freeze at an earlier time.

We believe that under the circumstances this was the best course to follow. It allows us to better protect jobs while minimizing the impact of our ability to deliver quality services to Canadians at the lowest possible cost.

The reduction in the defence budget reflects reality. We had a defence structure that reflected the priorities of the past. The world order was changing and we had to adapt. The result will be an armed forces that will meet our future needs.

Reductions in our international assistance funding is a statement of our fiscal capacity rather than a reflection of what really is the need. We will nonetheless continue to spend $2.6 billion on international assistance as is shown in the main estimates.

• (1015)

Canadians told us that grants to business were not getting the best value for the tax dollar. We made it clear in the red book we would cut grants that were not of value in helping small and medium sized business and we have done that.

Canadians were vocal in expressing their desire to reform the unemployment insurance program because it was more than taxpayers could afford. The payroll tax required to pay the benefits was putting us in an uncompetitive position vis–à–vis our trading partners. We had to take action and we have.

In the main estimates 16 per cent of the total spending is in payments to other levels of government and 25 per cent is in payments to persons such as the old age security and unemployment insurance. The government will spend about $62 billion on social programs and $4.8 billion on natural resource based programs, $3.9 billion on industrial, regional and scientific programs, $2.8 billion on transportation programs, about $3 billion will go to cultural and heritage programs, $3.3 billion for justice and legal programs, and $6.4 billion for general government operations.

My colleague the Minister of Finance made it clear in his speech this is only the beginning of reform. He announced that over the next year we would make service delivery more efficient and effective and we will do that.

As a result of the course set out in the budget, program expenditures will decline in real terms between now and 1995–96. Even now, as I said earlier in my remarks, expenditures are virtually flat with last year.

Our annual deficit is on a downward curve, a very important downward curve, and we have set our sights on the fiscal objective of a deficit which amounts to no more than 3 per cent of all the goods and services we produce in Canada in a given year.

This is the true sign of a government that listens to the electorate, shows leadership, takes decisive action, consults its partners, and sets a clear vision for the future of each and every Canadian.

[*Translation*]

Mr. Richard Bélisle (La Prairie): Madam Speaker, what strikes me upon reading the 1994–95 Estimates tabled by the Minister responsible for Treasury Board is that, compared with the 1993–94 budget, there is a 0.5 per cent reduction in transfer

payments and a 3.2 per cent reduction in other program spending, while at the same time the cost of servicing the debt has gone up 3 per cent. This means that budget cuts are being made to accommodate an increase in the cost of servicing the debt.

The government's policy in the years to come will be to cut transfers to individuals and transfer payments to the provinces. However, as we postpone these cuts, the debt increases accordingly, as shown in the budget, which means even larger cuts will be necessary in the future, always to accommodate the cost of servicing a debt that will soon be out of control. We are fast approaching the breaking point.

As the debt increases and transfers to individuals are cut back, the gap between rich and poor widens. The gap between the various levels of our society has never been greater, and is getting wider. Ironically, the cumulative debt of the past 20 years was the result of a desire to redistribute wealth across the country.

When servicing the debt means transferring tens of billions of dollars from taxpayers to investors, this will create even greater gaps between the rich, the middle class and the neediest in our society. Is this the failure of the Canadian model of a just society, an echo from another era?

Total budget expenditures are forecast at $163.6 billion, an increase of 2.1 per cent. We are told that more than 75 per cent of this increase, or 1.6 per cent, is due to the cost of servicing the public debt. The impact of the debt on the estimates will get worse over time because the government's spending cuts are not enough, as was illustrated by the minister's speech this morning.

• (1020)

The cost of servicing the public debt is $41 billion, compared with $38.5 billion last year. Program spending is estimated at $122.6 billion, compared with $121.8 billion last year, a difference of only 0.7 per cent, while debt charges are 6.5 per cent higher than last year.

This year, cuts in operating costs—departmental budgets—amount to $413 million, out of a total $2.1 billion in cutbacks. My point is that departmental budget cuts represent only 19 per cent of the total reduction in operating costs. The $725 million cut in unemployment insurance, however, represents 33 per cent of total reductions. Reductions in business transfers add up to $117 million or 5.3 per cent of total cuts. I think it is clear where this government's priorities are. It uses the unemployed to get the cuts it cannot make in its own operations.

Cuts in the departments represent less than 2 per cent of the government's operating costs, of which a substantial 19 per cent is generated by defence. There was no disciplined item by item assessment by the government, as the Bloc Quebecois had requested.

However, there is still fat and waste in government operations. The Auditor General estimates that if the government stopped the waste, the potential savings would amount to several billion annually. A reduction of $400 million in operating costs, less than 2 per cent, is certainly not enough when the cost of debt servicing increases by $2.5 billion during the same period.

The government has failed to make the necessary reductions in spending. Only a reduction in expenditures achieved by eliminating waste and poor management procedures will in the long run reduce the tax burden on the middle class that has caused the underground economy to flourish, as we have seen repeatedly during the past few months.

Although so–called spending cuts were announced with a great deal of publicity, government program spending will increase again this year, by another $800 million. This amount corresponds to statutory programs such as equalization.

Instead of coming down hard on the unemployed and senior citizens, whose age credit has been cut, the government should have acted immediately to streamline government operations by getting rid of the duplication and overlap that costs the government between $2 and $3 billion annually. This is nearly eight times the cuts made in this government's budget plan.

Second, the government should make further reductions in defence spending. A 12 per cent cut is planned over five years, while the Bloc Quebec asked for a 25–per cent cut. The Collège militaire royal in Saint–Jean should not be closed until Quebec has received its share of national defence spending, on a per capita basis. This closing does not make sense, especially since the college had just been renovated at a cost of several million dollars.

In concluding, I would like to add that the government should have made further spending cuts and invested half of this spending room in job creation and the other half in reducing the debt. Most analysts agree that the infrastructure program does not do enough because it creates only 45,000 temporary jobs and is, in the final analysis, the employment recovery program the government announced with so much fanfare.

[*English*]

Mr. Ray Speaker (Lethbridge): Madam Speaker, I appreciate the opportunity to speak to the resolution before us and certainly in recognition of the tabling of the estimates. As we examine the presentation today and the budget which was given to us on February 22, we have some very major concerns. They are concerns that reflect the attitudes of Canadians.

The first concern is that the debt of the country is going to be our downfall and we must recognize that. The second concern is that along with the debt is the annual debt or the deficit which continues to hang over our heads, not only as taxpayers but members of Parliament. We have to deal with it. It is very basic.

We cannot afford in the next three years to accumulate $100 billion more of debt.

• (1025)

The estimates of 1994–95 start that process. They place before us $39.7 billion as the deficit. That is the best the government could do in its budgeting process. It could not do any better and it is not good enough. We have to sit here as parliamentarians and face that.

The government tried to tell us it has a plan to cut in the future. It is going to use studies to bring about the cuts. From my experience any time a group of legislators and private citizens work together, any recommendations that come back to the assembly usually demand more money.

I do not think any terms of reference went to those committees, particularly terms of reference with regard to social programs. The Minister of Human Resources Development said he would like to see the cost of social programs reduced but that those programs be targeted. I did not hear that in the terms of reference. Those should have been the initial terms of reference for those kinds of programs. That was not there.

The government is continuing a pattern of spending more. All of the deficit reduction in this budget, the amount of money applied to the deficit, comes from revenue growth. None of it comes from substantial, deliberate, priorized reductions of spending across government.

Nothing in these estimates presented to us today really deals with the fat of government, the overlap of government, the inefficiency of government, the bloating of government that occurred between 1975 and 1982. There is nothing in these estimates that represents significant changes from the trends of that period of time. The government is continuing the way it is.

I would like to say something with regard to the reductions. First, the government claims that it has made some major reductions and will make major reductions in expenditures over the next three years. The projections are $11 billion.

In the estimates before us the reduction is $3.7 billion. If one examines the budget book that was presented to us on February 22, 25 per cent of the reductions came from Tory policies, not from Liberal initiatives. That is the first item. Therefore how can the government take much credit for the reductions in the estimate expenditures?

Second, let us talk about the estimates for 1994–95. The reductions are $3.7 billion which is not much in a major budget of some $163 billion. New initiatives is $2.2 billion which leaves us $1.5 billion to apply to the deficit. That still leaves us with $39.7 billion. That is not much. Why did the government not look at the reductions and say it should apply all of the $3.7 billion to the deficit and do something with a little more significance?

Many of the funds were reallocated internally without consulting Parliament. We as parliamentarians should be able to ask the questions. For example, when certain programs are being cut, what is being cut out? After a program has been reallocated we should be able to ask the cost of the new priority, is it necessary, where will the money come from and can we do it for less. We really did not get a chance to do all of that in the process. We will possibly have that opportunity in the estimates.

• (1030)

I have a last point to the government in the time I have left. I hope that the government will really make a serious commitment, in the words spoken by the Minister of Finance yesterday, so committees will be able to review these matters, make recommendations and that the government will listen to those recommendations and implement them. I hope during this 35th Parliament that will be a major change. If government is that open and able to allow that, we will have a tremendous Parliament and one that is really democratic.

I recommend to the government not to become political and terminate that process through which a committee recommends decisions that are a little difficult to initiate. Committee reports and recommendations are number one to an effective process of dealing with the estimates.

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COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Hon. Warren Allmand (Notre–Dame–de–Grâce): Madam Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Justice and Legal Affairs. Pursuant to the order of reference on Friday, February 4, 1994, your committee has considered Bill C–4, an act to amend the Crown Liability and Proceedings Act, and has agreed to report it without amendment.

FINANCE

Mr. Jim Peterson (Willowdale): Madam Speaker, I have the honour of rising today to present the second report of the Standing Committee on Finance. This is in accordance with the order of reference of Wednesday, February 9, 1994. Your committee has considered Bill C–3, an act to amend the Federal–Provincial Fiscal Arrangements and Federal Post–Secondary Education and Health Contributions Act, and has agreed to report it without amendment.

May I also take this opportunity to say this is the second report to the House from the Standing Committee on Finance. I just want to thank all members of that committee who have worked so hard in the spirit of constructive co–operation to

bring in a second report in addition to all of the other business the committee has had to do. I thank all members.

* * *

MAIN ESTIMATES, 1994–95

REFERENCE TO STANDING COMMITTEES

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Madam Speaker, pursuant to Standing Orders 81(4) and 81(6), I move:

That the main estimates, 1994–95, tabled this day, be referred to the several standing committees of the House as follows:

Since the list is rather lengthy, I would ask that it be printed in *Hansard* at this point without being read.

The Acting Speaker (Mrs. Maheu): Is that agreed?

Some hon. members: Agreed.

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

To the Standing Committee on Indian Affairs and Northern Development

Indian Affairs and Northern Development, Votes, 1, 5, 10, 15, L20, L25, 30, 35, 40, 45 and 50

To the Standing Committee on Agriculture and Agri–Food

Agriculture and Agri–Food, Votes 1, 5, 10, 15 and 20

To the Standing Committee on Canadian Heritage

Canadian Heritage, Votes 1, 5, 10, 15, L20, L25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100, 105, 110, 115, 120, 125, 130, 135, 140 and 150

To the Standing Committee on Government Operations

Canadian Heritage, Vote 145

Finance, Vote 55

Governor General, Vote 1

Parliament, Vote 1

Privy Council, Votes 1, 5, 10 and 30

Public Works and Government Services, Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40

Treasury Board, Votes 1, 5 and 10

To the Standing Committee on Natural Resources

Natural Resources, Votes 1, 5, 10, L15, 20, 25, 30, 35, 40, 45 and 50

To the Standing Committee on Environment and Sustainable Development

Environment, Votes 1, 5 and 10

To the Standing Committee on Foreign Affairs and International Trade

Foreign Affairs, Votes 1, 5, 10, 15, 20, 25, L30, L35, 40, 45 and 50

Public Works and Government Services, Vote 45

To the Standing Committee on Finance

Finance, Votes 1, L5, L10, L15, 20, L25, 35 and 50

National Revenue, Votes 1, 5, 10, 15 and 20

To the Standing Committee on Fisheries and Oceans

Fisheries and Oceans, Votes 1, 5 and 10

To the Standing Committee on Health

Health, Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Human Rights and the Status of Disabled Persons

Justice, Vote 15

To the Standing Committee on Industry

Atlantic Canada Opportunities Agency, Votes 1, 5 and 10

Finance, Votes 40 and 45

Industry, Votes 1, 5, 10, L15, L20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100, 105 and 110

Western Economic Diversification, Votes 1 and 5

To the Standing Committee on Justice and Legal Affairs

Justice, Votes 1, 5, 10, 20, 25, 30, 35, 40 and 45

Privy Council, Vote 35

Solicitor General, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

To the Standing Committee on Human Resources Development

Human Resources Development, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40 and 45

To the Standing Committee on Procedure and House Affairs

Parliament, Vote 5

Privy Council, Vote 20

To the Standing Committee on National Defence and Veterans Affairs

National Defence, Votes 1, 5, 10, 15 and 20

Veterans Affairs, Votes 1, 5, 10, 15 and 20

To the Standing Committee on Public Accounts

Finance, Vote 30

To the Standing Committee on Transport

Privy Council, Vote 15

Transport, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55 and 60

To the Standing Joint Committee on Official Languages

Privy Council, Vote 25

To the Standing Committee on Citizenship and Immigration

Citizenship and Immigration, Votes 1, 5, 10, 15 and 20

To the Standing Joint Committee on Library of Parliament

Parliament, Vote 10

(Motion agreed to.)

• (1035)

PETITIONS

CANADA POST

Mr. Grant Hill (Macleod): Madam Speaker, it is a privilege to present a petition to this House from the members of my constituency in Glenwood, Alberta. This petition relates to the post office and it is an honour to present this petition on behalf of those constituents.

CHILLIWACK RIVER

Mr. Chuck Strahl (Fraser Valley East): Madam Speaker, it is my duty and honour to rise and present a petition duly certified by the Clerk of Petitions from over 400 concerned citizens in the beautiful Chilliwack River valley of my constituency of Fraser Valley East.

The petition states that incidents of flooding, related problems with roads, utility lines and residential homes and businesses are becoming more and more frequent since the disastrous floods of 1989 and 1990. Each such incident threatens public safety, devalues property and hinders the ability of residents to obtain mortgages and home insurance.

As a result the petitioners humbly pray and call upon Parliament to implement the Chilliwack River valley hazard management plan through the Government of Canada's infrastructure program.

YOUNG OFFENDERS ACT

Mr. Nelson Riis (Kamloops): Madam Speaker, it is a privilege to present a petition on behalf of constituents from Kamloops, Chase, Savona, Pinatan, Knutsford, Little Fort, Barriere, Birch Island, Monte Creek, Pritchard, Monte Lake, Westwold, Blue River and Clearwater.

These constituents point out their concerns regarding the Young Offenders Act. They suggest that the act as currently enacted is inadequate for the needs of a modern society. They are asking Parliament to review the Young Offenders Act and take the necessary steps to ensure appropriate sentencing, better post–custody supervision and more effective rehabilitation programs.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I would ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Shall the questions be allowed to stand?

Some hon. members: Agreed.

[*English*]

The Acting Speaker (Mrs. Maheu): I wish to inform the House that pursuant to Standing Order 33(2)(b), because of the ministerial statement, Government Orders will be extended by 24 minutes.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 23 consideration of the motion that this House approves in general the budgetary policy of the government; the amendment; and the amendment to the amendment.

Mr. Jack Frazer (Saanich—Gulf Islands): Madam Speaker, subsequent Reform Party speakers will be splitting their time, to 10 minutes and five minutes for questions and comments.

This morning I would like to address the budget from the point of view of the defence department and first of all to congratulate the government on some good measures it has taken. I have noted it is looking at reducing the rank structure in the Canadian forces and thinning out the level of middle management. Both these items are long overdue and will provide more people at the pointed end and fewer in the administrative support tail.

It is looking to amend its management practices, to delegate and lower the responsibility level to base commanders and other unit commanders, to do away with bureaucracy. This will make the process much more efficient and more cost effective.

It is looking at off the shelf purchases. For far too long Canadians have tended to put in special frills and things that required additional engineering which wound up costing more and taking much longer to implement. I think the off the shelf purchases are a very good idea.

We are looking at contracting out some of the things that Canadian forces personnel currently do. This as well is a step in the right direction.

• (1040)

I understand from the defence document that we are going to look at contracting out flight training at Moose Jaw. I know this has worked very well at Portage la Prairie in basic training and I must admit I have some personal misgivings about putting the training of our air crews into other than military hands. However, certainly it has worked at Portage la Prairie and we should definitely investigate it at Moose Jaw.

I also note that group headquarters has been combined for efficiency and moved air combat, which used to be fighter group headquarters, from North Bay to Trenton. The same will be done

with 10 tactical air group headquarters from St. Hubert to combine with air transport group at Trenton. Again, this is a refining and efficiency measure which will pay dividends.

The government also mentioned some infrastructure reductions, some $850 million over five years by the 1997–98 timeframe. By that time savings will be $350 million a year. I will be speaking to this from the other point of view in a few moments. However, I think all people who have looked at the defence department have been aware that there has been an overabundance of infrastructure in that force and it was time to reduce it.

However, I do think that defence has become an easy target. All parties in the last election, with the exception of the Reform Party, were aiming very strongly at large cuts in defence. I think this may be premature and that people do not appreciate the current state of the defence force.

Basically it has been underfunded since 1972 when Mr. Trudeau made dramatic cuts. He was reminded of the inter-relationship between defence and trade when he tried to make the cuts in NATO and very shortly found out that it would impact dramatically on Canadian trade. He reversed his decision on the cuts he was proposing.

The world situation has changed, without question. The relationship between the two superpowers has evaporated. However, rather than providing us with a more stable world, this has provided a much more volatile world, one which is must less predictable and, I would say, more dangerous.

Currently Canada has more troops deployed on operational missions than at any time since the Korean war. The current strength of the Canadian forces is 75,000 in round numbers. The government is suggesting that this should be reduced to 67,000 in round numbers by 1998. I question the wisdom of these cuts, particularly before we have completed a defence review to establish what we want the Canadian forces to accomplish.

I am not certain at the moment that 75,000 is a sufficient number to do the jobs Canadians will be asking their forces to do. I believe it really is premature to suggest that we should be cutting this number even further.

I am glad to see the reserve force staying constant at 30,000, although I believe there may be some need to expand its uses if we go to the total force concept and it is found to be workable.

Regarding budget cuts, over the period from 1989–97 the previous government had programmed in $14 billion in defence budget reductions. This government has now implemented an additional $7 billion deduction in the defence budget between 1994 and 1999. This is a total of $21 billion over 10 years, a substantial reduction in a budget of only $12 billion. This again has been done before we know what we are going to be asking the defence forces to do. I think this is premature.

These defence cuts have reduced the operations and maintenance budget so that operational and training activities have had to be reduced by 25 per cent. In plain words, this means that the navy has and will continue to sail less. The air force has and will continue to fly less and the army has and will continue to train less. This means less well trained and less capable sailors, soldiers and airmen, and that means a reduced operational capability. There is no question that the training required by the forces increases its ability to do the job we ask it to do. Reducing its training reduces its operational capability.

The government has said that one half of the $7 billion reduction over the five years in the defence budget will come from the cancellation of the EH–101 helicopter project. I remind hon. members that the EH–101 was a 13–year program extending to the year 2002 with the heaviest spending occurring in the years 1998 and 1999. The $5.8 billion to which the government is referring is based on 2002 dollars rather than the original cost for the EH–101 which in 1991–92 dollars was $4.3 billion. I suspect its number is not accurate, its $3.5 billion saving.

• (1045)

Also missing from the figures totally is the cost of the cancellation of the EH–101 program, payments to contractors who had already invested substantial sums in the program. This is estimated to be anywhere between $500 million but more likely close to $1 billion. This appears nowhere in the budget.

The Minister of National Defence said yesterday that this would not be coming from the defence budget, but if it is going to be paid it is paid out of our own budget. Since it is not identified that means it is in addition to the $39.7 billion the government has already estimated.

In addition, the minister points out on page 2 of the budget impact document:

> The Department will still have to find the money for replacement helicopters should the requirement be confirmed in the defence policy review.

He said also, and I agree with him, that the likelihood was that the need for these helicopters would be confirmed in that defence review.

Depending on the helicopters that are chosen to be bought, we can spend as much or even exceed the cost of the original EH–101 program. The Canadian environment provides an atmosphere that is perhaps among the most challenging for flying operations the world knows.

Canada is a beautiful country. It is one I have chosen over a many other countries, having visited them. It has many advantages but we have long and rather severe winters. When we have winter weather we have icing conditions. When we have icing

conditions we have problems for flying machines, particularly helicopters.

Whatever airplane we buy it should have the ability to fly in icing conditions. I point out that when the Ocean Ranger went down off the coast of Newfoundland it took 36 human lives with it. Both the Sea King and Labrador helicopters were grounded in Halifax at that time. They were unable to fly because of a combination of icing conditions and fog.

The EH–101 helicopter could have operated in those conditions and may very well have saved those lives on the Ocean Ranger. Any helicopter we buy to operate in Canada whether it be from ships or in search and rescue should be able to have the range, the speed, the capacity and the ability to fly in icing conditions.

Let me move on to another cost saving measure, the reduction of infrastructure. The government has announced that it will close four bases: the base at Cornwallis, the base at Chatham, the base at Ottawa, and the base at Toronto. A total of $185 million is identified in the defence document as the cost of those closures. I do not think they are going to include termination training, allowances for civilians or transfer costs for military personnel.

The gift of the station at Downsview to the city of Toronto as a gift in perpetuity, a park, is a super thing. Is my time up, Madam Speaker?

The Acting Speaker (Mrs. Maheu): The member's time has expired. Could he conclude please.

Mr. Frazer: Basically there are some good things in the budget, but there are many things which are incomplete and have not been thought through. Budget day in 1994 was not only a disappointing day for Canada; it was not a good day for Canada's defence force.

Mr. John Richardson (Perth—Wellington—Waterloo): Madam Speaker, I listened with great interest to the hon. member for Saanich—Gulf Islands. He made some very good points in his speech.

I know from his experience the infrastructure was like an albatross around the neck of the forces in terms of budgets for the past 10 to 12 years. The move was seen by all professional officers as an excellent one, as a way to free up money for the needed things he mentioned in his speech. The government should be applauded for taking the stand to depoliticize the nature of bases. I certainly go along with that.

• (1050)

I agree with him that we should not be tailoring the future of the forces based on the budget. A lot of thought has to go into that matter. I hope the committee that is put together will come up with a forward thinking program and task the armed forces appropriately. I look forward to working with him on that future project.

There are other points I would like to make. The British announced today a very serious cut in defence expenditures. As the member just noted, they have gone to a ratio of total force. They call it a one army concept, a one navy and one air force concept. Here we call it total force. They are putting more resources into upgrading the quality of the reserves as a method of rapid expansion in case of need.

As the member appropriately indicated, we may probably have to look at it in the future as a way to bring the people of Canada into the armed forces by having the reserve component enlarged and increased in competence to take on the roles they do in the German air force, the American air force and the reserve programs, as well as in the army and navy components.

Overall he made some very good points. I want to make clear that the cut in infrastructure was applauded throughout the forces because it was a drain on both financial and human resources. It will release that hopefully for the future growth of the forces.

Mr. Frazer: Madam Speaker, I would like to address the problem of infrastructure. I agree with the hon. member that obviously there was a military hand in the cuts that were made. These were not done for political reasons. I appreciate that. I think it is a step in the right direction.

I would question the wisdom of closing either of the two defence colleges, Collège militaire royal in Saint–Jean or Royal Roads Military College in Victoria. The total capacity of the production of the defence colleges has not been sufficient to provide the Canadian forces officer corps with sufficient graduates.

I can speak for Victoria. The University of Victoria does not have the capacity to absorb additional students. By taking this productivity from Royal Roads the number of qualified graduates that will be available has been cut. If these are supplanted by armed forces training prospects it will cut other people out of the program. It is my understanding the university training given at Royal Roads is very slightly more expensive than that given at any civilian university. I suggest the government was premature in shutting down these two universities.

[*Translation*]

Mr. Robichaud: Madam Speaker, it has been agreed that hon. members on this side of the House, in other words, the Liberal members, will share their 20–minute speaking time, which means two periods of 10 minutes, with the exception of the ministers who will use the full 20 minutes.

[*English*]

Mr. Herb Grubel (Capilano—Howe Sound): Madam Speaker, the Government of Canada is like a person who has a weight problem. Overspending is like overeating. The deficit is like the fat that stores the excess calories consumed. The dangers for Canada are the same as for the overweight person.

Ultimately the fat will clog the arteries and some vital functions will fail.

Like those with weight problems our government always makes resolutions to do something about the problem: just enough calories today to sustain the fat and a more serious diet next week.

The excuses for procrastination are always the same. We need the calories to sustain the living tissue otherwise there will be pain: unemployment. Another excuse is that we are about to discover a method for losing weight without pain: an infrastructure spending program, some grand redesign of social programs, more efficient government operations or the closing of tax loopholes.

• (1055)

This budget has put the patient on a diet which slows the rate of growth of the debt. It does nothing to stop the debt from growing. Certainly there is no indication that we can ever expect a slimming of the debt. Promises for a more restrictive diet following the redesign of social programs are no longer believable. There are no painless ways of losing weight. No studies will uncover them.

More important, it makes no sense to keep on saying that all slimming procedures are health threatening. Canada had full employment and rapid economic growth when budgets were balanced. The restoration of balanced budgets really restore these favourable conditions, just like people feel healthier and more vigorous who have dieted successfully and have returned to their normal weight.

The cure for Canada's disease is known. It needs to be applied soon or the patient will be seriously ill. All it takes is to say no to additional helpings of food. We need to cut spending drastically. During the election campaign the bulk of people I had contact with were concerned about the size of the deficit and debt and wanted dramatic action to reduce it. They believed that the overweight person, the Government of Canada, must be made to slim down to where there is no more fat. They believed that a crash diet was worth the pain in the knowledge that health would be restored.

My constituents put one important condition on their willingness to make sacrifices for the sake of the country's fiscal health: the pain must be shared by all Canadians. Our basic system of public health care and pensions must be preserved. Social spending programs must be restructured to serve only those in need. The budget does not share the burden.

The people in the defence industries, civil servants, elderly taxpayers, business, entrepreneurs with capital gains and the recipients of UIC have been singled out. Worse, these Canadians are asked to make sacrifices while excess spending is maintained. There are 18 new spending programs which in the aggregate match the cuts. These new programs are motivated by the desire to pursue ideological goals stemming from the liberal world view about the ability of government to solve all problems of society.

There is the promise to increase the number of day care spaces once economic growth has reached 3 per cent. The forecast is for such a growth rate during the next two years. What will this promise cost? The budget is silent on this potentially very expensive program.

There is much known fat in current government spending programs. No studies are needed to identify it. It could have been cut to reduce the deficit significantly while resulting in much more equitable sharing of the burden.

First, there is the unemployment insurance system. The proposed changes in eligibility requirements are a step in the right direction but they are not enough. By most international and our own historic standards the benefit rate of 55 per cent for single persons is too high. Lowering it by two percentage points is symbolic rather than economically effective, especially when at the same time the benefits to others are raised to 60 per cent.

Second, old age security benefit payments are slated to rise 7.5 per cent from the current $20 billion in two years, primarily because there are more eligible Canadians and because of the indexing of the benefits. Yet, it is well known that a very substantial part of OAS payments are going to families with high incomes. It was never the intent of the program for families in the top decile and earning $100,000 to receive annually over $2.5 billion under this program while they are retired, without family obligations and fully insured against health care expenditures.

Third, the most rapidly growing expenditure category is grants to Indians and Inuit. It is slated to rise a full 17 per cent in two years. Many people who have been asked to make sacrifices are wondering why spending in this program is slated to increase $300 million every year for the next two years.

More generally this budget claims to make savings of $8 billion in two years. It should be noted that these savings are relative to spending levels slated to increase according to the budgets made a number of years ago. Half of them are due to what is called securing savings from previous budgets which requires no measure of political courage. In effect all the so–called savings amount to nothing more than the reduction of previously announced spending increases.

The bottom line for Canadians is that the level of program spending is slated to remain unchanged at $122 billion during the next two years. This is not the kind of diet the overweight patient needs.

• (1100)

There is legitimate reason to be sceptical about the realism of the projected size of the public debt charges. They are slated to rise only $3 billion over the next three years. The expected deficits of this period are about $100 billion. The interest on this additional debt alone is $6 billion. Therefore the government

must expect to enjoy large savings of $3 billion on debt service charges on the already existing debt of $504 billion.

This is a very risky forecast. Economic growth is predicted to be 3 per cent and 3.8 per cent in the next two years. This will create inflationary pressures which will be compounded by the delayed effects of the depreciation of the Canadian dollar during the last year.

The forecast of the inflation rate of 1.3 per cent for 1995 is very low and so is the related forecast for interest rates of only 6.1 per cent on long term bonds in 1995. Adding to my scepticism about interest rates is that the U.S. economy is booming and rates there have already begun to rise. Canada cannot afford to have a significant gap in favour of U.S. interest rates.

I also have my doubts about the forecast for economic growth in the next couple of years, doubts which are not shared by the majority of economists. I believe the main reason consumers are reluctant to spend and therefore are extending the recession is that they are worried about the country's deficits and debt. They worry whether they will experience the collapse of government services and entitlements suffered by the people of New Zealand.

Until they are sure that our government has taken courageous steps to reduce the deficit, they will continue to spend cautiously. As a result, economic growth may well remain more sluggish than has been forecast in the budget.

Let me close by noting that the international capital markets are giving the government breathing space for this budget, however disappointing are the figures on the level of spending cuts. Several people in close contact with the financial community have told me that we may expect serious capital flight and a financial crisis unless the announced redesign of the social programs this fall produce significant savings.

I therefore urge the government to make the redesign of the social services a serious effort. If there are no tough decisions made and credible savings generated, Canada may find itself in the same position as did the country's largest real estate empire.

Rumours and predictions about a financial crisis were denied and banks kept on extending credit until suddenly and upon one extra slight provocation the crisis started and the entire empire began to collapse. The diet was too late and too little.

Let us hope that Canada will not face the same problems. The decision is in the hands of the government.

Mr. Andy Scott (Fredericton—York—Sunbury): Madam Speaker, I am delighted at the opportunity to beat all of my colleagues to the floor. I was certain that the speech would provoke an immediate reaction. Certainly it reminds me why I am here.

I would suggest to the member for Capilano—Howe Sound that the objective of social programs is not to save money. The objective of social programs is to help people. To set out with an immediate objective that is based on the need to save money is incorrect in the spirit of those programs.

The 18 new programs that the budget is financing were presented to the population of this country last fall and accepted and supported in big numbers. I think to do anything but to support those programs is to ignore the democratic wishes of the people in this country.

The idea that the UI reductions did not go far enough I find mind boggling, that the way we would try to save money is to take it from the hands of people who are just getting by so that people who are getting by more comfortably will be more comfortable in their support for these programs.

Finally I would say, in keeping with the member's analogy in terms of diet, there is a big difference between dieting and starving people to death.

Mr. Grubel: I thank my hon. colleague for his comments. They are clearly partisan. This is what divides people. I look forward to seeing how many letters he will get from the people who have been singled out to make sacrifices so that other people can get benefits. I find that the kinds of programs initiated by his government are not popular with my constituents.

• (1105)

Mr. Eugène Bellemare (Carleton—Gloucester): I would like to comment on the remarks of the tough-talking, self-proclaimed crash diet expert from Capilano—Howe Sound. He says we are not going through enough pain in dieting and that we should be on some kind of crash diet. I am not too sure if he confuses the word diet with what my friend just mentioned to me, starvation.

The hon. member said that the Liberal Party is now going into excessive new spending. Then he attacked the system for day care we want to introduce. He talked about overweight Canadians. I react to that with a smile.

He says that the UI changes are not enough, that we should have been more courageous and we should have cut, cut, cut further. I wonder if the member for Capilano—Howe Sound would have further cut the UI.

He talks about letter writing from Canadian citizens. I wonder if he would care to write an open letter to the newspapers in the Atlantic provinces on the UI changes which he would propose. I am waiting with bated breath to hear what his proposals would be.

On old age security he says that we are giving out too much money. I wonder if he has read the budget and if he has had reactions from people who are now seniors and will be paying much more in taxes due to the thousand dollars they will be losing from now on.

He talked about the 17 per cent increase to natives, $300 million a year. I wonder if he could expand on his views regarding the treatment of natives.

I will stop at this point because I believe the member for Capilano—Howe Sound, the tough talking, self appointed crash diet person, probably has a lot on his plate right now.

Mr. Grubel: Madam Speaker, I will be very brief in commenting on the wonderful reiteration of the ways in which this government is preserving this wonderful country which is going down the drain because we are facing a financial crisis. One hundred billion dollars more added to the debt in three years. It alone will add $6 billion to the current deficit. I do not understand how this can continue.

Mr. Barry Campbell (St. Paul's): In this, my first speech in the House of Commons, I would like to congratulate the Speaker on his election and you, Madam Speaker, on your appointment.

I would also like to express my sincere thanks to the people of St. Paul's riding in Toronto who have entrusted me with the honour of representing them in this Parliament. I accept this responsibility in all humility.

St. Paul's riding is in many ways a microcosm of Canada. It defies easy characterization. It is a place of contrast. It is a riding of tenants and home owners, business executives and building contractors, new Canadians and people who have been here for generations. Successive waves of immigrants have called the southwest part of my riding home and supplanted one another in this neighbourhood as each group has prospered and moved on, the Canadian way.

Among the residents of St. Paul's are many of our best known business, cultural, political, labour, educational and community leaders, and many thousands of hard–working people who through their efforts keep Toronto and Canada growing.

• (1110)

As I went door to door during the last election, I was continually moved by the diversity of Canada and how it is reflected in my riding. In representing St. Paul's, I have wonderful role models to look to: John Roberts, Mitchell Sharp and Walter Gordon who represented voters in this riding in the past. These people of great vision and deep commitment to Canada shared a fundamental belief in the virtue of public service.

In carrying out my responsibilities I shall very much have in mind their example, people who served, and in the case of Mitchell Sharp continues to serve, with integrity and devotion to their country.

I must pause to say thank you to my family, the unsung heroes in any politician's life. I am grateful to my wife Debra, who holds things together in Toronto while I am here, and to my two sons, Matthew and Jeremy.

My parents taught me that we each have a responsibility to give back to our community. Whatever our personal circumstances we have the same responsibility to roll up our sleeves, get involved and try to make a difference. I shall always be grateful for that lesson and their support.

Over the last year I have had the privilege of meeting thousands of people in my riding. They voiced concerns about jobs and the economy. Many are deeply troubled about the future and perplexed about the role of government in our time.

St. Paul's has not been spared the ravages of the recession. For many, optimism has given way to frustration and despair. Economic stagnation has taken its toll. However, our spirit is strong. The people in my riding are not apathetic. They have channelled their frustration and anger into action and involvement within their community, their city and their country.

Politics is serious business in my riding. St. Paul's is the site of Montgomery's Tavern where William Lyon Mackenzie planned his rebellion of 1837. One cannot help but notice parallels between those days and our own. The rebellion resulted from widespread public anger directed at a government which was disinterested, self–absorbed and out of touch. The bold actions of 1837 paved the way for responsible government.

One hundred and fifty–seven years later the Canadian people, angry with a disinterested and out of touch government, again rebelled the way we do in modern society: at the ballot box. The message they sent was loud and clear. Canadians want responsive and responsible government.

The people of my riding are unforgiving of politicians. They do not forget if we fail to keep our promises. That is why I am proud to be part of a government which is proceeding with this budget to do exactly what it said it would do. We are funding every major commitment in the red book. When we keep our promises we go a long way to restoring the confidence Canadians must have in their government.

Among the many noteworthy budget initiatives are the infrastructure program, the youth service corps, prenatal nutrition programs, the restoration of the court challenges program, the technology network and the residential rehabilitation assistance program.

There are two different visions for Canada. Some believe, and we have heard it today, in a Canada of winners and losers, of we and they, of us and them. They believe government is the problem, that government has no role to play except to stand

aside and let the chips fall. Their theory is that the economy will adjust, that we will all be better off in the long run if government simply gets out of the way.

In the meantime, and it is a mean time, slash and burn economic policies have a terrible impact on the social fabric of society.

[*Translation*]

I learned a few things when I was working for the monetary fund in Washington.

[*English*]

One of the things I learned is that slashing expenditures alone, what we call shock therapy, leads inevitably to serious costs to society and fails to restore fiscal health. We must control expenditures and foster growth. That is the course we have set. We should beware of those who would prescribe quack diets.

[*Translation*]

Our vision is different. We cannot define Canada in terms of winners and losers. What matters to us is improving the quality of life of all Canadians so that they can all be winners.

The government has a role to play in revitalizing the economy and in preserving the social fabric. Canada has always been a land of prosperity and Canadians have always prospered under a government which could play that role, even in times of fiscal restraint. As the budget indicates, our government must take an active part in the economic, social and cultural life of this country.

[*English*]

This budget demonstrates that this government understands its responsibilities to the people of Canada. For Canada and for Canadians to prosper, government must neither stand aside nor stand in the way. Government must stand alongside Canadians.

• (1115)

I know the government cannot do everything. There are worthy things we simply cannot afford to support. We have made tough choices in this budget but I believe we have made the right choices. We were listening to Canadians in the pre-budget consultations.

[*Translation*]

As a member of the Standing Committee on Finance, I look forward to listening to the views of Canadians on the thrust of the economic policy.

[*English*]

The government understands the reality we are faced with today and is prepared to do that which is necessary to be fiscally responsible. Controlling spending is a priority for this government. This budget begins the long and difficult task of reversing the debt and deficit spiral. The budget incorporates a more ambitious deficit reduction plan on the expenditure side than any budget in the last decade.

We will not blame the previous government for the sorry state of Canada's financial affairs. We are prepared to be judged by how we deal with the hand we have been dealt by the world we find. This budget is a first step in a longer process which began on October 25 to restore fiscal health and preserve the social justice which defines Canada.

The government will not solve Canada's problems by creating a permanent underclass in this country. Those who need help most will always have the assistance they require. I will work with the government to identify and support the role that government can and should be playing.

Government can and should bring people together, set goals, provide leadership, make sure the job gets done fairly and effectively. That is what this budget is all about. The government understands it has a role to play in helping people find decent work, in helping restore their confidence. Even in difficult economic times government must respond to the needs of Canadians and Canadians need jobs.

The budget accomplishes this in two ways. The infrastructure program is putting people to work now. In looking to tomorrow, to tomorrow's workers and the jobs they must have, the budget establishes a national literacy program, a youth service corps, internship and apprenticeship programs, and innovative programs for small business.

I am confident that together with the people of Canada we can solve the riddle of the 1990s. We will be able to have a caring society, a vital cultural life, and a viable economy. We are up to the challenge.

[*Translation*]

We, as members of Parliament, must do our job, but Canadians too must do their share and keep on believing in what we can accomplish together. All citizens of our great country must recognize and accept their responsibilities towards this society and do their share. We must regain confidence in our common future.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I was rather surprised by the speech of my colleague, because my vision of the budget is entirely different from his.

How can he say that we are going to improve the quality of life in Canada, when the qualifying period for unemployment insurance has been raised from 10 to 12 weeks at a time when people are experiencing a very difficult economic situation in the regions of Quebec and Canada? How can he say that reducing the number of weeks of insurable employment for an individual to be eligible to UI benefits will improve the quality of life of Canadians? I believe that Liberals will have to admit, at the very least, that their budget is a conservative one.

What should we think about this budget, when the government is reaching into the wallets of senior citizens. They have paid their share all their lives and now that they are retired, all they deserve is to see their income cut back. I think the media were very clear on this. I would be pleased to hear the hon. member explain to me how this is going to improve the quality of life of Canadians.

Also, how can he say the deficit is under control, when it is the highest that any government dared make public? I am willing to make a bet with the hon. member that, next year, when we get the figures for the fiscal year, the deficit will be $45 billion rather than $39 as forecast, because the Liberals were not willing to take their responsibilities and reduce the duplications.

• (1120)

[*English*]

Mr. Campbell: Madam Speaker, I want to thank the hon. member for his question.

The budget is very much about the quality of life. It contains numerous programs, many of which I have focused on, that are all about the quality of life: our youth, the jobs they must have, the retraining that must take place and the preservation of the social programs that he referred to in a sensible way which contributes to getting people back into the workforce.

Mr. Art Hanger (Calgary Northeast): Madam Speaker, I appreciate some of the comments the member made in reference to the response of people to a government that does not listen. I keep wondering how things are changing right now when we are faced with that very situation. Government is not listening to the people.

Many have expressed concerns about the massive debt that keeps building up. The budget has just been released and it amounts to a situation now where in the next three years we will have an additional $100 billion in debt. That certainly does not reflect what the people are demanding. A threat hangs over the head of every taxpayer in the country. There is now going to be a service charge to be paid, again on the backs of the taxpayer.

What is going to happen? Are we going to have additional tax burdens again affecting the quality of life? How caring will the government be when forced by lenders to curtail its spending? If we do not get a handle on it now, what is going to happen in the next three years when the lenders say that enough is enough?

I would appreciate the member responding to how caring the government will be after failing to take immediate action. It will be a much greater crisis in the future.

Mr. Campbell: Madam Speaker, I want to thank the hon. member for his question.

There are no tax increases in the budget and I have every confidence, unlike the hon. member and some of his colleagues, that we are up to the challenge. I am not sitting on the edge of my seat waiting for the total collapse of this country. I am shouldering my burden along with my colleagues on this side of the House and the few who are over there in getting on and in getting the job done.

Mr. Benoît Serré (Timiskaming—French River): Madam Speaker, I want to thank you for giving me the opportunity to address the House this morning on this important matter of my government's first budget.

For the past few weeks, I have sat in the House, listening to the many statements, questions and speeches made by my colleagues on both sides of the House. I was struck by one fact. No matter how different our approaches and methods and no matter which region of Canada we originate from, we all share something in common: a strong sense of duty to our constituents.

For me my riding will always come first. I want to thank the people of Timiskaming—French River for putting their faith in me. I want to tell each and every one of them how proud and honoured I feel to be their voice here in Ottawa.

Many of my colleagues on both sides of the House have addressed specific issues in relation to the budget speech today. I would like to restrict my comments to two areas which I feel have more direct consequences to my riding: mining and agriculture.

My riding of Timiskaming—French River is largely a rural riding. It is vast in size and stretches from Matheson and Kirkland Lake in the north to the French River of Alban and Noelville in the south. It is a riding that has been developed by the forestry, mining and agricultural sectors. Although tourism offers great potential it remains relatively undeveloped.

Unfortunately as a result of the poor mining policy of the previous government and the cancellation of mining incentives by the Conservatives in 1987, for the first time in its history Cobalt has no operating mine. The Adams mine in Kirkland Lake and the Sherman mines in Temagami, two iron ore pellet producing mines, closed in 1990. Dofasco through very questionable circumstances now buys its iron ore pellets in the former Prime Minister's riding.

• (1125)

Permit me to state a few facts and statistics on the mining industry in Canada. The first big myth is that mining is only important to a few remote areas of the country. This could not be further from the truth. The mining industry is the cornerstone of our economy, accounting for approximately 16 per cent of total exports, 4.6 per cent of gross domestic product and 100,000 high paying, skilled jobs. More jobs are created in urban centres from services and supply to the mining industry than in the actual mining communities.

Mining is a mainstay of employment and industrial activity in more than 150 communities across the country with a total population of about one million people. Urban areas also benefit as they are home to international mining head offices, support industries including banks, stock markets, insurance companies, suppliers, legal services and consultants.

This is why I am so pleased with our initiative to establish a reclamation fund mechanism for the mining sector. I intend to continue my consultation with the Minister of Finance and cabinet to ensure that other initiatives, as set out in our mining policy, such as a single window environmental process and an incentive program for exploration, be implemented as soon as possible.

The second big myth is that mining is environmentally damaging and irresponsible. Well–intentioned environmentalists have virtually declared war on our resource based industries like mining, forestry and trapping. Yet the total mined acreage in the country is smaller than metropolitan Toronto.

Although I recognize that forestry and mining practices of the past cannot be repeated, we must guard against extremes which would result in the death of our resource based communities and thus do great harm to the Canadian economy as a whole. We must do more to educate the general public, especially from the urban areas, on the importance of mining in the Canadian economy.

In the last five or six years our ore bodies inventories in this country have been reduced to dangerously low levels. The lack of consistency and the duplication in environmental processes, the lack of incentives and a reclamation fund mechanism, land accessibility because of native land claims and parks are but a few of the problems facing the mining industry.

The Liberal Party in the last election was the only party which developed a comprehensive mining policy. These policies received tremendous support from the mayors and reeves of the mining communities across the country, most of which are single industry towns. These policies were also endorsed by all major mining associations in Canada. I praise the finance minister for acting expeditiously to implement some of those policies.

[*Translation*]

Agriculture remains an economic sector which is essential for the security, the prosperity and the sovereignty of our nation. On December 15, Canada signed the GATT Agreement in Geneva. I want to congratulate the Minister of Agriculture, the Minister for International Trade as well as the 60 members of the Liberal caucus who worked hard to defend the interests of the Canadian farmers in Geneva.

Together we have succeeded, under those very difficult circumstances and in spite of though time constraints, in maintaining our marketing system and an effective control over import quotas through an appropriate pricing method. Those measures will allow our family farms to survive in the short and the long run.

We still have a very thorny problem to settle with the Americans, the cream and yoghurt issue. I am confident that the Minister of Agriculture will be quite capable of negotiating with them a bilateral agreement which will satisfy our Canadian dairy producers.

• (1130)

However, we will have to be very careful not to give in to the constant pressures of the Americans who are asking us to lower those import tariffs. We will have to maintain the viability of our family farms at any rate.

A country that cannot feed its own people is not a sovereign nation. Therefore, I am very proud that the Minister of Finance maintained the major safety nets for farmers, including the Gross Revenue Insurance Plan and the Net Income Stabilization Account.

I would like to make a few comments to my colleagues from the Official Opposition, in particular to their leader. First, I wish to say a few words about my background. My ancestors arrived in the beautiful city of Quebec around 1658. I am very proud to be a descendant of one of the greatest Canadians, Sir Wilfrid Laurier. My family moved to Ontario around 1889 to work in the logging industry and clear rocky lands. I am extremely proud that we were able to preserve not only our language but also our French culture, despite all the challenges and fights we had to face in Ontario.

Last year, my family was designated the Francophone Family of the Year by the ACFO Nipissing.

My riding is made up of about 30 per cent of francophones, as well as Canadians of Ukrainian, Polish, Italian and other origins, and 45 per cent of anglophones who came to work on the land, sometimes a very difficult land to develop. I intend to defend the rights of all these minorities equally.

I am doubly proud to be the first francophone elected in the Timiskaming—French River riding, with the biggest majority ever seen there, since the riding includes six municipalities which declared themselves unilingual anglophone, even before Sault Ste. Marie went that way.

That is why I listened to the opposition leader's speech with great concern and apprehension. I had the impression that, during the election campaign, he promised Quebecers that he would concentrate first and foremost on job creation and economic renewal. I think it is the reason why many Quebecers voted for his party. However, nearly all his speeches have been very negative and mostly devoted to his separatist agenda. Quebec constituents are not any different from those in Timiskaming—French River. They want to be able to earn a decent living and put food on their table.

Consequently, I would like to warn the opposition members that if they do not set aside their separatist option and start working with this government to put Canada back to work, as a party, they will end up paying a huge political price.

Moreover, for the Leader of the Opposition to consistently refer to the rest of Canada as English Canada is an insult to the millions of francophones outside Quebec, as well as the millions of Canadians of other origins.

I had the opportunity and the pleasure to visit beautiful Quebec City and other areas in Quebec where I felt at home. They are as much part of my heritage as of any Quebecer's. Thus, I would like to invite my colleagues from the Bloc Quebecois, especially those who come from Northwest Quebec, to work with us to implement our mining, forest and farm policies, extend the Ottawa seaway, and jointly develop our tourist industry, so that we can stimulate the economy and create jobs.

Let us look for what unites us rather than what divides us and together, let us put our country back on its feet.

• (1135)

Mr. Yvan Bernier (Gaspé): Madam Speaker, I want to congratulate my hon. colleague from Timiskaming—French River. I must say, however, that I do not agree fully with his comments. He speaks of sovereigntists. Well, I am proud to be a sovereigntist, but I am even more proud of the fact that our leader addressed the sovereignty issue during the election campaign. Another distinguishing feature of Bloc Quebecois members is that they are realists.

The budget brought down this week is an assault on existing social benefits. We have proof of this. We have listened to our constituents and seen the impact of cuts, of lower unemployment insurance premiums, of the increase in the number of weeks of work for UI eligibility and of other reform measures which have either been announced or are being planned for them by the Minister of Human Resources Development. We are confused and worried. And we are rightly proud that we are sovereigntists and realists.

We are not trying to be divisive, to start any arguments or to score political points at the expense of Quebecers and Canadians. We have before us a budget about which my colleague spoke at greater length. I fail to see why one would seek out divisive issues. But, since we are talking about this, I would like to reiterate that the second distinguishing feature of sovereigntist Bloc members is their realistic approach in saying to Canadians: Be careful, you voted for the Liberals, the ones responsible for this budget. We have always maintained that there is very little difference between the Liberals and the Conservatives. During the election campaign, we used the expression "six of one, half a dozen of the other".

If we had to start another campaign tomorrow morning, in referring to the difference between the Conservatives and the Liberals, I would say that the Liberals are just Tories wearing red ear muffs. That is all I wanted to say.

Mr. Serré: Madam Speaker, on one side we have the Reform Party claiming that we did not cut deep enough, while on the other side, we have the Bloc Quebecois that says we were too ruthless. They want us to reduce the deficit, but they do not want us to make any cuts or increase taxes, as we did on corporations and wealthier Canadians.

A well–known Quebec comedian and philosopher by the name of Yvon Deschamps summed it up quite well when he said that what these people want is an independent Quebec within a united Canada.

[*English*]

I must say that one cannot have it both ways. One cannot have one's cake and eat it too.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Madam Speaker, governments come and go, but nothing changes. At least, that is the distinct impression one gets from the February 22 budget, once the veil of pretence has been lifted and the many statistical pirouettes have been figured out.

Yet, the members opposite claimed they had understood a few things: first, the urgent necessity to drastically reduce the federal budget to reverse the debt spiral which is spinning out of control; second, the price to pay in terms of credibility for padding forecasts for future economic progress; and third, the need for openness and transparency to win people over, as they are the ones who pay and do not appreciate being mistaken for something they are not.

There was also a fourth thing, which the government seemed to distance itself from more and more as the fateful moment to table the budget drew near. The federal government is unquestionably responsible for creating the debt spiral, and therefore the budget crisis that Canada is currently facing. Logically, it should make some sacrifices and clean up its own act.

Given that the federal government had recognized in December, at the premiers conference, that overlapping jurisdictions and policies were a problem, some were nevertheless hopeful.

• (1140)

Alas, on all four fronts, the budget is a surprising disappointment, especially since the government has, at the very beginning of its mandate, a wide–open window of opportunity, both politically and economically. Any recovery, however slight,

still gives more leeway than a recession. This golden opportunity was missed.

Let us look at the substance. The billions in cuts announced left and right combined with the spectacular increase in federal revenues would have led any person unfamiliar with the vocabulary used by successive finance ministers to believe that the trend in the federal deficit would finally be reversed as early as next year. Nothing could be further from the truth.

We will go from a deliberately inflated $45.7 billion deficit in 1993–94 to an almost $40 billion deficit for the coming year. The government's budget plan tells us that the 1993–94 basic deficit, excluding non–recurring factors, will amount to $42.1 billion and that, without any political change, next year's deficit will go down to $41.2 billion.

Let us compare this $41.2 billion figure with the $39.7 billion deficit announced by the Minister of Finance. We must conclude that all this figure shuffling by the government results in a very modest deficit reduction of $1.5 billion. The Minister of Finance wants to convince us that he deserves a gold medal in deficit reduction. In fact, he deserves a paper medal.

Why paper? Because a paper medal has two sides, one for recording revenues and the other for recording expenditures. When we look at it more closely, we see that the finance minister's alleged achievement is entirely based on a revenue increase so large that we are taken aback, especially since his economic forecasts for 1994 are both realistic and modest. But it is pretty useless if we do not arrive at the right conclusions. Even if we exclude non–recurring factors, revenues only went up by 1.2 per cent between 1992–93 and 1993–94, while the GDP grew by 3.3 per cent in nominal terms.

With a wave of the finance minister's magic wand, revenues, excluding increases due to a broader tax base, will suddenly jump by 4.6 per cent with a GDP nominal growth of 3.9 per cent.

We must ask the question that the Minister of Finance has been avoiding: What would be the impact of a more realistic tax revenue increase of, say, 3 per cent? The deficit would amount not to $39.7 billion but to $42.9 billion. The basic deficit for 1994–95 would stay the same as that for the fiscal year ending in one month. At first sight, this outcome would seem the most likely.

The government backed down after the general outcry caused by the trial balloons on RRSPs and employer–financed health insurance plans. But it will still take $1 billion from the pockets of the middle class over the next three years, while some tax shelters reserved for the wealthiest stay in place. They told us about making taxes more equitable, but that will have to wait.

If the government wants its revenue forecasts to materialize, it must allocate additional resources to create jobs by making further cuts in less sensitive federal expenditures. There would then be a real deficit reduction with, as a bonus, a beneficial effect on long–term interest rates and, in turn, on consumption and investments.

The government is acting as though Canada was not facing a structural economic crisis. The year 1994 did not start well on the employment front as 38,000 jobs were lost last month so that, nearly two years after the recession ended, 47 per cent of the jobs lost during the recession in Canada have still not reappeared. The 143,000 jobs created in 1993 were not even enough to absorb new arrivals in the workforce. Quebec still has to recover 60 per cent of the lost jobs. The Canadian economy is still performing well below its potential. The Minister of Finance himself predicts that 173,000 jobs will be created in 1994, which is barely enough for the new arrivals and is not enough to continue making up lost ground.

• (1145)

One of the obstacles to a real recovery of the Canadian economy is the level of longer–term interest rates, which are still high, especially because of this huge debt hanging over Canadians like a sword of Damocles. Historically, long–term interest rates did not exceed 4 per cent in real terms. Today, they are still 6 per cent and, even worse, have started to rise again in the last few weeks under pressure from the U.S. economy.

[*English*]

The only way of bringing back the momentum of lower long–term interest rates is by substantially reducing the federal deficit. When we have a debt of $511 billion, a one point decline in rates represents more than $5 billion less in interest payments. Half the federal debt is of a short–term nature and half is of a longer term nature of is more than one year. This momentum can feed on itself but it has to be sustained and propelled by a government that knows where it wants to go. This does not seem to be the case.

As things stand now the prediction of the Minister of Finance on long–term interest rates seems too optimistic. In a few months the federal deficit will appear to be still out of control and significant economic growth will again be postponed. Job creation was supposed to be the rallying cry of the Liberals. The Minister of Finance predicts a real boost in job creation but unfortunately not this year. It will be next year only.

I am reminded of the metallic plaques in a few French cafés and brasseries bearing the inscription: "Tomorrow free beer". It is tomorrow only and we read it today.

In the meantime what are we supposed to make of a budget that acknowledges one of the first measures of the new government enacted last December was and is a job killer. It is written in black and white on page 2 of the backgrounder on the proposed changes to the unemployment insurance program.

Referring to the rollback in the premium rate from $3.07 to $3 next January it says:

> —will provide significant financial relief to businesses. By the end of 1996 there will be 40,000 more jobs in the economy that could be expected if premiums were allowed to rise.

Certainly 40,000 jobs are not something to be looked down upon in these uncertain times. It represents maybe $1 billion in wages.

The government is going to roll back its own increase in the premium rate this year but only in 10 months. In the meantime this increase is killing thousands of jobs. It is strange indeed.

[*Translation*]

But how do you explain that the announced cuts of several billion dollars do not have any real impact on the deficit? This is because there are two kinds of cuts: real cuts and artificial cuts. For several years, finance ministers have become real specialists in making false cuts.

What is an artificial cut? It is an announced reduction of planned future spending. What was usually foreseen before, of course, was an increase. Reducing or eliminating this increase, in the jargon of technocrats at the Department of Finance, becomes a cut. An employee whose salary raise goes from 5 to 3 per cent has his pay cut 2 per cent, from this point of view, although in fact it is a 3 per cent increase, which will be accounted for as such in the budget of the company or the department.

Such an approach obviously has several advantages for the government. For one thing, it is a good show for the media, since the billions pile up fast in this game, especially since there is no time limit. They will talk about cuts spread over the next three or even five years. And since they are in the habit of adding the cuts over several years, even if it only makes the debate more confusing, they quickly come up with impressive amounts that they can boast about.

• (1150)

What this approach does, in reality, is keep the public guessing as to the government's determination to take the bull by the horns. These budget papers, like all those that came before, do not include the expenditure forecasts of the previous budget. This makes it easier for the government to pull the wool over people's eyes and to more or less distort the facts.

Before I give you a few examples of this sleight of hand, Madam Speaker, I want to say that not only are we not impressed with all of these special effects, we also deeply deplore the lack of transparency in the budget process. The nice words spoken by the Minister of Finance at the University of Montreal last November were quickly forgotten, along with all of the other good intentions. However, the government will not resolve the serious debt crisis by playing hide–and–seek with the opposition parties and with the taxpayers.

At this point, I would like to highlight a discrepancy which, considering the sums of money involved, is perhaps only a minor one, but one that is nonetheless symptomatic of a dangerous attitude. The government appears to be saying that since no one will bother to check the figures, it can take the liberty of concealing the truth. Here is one example of this type of attitude which we are not used to seeing, given the traditional accuracy of Finance Department budgets. On page 32 of the Budget Plan, we note the following: "International assistance funding is, therefore, being reduced by 2 per cent for 1994–95 from the 1993–94 level". However, on page 34, the figure quoted for 1994–95 is $91 million. This represents a reduction of 3.4 per cent compared to this year's international assistance budget, which was pegged at $2.7 billion. Therefore, this is not a 2 per cent reduction. Does this mean that we have to check every single percentage in the Budget Plan? Is there a catch here? Is the government trying to conceal something? We want an answer.

The budget announces new cuts in business subsidies. On page 33, the following is stated and I quote: "These reductions are over–and–above the reductions in grants and contributions announced in the April 1993 budget. By 1996–97, grants to business will be on the order of $3.1 billion, down by just under 10 per cent from $3.4 billion in 1993–94". While this last sentence is accurate, it completely contradicts the first one. Expenditures for this item already exceed the forecasts contained in the April 1993 budget. It was projected that expenditures would decrease from $3.3 billion in 1993–94 to $2.5 billion in 1997–98.

All of this is quite complicated and difficult for anyone to understand. However, this approach generally allows the Finance Department and the Minister of Finance to hide behind distorted facts that have been introduced into the debate. In this instance, the lack of transparency is accompanied by a lack of consistency.

This is doubly worrisome. Not only are facts being distorted, but the total accuracy of table 8 on page 34 can be viewed as questionable. This particular table is very important as it details reductions in expenditures associated with the restructuring of federal programs. Consequently, the formula used to calculate the deficit can also be viewed as questionable. In fact, in some cases the figures listed under such items as international assistance and defence relate to the April 1993 budget, while in other cases, they do not. They do not even represent new artificial reductions. The references are complex and confusing. We are dealing with apples and oranges and the average person has trouble sorting the whole mess out.

The situation with respect to business subsidies is also true of federal government operating expenses, at least for 1994–95. It should be noted—and this is far from reassuring—that the federal government is having a lot of trouble controlling its operating expenses. Over the last two fiscal years, these expenses have clearly exceeded budgetary projections. The Budget Plan announces that the new reductions for 1994–95 will be over–and–above those announced in the April 1993 budget. At the time, reductions of $468 million were projected for

1994–95. Yet, in Tuesday's budget, we see that the operating expenses for the new fiscal year are identical to the forecasts in the April 1993 budget. It is in the defence sector, Mr. Speaker—I just went from the feminine to the masculine and the people reading *Hansard* will realize that our female Speaker has just been replaced by a male Speaker—so it is in the defence sector that we hit the jackpot of false cuts. Seven billion over five years compared with the April 1993 budget. In this case, it seems to be somewhat consistent. But the real cut is much smaller, since the defence budget will decrease from $11.3 billion in 1993–94 to $10.5 billion in 1995–96.

• (1155)

As there will be no real reduction in federal operating expenditures and in business subsidies, and as the overlap problem will remain unresolved, the Minister of Finance had to do something to at least give an impression of movement. So what was left? Social spending. So they went full speed ahead.

Make no mistake. We would dearly like to see the unemployment insurance budget reduced to zero for lack of unemployed people, except for those in between jobs. But the minister is cutting the budget without reducing unemployment. He will eventually carry out a global reform combining, we are told, training and re–training programs. But, in the meantime, he is striking with full force. He himself estimates that 85 per cent of unemployed workers will receive reduced benefits while only 15 per cent will see an increase in theirs.

Disadvantaged regions will be hit the hardest. Let us not forget that the minister's own forecasts for 1994 are not the greatest. Social assistance, mainly funded by the provinces, will see an increase in the number of claims.

At the same time, the Minister of Finance is reducing his cash transfers to the provinces by $800 million. I am referring to Table 17 on page 56 of the Budget Plan, a $800 million reduction in cash transfers. The value of tax point transfers will increase by more than that, but cash transfers, the only transfers that the federal government can regulate, are the only ones that matter in terms of the federal government's policy in this regard. So the federal government's heavy responsibility in the budget crisis, the practice of shifting the deficit burden to the provinces remains popular. That is a heavy price to pay and we will come back to that later.

Again, an accurate assessment of the unemployment insurance shortfall will have to wait. The Minister of Finance talks about savings of $725 million in 1994–95, but compared to what? It is not clear. What is surprising is the total cost of unemployment insurance benefits, which stays at practically the same level between 1993–94 and 1994–95, despite the new rules and the stable unemployment figures. Given other estimates of budgetary expenditures, we are entitled to see the finance department's detailed simulation.

Is there, Mr. Speaker, more significant evidence of this government's lack of moral fibre than the avowed intention to achieve the most drastic cuts, $5.5 billion over three years in this particular sector? During the election campaign, the Liberals were rending their clothes over the protection of social programs. They are now trying to mend them but their stitchwork leaves much to be desired.

The copy tabled by the Minister of Finance deserves a single annotation: "This Budget is all smoke and mirrors". This is not what Canada and Quebec were hoping for.

[*English*]

The Speaker: As I am sure all hon. members understand, there will not be a question and comment period. The hon. Leader of the Opposition has unlimited time and it is only after 20–minute speeches that there are questions and comments.

Mr. Harper (Calgary West): Mr. Speaker, I wonder if there would be unanimous consent to have a 10–minute question and answer period.

Daily we have the opportunity in the Chamber to question cabinet ministers and any other member who makes a speech, including the leader of the Reform Party. The government in particular is always saying that the Leader of the Opposition is somehow responsible for every policy that occurs around here.

Maybe there would be unanimous consent to allow a 10–minute question and answer period.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

• (1200)

[*Translation*]

Mr. Duceppe: Mr. Speaker, this process is a privilege of the Official Opposition and we do not want to call into question the role of the Official Opposition, as the Prime Minister did when he was leader of the opposition. So, we fully respect the normal operations of this House, while also following the example of the present Prime Minister when he was sitting on this side of the House.

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, I would like to remind the Bloc that the current Prime Minister did accept questions in the question period after speeches when he was Leader of the Opposition, not necessarily on every occasion, but he certainly did it. Perhaps the current Leader of

the Opposition does not like to be reminded of his past as a member of the previous government.

I have participated in a lot of budget debates and a lot of borrowing authority debates over the last five years, always of course from the other side of the House. The task of criticizing the budget when I was in opposition was always made easier by the fact that the previous government always failed to meet the budget targets it set. Every year it gave us more and more rhetoric about the deficit. It proposed more cuts and tax increases every year. Yet it seemed to auger deeper into the ground, so much so that this year we face a deficit of $45 billion.

The fundamental problem which the previous government failed to address was the need to take seriously its responsibility for the transformation of the Canadian economy into one premised on the need for growth based on knowledge, skills, innovation and the use of technology.

[*Translation*]

We live in a new global market. Rapid structural changes are taking place in our traditional industries and these changes, combined with globalization, have generated confusion and uncertainty among Canadians.

[*English*]

We have reason to be hopeful. The new economy offers boundless opportunity for the innovative, the inventive and the courageous. This budget is about seizing the opportunities of the new economy. It is an agenda for economic growth. It is an agenda to put Canada back to work. It builds on our strengths, faces our weaknesses head on and points us to new horizons.

A basic vision for the Canadian economy was at the core of our red book in the election campaign and survives intact in the budget. The vision is one of a Canada successful in making adjustments to the new economy, a Canada in which our traditional sources of wealth creation are enhanced by the application of new technology and by adherence to the principles of sustainable development, a Canada in which small business is able to prosper in an environment in which governments believe that to succeed is good and to succeed requires the co–operation and support of public policy.

The fundamental problem that faces Canadians today is that we as a society cannot finance our consumption at current levels. Measures in the budget reduced the amount that the federal public sector is consuming by a significant degree. However, we still face the reality that the only way our standard of living can be maintained and our expectations of government services can be realized is if we move forward with a plan to revitalize the wealth creation capacity of our economy.

The notion that government does not have a role to play in enabling a nation's economy to succeed is a view that I believe was held by our predecessors, including the current Leader of the Official Opposition. This view has been widely discredited by the successful new economies that are emerging rapidly as our chief competitors in the international marketplace.

The world is moving from a commodity and assembly line economy to a knowledge based economy in which innovations in products and processes are the result of scientific research and development.

• (1205)

[*Translation*]

Knowledge and skills, rather than location and natural resources, are now the basis for the competitive edge in agriculture and mining, as well in electronic data processing.

Public policies can have a bearing on knowledge and skills. The government can promote the creation and improvement of those.

[*English*]

At the same time as barriers to trade are falling, new roles for government in determining a nation's economic success are being defined. Governments too have to be innovative and strategic in the use of their own limited resources and strategic as well in the direction sought for the economy of the nation.

Our strategy recognizes the rapid change occurring in the world today. Our strategy recognizes that for Canadian firms the key competitors are not across the street. They are on the other side of the world. Our strategy recognizes that our most important resource is people: their skills, their knowledge, their desire to succeed.

In this strategy individuals need to prepare themselves for a future that will likely include career changes and the acquisition of new skills and knowledge throughout their working lives. In this strategy companies must recognize the importance of continual upgrading of their products and the need to develop new markets in Canada and abroad. To do so they need to continually invest in their people and they must not delay in acquiring and using new technology, new processes, new ways of solving old problems. In this strategy governments must create the supportive environment that encourages individuals and companies to innovate, to upgrade, to expand and to create jobs.

What will this require of government? First, we have to get the economic framework right. The Minister of Finance has set out a tough but realistic plan for reducing the deficit to 3 per cent of GDP over three years.

[*Translation*]

We put in place a clear and stable monetary policy until the end of the decade. We signed two major trade agreements, NAFTA and GATT, which increase and ensure access to world markets for Canada. We are also negotiating a comprehensive agreement to eliminate internal obstacles to domestic trade in a key sector by June 30 of this year.

[*English*]

Second we have to get Canada's business framework right. By that I mean we need a regulatory and tax environment that enables Canadian firms to succeed rather than hindering their success. We need competition and consumer protection laws that enhance the proper functioning of the marketplace while enabling Canadian businesses to achieve the critical mass necessary to take on the world.

[*Translation*]

We must try to attain excellence in education and training, and also eliminate barriers and obstacles to personal initiative.

[*English*]

Third, we must change the culture and attitudes of employers and employees alike to the adoption of new technologies.

Advances in science and technology are driving productivity improvements everywhere in the world. In the 1990s no country can insulate itself from new developments. We must organize ourselves to keep up with cutting edge technology and where possible move ahead. This is the essence of creating well paying jobs and growth in this decade.

The opening of markets around the world creates new opportunities for Canadian business. In Latin America and southeast Asia national economies are growing at a double digit pace. Yet almost 80 per cent of the Canada's trade continues to be with one nation, the United States. Despite the abundant opportunities abroad, as recently as 1990 only 100 firms accounted for 60 per cent of our exports. Only 7.6 per cent of Canadian firms are engaged in export trade. This is simply not good enough for a country as dependent on trade as we are to sustain our standard of living.

• (1210)

In a knowledge based world economy, technology and people define the difference between a firm in Singapore and one in Montreal. Yet less than one–half of 1 per cent of Canadian companies do research and development on their own. Not enough of our R and D winds up in products and services to create jobs at home. Canadian companies, particularly small businesses, have not integrated leading technologies as rapidly as their competitors abroad.

[*Translation*]

The message is clear. The number of businesses doing research and development and investing in state of the art technologies must increase dramatically.

[*English*]

The questions we have to answer are these: How are we going to make more than one in ten Canadian companies into exporters? How are we going to dramatically improve the number of Canadian companies that perform research and development? How are we going to match our global competitors in the use of new manufacturing and processing technologies?

[*Translation*]

To succeed, we must have an economy based on innovation. We must rely on the strengths of small businesses which offer the best opportunities for growth and job creation. We must help small businesses where needed, that is with training, exports, high technology and financing.

[*English*]

As part of the budget the Minister of Finance and I have tabled an action agenda to help small businesses grow and to continue to generate jobs for Canadians. It is a small business agenda that is willing to help firms to take risks and to innovate. It is the small business that has the greatest potential for dynamic growth and job creation.

At the top of our growth agenda is the vital consultative process that has been launched with the small business discussion paper. This consultation demonstrates that we are ready to listen and ready to act. The need to review our approach to science and technology to better support a knowledge based economy is also at the top of our growth agenda.

As part of the budget, we announced a comprehensive re–evaluation of science and technology policy that will begin with the release of a discussion paper this spring. This process will build on budget initiatives to set a long–term course for science and technology policy focused on our greatest opportunity, the transfusion of R and D and technology into high value added products and services.

A key feature of the knowledge based economy is the speed with which information is transferred. Economic success comes from freer, easier flows and exchanges of information. In this rapidly changing environment, the prospect of linking Canadians to a high speed interactive multimedia network, a virtual information highway becomes critical to building our new economy.

[*Translation*]

Canada is a leader in telecommunications and we can rely on that strength. Investments, mostly from the private sector, are enormous. I will work in co–operation with industry and the

users of the information highway to ensure that governments play an active and creative role.

[*English*]

An economic growth strategy is not a one budget issue. It is at the heart of the government's mission. I have reviewed today how we will elaborate on our growth agenda in coming months, particularly in the areas of small business, science and technology and the information highway. However this debate is also about what the government is doing to fulfil the immediate promises of the red book.

• (1215)

The answer is simple. We mean what we said. Capital is the catalyst that turns ideas into new products and services. The Canada investment fund will help provide that patient capital. We will contribute $100 million to the fund over four years and we will seek additional funds in the private sector. The fund will be operating before the start of the next fiscal year.

We are working with the Canadian Bankers' Association on projects to improve financing for small business. These include the development of a banking code of conduct to clarify the relationship between borrower and lender and the search for new and better ways of providing regular and trade financing to knowledge based businesses.

[*Translation*]

We will work with the industrial sector to create networks that will help small businesses to form groups to do together what they cannot do alone.

[*English*]

Our competitors, particularly in Europe, recognize that networks are essential if small businesses are to compete internationally and gain competitive advantages of scale, scope and speed.

Networks are particularly effective in innovation. They help small businesses develop new products and services, to put new and emerging technologies to work for them and to focus on marketing and exporting.

We will improve the diffusion of innovation and the building of an innovation culture in business by committing $15 million this year for the creation of the Canadian technology network. The network will provide small businesses with the latest information on new technology, new management techniques and new market developments.

[*Translation*]

We want to set up an engineering and science program to help small businesses hire engineers, scientists, technicians or industrial designers. We will co–operate with the provinces and industry to develop this program and co–ordinate its implementation by 1995.

[*English*]

To help turn research excellence into new products, growing industries and jobs, we are committing to start–up funding this year of $10 million for a national technology partnerships program. This program will promote the growth of technology partnerships and help small businesses turn research into new products, new services and new jobs.

There is a great domestic and export growth potential for the environmental technology sector, particularly for small businesses. This sector is poised for growth and Canadians can benefit immeasurably from the jobs and exports created by environmental technologies.

The Minister of the Environment and I are reviewing Canada's approach to the environmental technology sectors. When that review is complete we will table detailed plans for this strategic sector.

The budget allocation of $800 million over 10 years for a new long–term space plan is proof of the government's commitment to Canada's continued role as a space–faring nation. The new space plan will be within our financial means and will build on our strengths in earth observation, remote sensing and satellite communications.

A stable base for our research infrastructure is a vital part of improving our innovation capability. The National Research Council of Canada plays a key role in giving effect to the federal government's science and technology policies. This year we will provide the National Research Council with new resources to carry out its mandate.

[*Translation*]

It is important that we be able to promote and preserve our skills in the university research sector. University research and development are high priorities. This is why we continue this year to ensure the financing of the various granting agencies. Starting in 1995–96, we will give them an annual increase of about 1.5 per cent.

• (1220)

[*English*]

A significant part of Canada's academic research capability is the networks of centres of excellence program.

We are making sure that there is enough funding to support the second phase of the program. In this second phase we will give greater weight to the economic and commercial potential of the networks to support our growth agenda based on innovation.

As Canadians we have been through a lot in this last decade. Many of our fellow citizens approach the future with more anxiety than hope. Our mission as a government is to offer hope. But if hope is to be meaningful, it must be realistic. So we have put forth in this budget a plan for the revitalization of the

Canadian economy, a plan which I believe addresses the challenges and recognizes the opportunities that await Canada.

This House was once told, and I quote: "The times in which we are living call for initiative and resourcefulness on the part of industry. We must be constantly alive to the changes taking place in the world today and quick to seize every opportunity that will build up our economy. It cannot be done overnight but I am confident that with the co–operation of industry and of government we can build toward a better Canada and a better world".

Canadians heeded my predecessor, C. D. Howe, when he spoke those words in this place in 1948. Canadians showed initiative and resourcefulness. They worked together, they seized opportunity, and they launched Canada into a period of unparalleled vigorous growth and helped build a better world.

We still have that initiative, that resourcefulness, that sense of shared opportunity. I am confident that we can harness it again to create a period of growth as we move into the next century that will match our great post–war expansion.

I look forward to the co–operation of all Canadians and all members of this House in working toward that goal.

Mr. John Williams (St. Albert): First I have to say how much I enjoyed my colleague's speech about how enthusiastic he is about how bright the future of Canada perhaps will be. He talked about the electronic highway, and that of course is vitally important to the ability of this country to remain competitive in the years ahead.

He talked about putting new technology to work. He talked about a $50 million program to provide assistance in the new technology. He talked about a program to hire scientists and engineers to ensure that we can move forward and develop new products. He talked about a $10 million program for new product partnerships. I thought this was just great and wonderful.

If all these things are so important to Canada moving ahead and being competitive in the world, why are we spending $6 billion to fix the roads and sewers when these things that he has outlined are so vitally important for the country to move ahead from this point forward?

Mr. Manley: I thank the member for his question because I think it is important for us to understand how economic growth is generated in the country. I think what is fundamental in the favourable comments that he made on the subject of some of the investments that we want to make with respect to the electronic highway, with respect to diffusion of technology, technology partnerships which get new inventions out into the marketplace, and what is very important about spending in some of those areas is that it is seen as an investment in growth for the future.

An analysis came out a week or so ago, produced by Statistics Canada, analysing what has made for success, made for growing small and medium sized firms in Canada. One point is that they have been prepared to invest in research. They are also good at applying new technologies.

We have to understand when we spend whether we are consuming or whether we are investing.

With respect to the infrastructure program, there are really two things that I would like to say in response to the member's question. First of all it was made an important point of the design of criteria for the program that the definition be broad enough to include expenditures that related to, for example, electronic highways, to things that would improve innovation that would allow investment in technology.

• (1225)

I am absolutely delighted that the Regional Municipality of Ottawa–Carleton, part of which I represent, has chosen to use some of its funds under the national infrastructure program to expand the communications network by investing in electronic highway capability for this region. I think that is exceptionally far–sighted on the part of local government and I applaud them for it.

It must also be understood that the traditional infrastructure programs are also investments in economic growth in the future. True, they do provide short–term jobs, but just as at one time in our history it was the canals and at another time it was the railroads, currently in many areas it is the highways that are generating economic growth, highways, airports, means of transportation and communication. These are vital to economic growth in many parts of the country.

Every government at every level needs to look at, and these issues are difficult because of the financial limitations on government, its expenditures very carefully to ensure that its expenditures represent investments in productivity gains for the future, not simply spending for current consumption. The emphasis has to be on building for the future so that we can afford our current level of consumption.

[*Translation*]

Mr. Gérard Asselin (Charlevoix): Madam Speaker, in response to the minister's speech, where he talked about sending a clear message, I would like to tell him that since the tabling in the House of this budget, which will be in effect until March 31, 1995, Canadians and Quebecers do indeed find the message very clear.

It is clear because, regardless of whether Conservatives or Liberals are at the helm, people no longer have any confidence at all in the present federal system. Let me explain: Canada is operating increasingly in the red. Both the budget and the deficit reflect this fact. Liberals, for a second time, have set a record. The first one was when they created the deficit, under former Prime Minister Pierre Elliott Trudeau. This week, they set a second record, when they brought down a budget forecasting the

largest deficit ever, $39.7 billion; never before has a budget projected this large a deficit.

How does the minister intend to reduce the deficit when he has tabled a budget forecasting a $39.7 billion deficit? I await his answer.

Mr. Manley: Madam Speaker, in my speech, I tried to explain what is not so hard to understand. I think that the key to deficit reduction is economic growth. Throughout the years under the previous government, we have learned that the Conservatives always thought that, by cutting expenditures and increasing taxes they could lower the deficit. It did not work.

This year, we have a dreadful $40 billion deficit. If we want to tackle this problem, we will have to reduce government spending. That we have already acknowledged. But we must also limit tax increases. That is why the Minister of Finance stated that the deficit reduction measures announced in the budget will result in a cut of $5 in government expenditures for every one dollar raised in revenues. That is totally unlike the old tactics used by the Conservatives. We have also implemented an economic growth policy. We are prepared to invest in the new economy. We are prepared to help Canadian small businesses have access to international markets for their goods and services. That is the key to the problem.

• (1230)

[*English*]

I would just like to say a couple of words in English. If we are going to solve the problem of the deficit over the long term there is only one realistic solution and that is to achieve substantial, sustainable economic growth. That is the plan of this budget.

That is a diversion from the budgets of the previous government which relied entirely on a false hope that getting some of the macroeconomic fundamentals right was going to allow for economic growth as the grass grows in springtime. It simply did not work. We are going out into the fields, we are ploughing them, fertilizing them, we are trying to encourage economic growth. That is going to be the key to reducing the deficit in the future.

Mr. Jim Jordan (Leeds—Grenville): Madam Speaker, I just want to congratulate the minister on his fine speech. I am very sorry that we did not have the opportunity to question the Leader of the Opposition. I think that is a mistake because unless we have that exchange and dialogue we are not quite sure where the opposition stands in reference to the budget.

If I understood correctly it was saying that the cuts did not go deep enough. I will never know for sure. I do know for sure that the Reform Party is saying that the cuts did not go nearly deep enough. It would have cut further and I guess would have been prepared to substantiate and defend the fallout.

I want to ask the hon. minister if he saw any further area of substantial cuts that this budget could have imposed on the Canadian people, forgetting that there is a fallout; that innocent, hardworking, perhaps unemployed Canadian people will bear the negative effect of any further cuts we would have imposed on the Canadian people. That would have to be realized.

I wonder where the Reform Party and the Bloc will be a year from today when we come in with a new budget. They will say further cuts, further cuts.

I just wonder if the minister would care to pass judgment on that. If we consider that people are still the bottom line, will there still be that position a year from today when they think we should have made deeper cuts than we did?

Mr. Manley: Madam Speaker, I appreciate that question as well. I must say that what I find confusing about the position that the Official Opposition, the Bloc Quebecois, has been taking, and I heard part of its leader's speech, seemed to be that it was very dissatisfied with the fact that the deficit was too high.

Yesterday in the House of Commons we heard its members raising question after question about the changes to the unemployment insurance regime which is effecting a reduction in the deficit and a reduction in payroll taxes. They send us very contradictory messages and it is impossible to understand how their ultimate political objectives which they proclaim on a regular basis of separatism are going to do anything but add to the burden of costs on the people of Canada and the people of Quebec.

With respect to the Reform Party, the comment is correct. The view has been consistently presented. I do not agree with some of the views that have been put forward by the Reform Party, particularly with respect to what it has said about eliminating all assistance to business.

For example, in the areas of concern to me, science and technology, it is the scientific research and development tax credit which gives about a $1 billion a year assistance to advanced technology companies in Canada which has made Canada a desired location for much of the R and D facilities that are here now.

In my speech I talked about how we do not have enough. If I had time I could list examples of companies that have chosen to locate facilities in Canada, high paying, high value added jobs, because of that assistance. It is provided by other countries. That

kind of work is footloose. It can be here, it can be in the U.S., it can be in Europe, or it can be in Asia.

• (1235)

If we are going to secure those kinds of jobs, unfortunately or fortunately, depending on how one looks at it, we have to be prepared to create a tax and economic environment which is as favourable to those efforts as is offered by our competitors.

Further, I would like to say that there are ways we can make more progress on reducing the deficit. Let me give one example. The elimination of internal trade barriers within Canada could generate as much as a 1 per cent increase in our GDP, a product of $6 billion to $7 billion a year. Why is it that so many provinces are still not willing to come to the table and say they will do it by June 30?

We have signals of goodwill. We signed an agreement last month but there is a lot of work to do. I hope that we will see all of the provinces and the federal government sign such an agreement.

We have to come to grips with areas of duplication between levels of government. That effort is being spearheaded by the Prime Minister and the Minister of Intergovernmental Affairs. That will enable us to deliver government services more efficiently and help us make more progress on the deficit in years to come.

Mr. John Williams (St. Albert): Madam Speaker, February 22, 1994 will go down in Canadian history as the day that the Minister of Finance failed to rise to the challenge of coming to grips with the fiscal problems facing this nation.

This government has a debt in excess of $500 billion and an annual deficit of $45 billion. The Minister of Finance has brought down an uninspiring and tepid budget with nothing but a little more taxes and a little less spending that barely addresses the issue of deficit reduction and elimination. By his own admission, the actions that the minister announced in this House on Tuesday will only reduce next year's deficit by $1.5 billion, from $41.2 billion to $39.7 billion.

The Minister of Finance had led us to believe that he was launching a major attack on the debt and deficit of this country. This was to be a tough budget, he said. He was going to break the back of the deficit and we all expected that the Minister of Finance was going to be decisive. His budget reduces the size of the expected debt in this country next year by less than .3 of 1 per cent. Is that what he calls an attack on the debt and deficit? Is that being decisive?

I have challenged the Minister of Finance on several occasions. I will say it again. Will the Minister of Finance dare to be great and balance the budget by the end of this Parliament? I have stated that he could choose mediocrity or he could choose to rise above mediocrity and reach beyond himself and lead this nation out of the dark tunnel of deficits and debt and into the sunshine of renewed prosperity. History has always given the accolades to the leaders who rise to the challenge while those who have failed to rise to the challenge have been buried in the ignominy of their failure along with their mediocrity.

It would appear to me that we may find the name of the Minister of Finance and his red book, or perhaps red ink book, buried in the footnotes of history along with his indecisive and inadequate policies.

The Minister of Finance broke new ground on January 31 by holding the first ever parliamentary pre–budget debate in this House. At that time he was demonstrating his leadership. He had no shortage of innovative ideas presented to him. If he had listened to Canadians he would have heard that they were disgusted with budgets that profess to address our fiscal problems through a little more taxes and a little less spending while waiting for the panacea to fall out of the sky.

This budget, in my opinion, has failed the test of financial leadership since the deficit and the debt tunnel has just been extended again. There is no sign of that ray of sunshine of renewed prosperity. According to my calculations, the light at the end of the tunnel may have been turned off as a result of lack of leadership and lack of vision.

In his report, the Auditor General stated that hard choices lie ahead. This government continues to pay millions of dollars of old age security to high income families.

• (1240)

These taxes are paid by working people, many of them just scraping by. To continue paying old age security to high income families means that he, the Minister of Finance, has dodged the hard choices which still lie ahead.

What about unemployment insurance? The Minister of Finance proposes to narrow the gap between employment income and unemployment insurance payments for people with modest income and dependants, thereby further reducing the incentive to work.

If there is one thing this country needs it is more jobs. This budget has presented easy choices but no jobs. The bad news is that the hard choices still lie ahead.

A previous Liberal government, back in the seventies, promised us a just society but delivered to us a debt society. If we examine the track record of the seventies we will see that the previous Liberal government spent beyond its means and the net result was a plethora of social programs and a mountain of debt.

In the eighties the Tory governments promised to reverse this alarming trend. Every budget in the last 10 years has professed to address the annual deficits as they continue to consume our economy like a cancerous growth. What was sold to us, sold to Canadians as a just society by the Liberal governments in the seventies, turned us into a debt society in the eighties. The Minister of Finance's budget by this new Liberal government gives us every indication that, in turn, this will turn us into a bankrupt society in the nineties.

I have spoken in this House of the difficult choices and how we have surmounted them in the past. I have drawn parallels between our current situation and the period at the end of World War II when the federal debt was 108 per cent of our gross domestic product. We had back then what we would call today a peace dividend as we wound down the war effort.

That was not a time without problems, however. Soldiers were returning from the war with no jobs; industry was in transition. The leaders of our nation at that time were able to open the door to a period of unprecedented growth and prosperity through leadership and vision.

Members will note that I said leadership and vision opened the door by using the peace dividend to buy the prosperity. We did not use it to buy more social programs.

We can do the same today by creating our own deficit elimination dividend. This country needs a dramatic realignment of our resources toward the opportunities available in this rapidly changing technological world. We have talents and resources that are in high demand around the world.

If we start exploiting these opportunities and teach our citizens to build on our advantages rather than holding each other's hand through social programs, it will be then that this country will have a bright future. The sunshine of renewed prosperity will once again be realized so that we can pass that prosperity on to our children.

Unfortunately, the Minister of Finance has put that reality on hold for yet another year, if not indefinitely. The deficit elimination dividend, obtained through a dramatic reorganization of our priorities that will balance the budget by the end of this Parliament, is the only hope that I can see for the return to economic prosperity in this country.

The Minister of Finance has failed to secure the economic future of this country. He did not rise to the challenge. He did not dare to be great and he passed up on an opportunity to balance the budget in this Parliament.

The day of fiscal reckoning cannot be postponed. We must face it and we will face it. Based on the budget tabled yesterday, Canadians will have to face that day of reckoning on their own without the leadership of this government.

Mr. Bill Graham (Rosedale): Madam Speaker, I congratulate the hon. member on his remarks.

I would like to ask him a couple of questions that arose out of his remarks. The first is a specific one and the second is more general.

• (1245)

The member made specific reference to the fact that in his view old age security to high income families was still being paid as a result of the budget. Exactly what level does the member and his party set as high income? Where does the member set the line? Where would he cut the line and say that thereafter no one would get supplementary payments?

As the member knows the budget referred to a possible cap at $49,000. Where does the hon. member drop it to? Would it be $30,000 or $35,000? What is the member's definition of a high income family? The member heard the minister specifically say that the budget was trying to deal with the problem of people trying to survive in complex urban societies who need money to live. The top cap is $49,000. Where would the member draw that line?

It is easy to criticize, but we were here when the Minister of Industry explained what was in the budget for precisely, it seems to me, the types of items the member has been talking about: the need to get the economy going and the need for small businesses to have government services that would enable them to participate fully in the economy.

Is the member suggesting that all those should be cut as well? Where is the member going to cut in three years to bring us down to a flat no debt position?

Mr. Williams: Madam Speaker, in response to the member's question, during the last election we stated quite specifically that we would cut back the old age security from families making more than $54,000.

During the election campaign when I told seniors that our policy was to cut off the old age security for families making more than $54,000, their response was generally that they wished they could have earned $54,000 a year as a family. Why should hard working Canadians, many of whom are just scraping by, pay their taxes for retired people to be in Florida, Hawaii or California courtesy of the taxpayers of the country?

I will address the second question. I listened to the excellent speech of the Minister of Industry earlier this morning. I raised the point then and I will repeat it again: Why are we spending $6 billion in infrastructure programs based on sewers, roads and low tech jobs when there is such a great need to ensure that the country is competitive around the world in the area of high priced jobs where education is required, where it is important

that we can compete? I have always said that the differences between $20 an hour jobs in Canada and $1 an hour jobs in Mexico are motivation and education. That is where we should be taking the $6 billion and putting it into high tech jobs.

We cancelled a helicopter program that was to create all kinds of research and development in the country in order to pave a road from here to there. That is where this government's priorities are wrong. It does not have a philosophy and a real plan of what it is trying to do. It is trying to appease various different projects with short–term solutions.

If we finally got our act together we could accomplish what the minister was trying to say. At the same time we could balance the budget and ensure that the country has a future for our children.

Mr. Randy White (Fraser Valley West): Madam Speaker, this is the defining moment for the new government because the first budget sets the tone for the next four years of Liberal policy. I want to talk today about a definition of my own. It defines my view of the substance of the budget. There are some good things in the budget I could spend a good deal of time talking about, but I will talk about those things that are most disappointing.

Here we are in a most critical period of our economic history and the government has gone soft. Instead of clenching its fists and getting tough with the deficit and debt at a time when world markets are watching our every move, the government has opted for a limp–wristed approach. At this defining moment for the new government the word I use to define this disappointing budget is flaccid. The dictionary defines flaccid as limp, flabby, less rigid, lacking vigour and feeble. How appropriate.

• (1250)

The budget is more important for what it does not address than what it does. I want to ask why the budget has not done more or, to paraphrase an American statesman, instead of looking at things the way they are and asking why, I am here today to look at the way they could be and ask why not.

My focus today is on what was not cut and why. There are no details of significant cuts to spending on things like foreign aid, wasteful aspects of bilingualism programs, ineffective multiculturalism programs, subsidies to crown corporations, and grants and subsidies to special interest lobby groups. Quite frankly the reason the government avoided these areas is that they are politically dangerous.

The time for safe, non–contentious decision making is past. It astounds me that members across the floor still refuse to acknowledge the seriousness of the country's financial situation. If we want to gain the confidence of business and the general public we have to make tough decisions now; not two years from now after more studies, but right now.

Let me illustrate some needless cuts. I will start with the *b* word, bilingualism. The media like to jump on anyone who mentions this issue and brand him or her anti–Quebec. It makes good ink and is guaranteed a predictable response from Quebec members. There is a difference between talking about the theory of bilingualism and the outrageous waste of money that sometimes accompanies the application of that theory.

I am talking about the needless waste of money. When it comes to official bilingualism, the act itself, we have absolutely no idea of how bad the problem of wasteful spending is. I would like to quote from a letter of a government official:

> The true costs of official languages activities from the Department of National Defence are higher than those given. Unfortunately, Treasury Board reporting guidelines do not permit us to report, among other things, salaries of military personnel attending continuous language training—and the bilingualism bonus for civilian employees.

Millions of dollars were spent on translating manuals for frigates, but that figure is buried in the budget for the frigates, sunk so deep below the sea of numbers no one could ever dredge up the real true costs. While the commissioner may report the cost of official languages as about $654 million as he did in 1992, the number means nothing. A report released last year puts it somewhere between $2 billion and $4 billion. What is the truth? No one knows.

Since 1969, according to a report released last year, language policy added $49 billion to the federal debt. The effect on provincial debt and the compliance cost of private industry are left to our imagination. Where does it end?

The government has also gone weak in the knees in the area of foreign aid. Flaccid is the word. The Auditor General's report cites a litany of mismanagement, especially in the area of foreign aid. The Canadian International Development Agency, CIDA, has become a cash cow. The Auditor General reports that CIDA is trying to please too many interest groups and meet too many conflicting objectives. The result is an agency with a budget of over $1 billion a year that is characterized by confusion and ineffectiveness.

What is really confusing is the government's refusal to look to this area for major cuts. It cannot even use the excuse that it is a politically contentious area since criticism of the effectiveness of foreign aid spending is coming from all directions. What is the government waiting for? In 1993 the federal government spent just under $2.7 billion on international assistance with little or no tangible proof of any kind of results.

The horror story continues into the area of—dare I say it—the *m* word, the department of multiculturalism.

• (1255)

I am disturbed by some of the commentary in the Chamber this week. I firmly and deeply believe we are all equal regardless of race, colour or creed. Every single Canadian should be proud to stand and proclaim his heritage, but he should not expect every other Canadian to finance his group's cultural activities. These groups must be self–supporting.

In 1992–93 federal government spending on multiculturalism was nearly $120 million. What is frightening is the response I got from a researcher when I tried to get the figure. He told us he was having trouble getting a response from government departments that incur costs as a result of multiculturalism programs. In other words again we have no idea what is the true cost of multiculturalism.

A short time ago the deficit was supposed to be $33 billion. That was around the time when the election campaign started. During the election the government would not even tell us what it was. The new government took over and the number suspiciously grew. It went to $42 billion and all of a sudden we are told it could reach $46 billion. Now we are supposed to feel happy with a figure of $39.7 billion. It has to stop.

In closing I leave the House with my definition of flaccid. I will redefine the term. For the purposes of this discussion I will use the acronym, FLACCID. The previous Progressive Conservative government promised tough measures, but when it came to making the politically tough decisions it withered under the pressure. The present government was elected on the promise it would tackle this critical problem too, but its feeble attempt to come to grips with our financial woes suggests another definition of flaccid applies. The acronym stands for federal Liberals are cunning Conservatives in disguise.

[*Translation*]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, I want to congratulate my colleague on his speech. That is not to say that I agree with everything he said. There are things I would like him to go over again. I did not understand everything he said about multiculturalism. He spoke too fast and I do not understand English all that well yet. I am trying very hard to learn but it takes a lot of time.

I would like to give the hon. member the opportunity to reiterate his thoughts on the reduction of the multiculturalism budget. I want to be sure that as long as Canada exists, English and French will be spoken in this country, and that the cuts regarding multiculturalism will not change that. I would like an answer from the hon. member.

[*English*]

Mr. White (Fraser Valley West): Mr. Speaker, the cutting back of multiculturalism I was talking about is about $21.5 million relating to grants to cultural groups. That is not the only cut that has to come about. I listed only a few.

I am surprised government members would really believe Canadians would re–elect them in view of where they have already started to go. Their deficit is higher than anyone expected. We can look at what happened last week in the House.

We asked a question of the Prime Minister about why they gave away a patronage payment of $4.5 million to his riding to build a museum. They spent $172,000 on one minister to take one flight to make a speech. They gave $27 million to Quebec City for a conference centre. They blew away $120 million by misfinancing CBC. They took over a deficit of $33 billion. They said it was going to be $45 billion and now they say we should be happy at $40 billion.

• (1300)

There is a saying that goes: If you forget the past, you are condemned to repeat it. The past is the Conservative government. The government is condemned to repeat it if it keeps on the same road.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I listened with interest to my friend's commentary. What caught my attention was his reference to the fact that he thought the Liberal government looked very much like past Conservative governments.

What gave my hon. friend the clue? Was it the fact that the Conservatives promoted NAFTA? Of course the Liberals opposed NAFTA and then after they became the government they signed it. The Conservatives supported cruise missile testing and the Liberals opposed it, but when they got into government they too approved cruise missile testing. In opposition, my hon. friend opposite often spoke against payroll taxes, and one of the first things the government did was, of course, increase payroll taxes.

An hon. member: They rolled it back.

Mr. Riis: Well, indeed, introduced it and a few days later rolled it back.

But are these items some of the reasons that my hon. friend thought that the present government looks an awful lot like the Conservative government?

Mr. White (Fraser Valley West): Mr. Speaker, I like the way the hon. member got his speech in by asking the questions. He made some very good points. Yes, we learn fast, we new members. I suppose I could use those too.

I guess what reminds me most of the Conservative government over here is the acceptance of deficit financing and the very acceptance by virtue of their budget that the debt will increase by $100 billion in three years. It was not a problem with the Conservatives and it is not a problem with the Liberals.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Madam Speaker, on February 1, the Minister of Finance stated in this House, and I quote:

> There is a profound sense that the status quo simply will not do and that if we continue on our current path then that would be a road to nowhere.

Having read the latest budget, I realize that, unfortunately, it will lead us nowhere. Why? Because it does not deviate in any significant way from the course taken by the Conservatives over the last nine years.

The Liberals were elected because they promised jobs. Yet, there are 29,000 fewer jobs in Canada today than there were when the present government took office. Voters clearly showed the previous government how they felt about the unacceptable unemployment level. With this budget, the present government did not keep its word.

Page 9 of the budget makes the point clearly: "The unemployment rate will continue to exceed 10 per cent in the foreseeable future". There is no hope for unemployed Canadians. One in five workers in Canada is unemployed or has a part–time job because full–time jobs are impossible to find.

The budget simply abandons these people to pave the way for a jobless recovery.

[*English*]

Canadians have had enough of what the former government used to call the jobless recovery. I ask the government why are there no targets in the budget for reducing unemployment? There are deficit reduction targets, as there should be, but also accompanying those should be targets on reducing unemployment.

What is the government's expectation other than, as we see by the budget, that we will have double digit unemployment in the next few years? Instead of choosing to attack unemployment the government in this budget chose to attack, once again, as its predecessor did, the unemployed.

The Minister of Finance told us early on through the whole pre–budget consultations that everyone would share equally in the pain of this budget. I ask people to consider the facts and whether Canadians have shared equally in the pain of this budget.

• (1305)

Fact one, fully 50 per cent of the spending reductions in the budget are on the backs of the unemployed.

Fact two, the poor who rely on the social safety net lose $2 billion. The social policy review has been given its final mandate before it even begins.

Fact three, the provinces face cuts in transfers, increased welfare costs when unemployment runs out and there are no jobs to be found. The budget is a very elaborate offloading to the provinces and territories and to unemployed Canadians.

Fact four, the Atlantic provinces get more than their fair share of the pain. With unemployment levels as high as 20 per cent in the Atlantic provinces, facing base closures, reductions in income, reduced fisheries compensation and no jobs, no one can look at the budget and say that the pain has been shared equally.

These last few months since the election of the government we have witnessed a range of consultation initiatives. Let us look at what the budget really says about what those initiatives will mean. Prebudget consultations were held when it is clear that the budget is just going to be a continuation of previous governments. When the Minister of Finance looked in the mirror he saw his predecessor, Don Mazankowski.

Defence reviews are being held when the government has already moved on the issue of defence. Social policy reviews are promised to be held when the budget in fact sets the parameters for that very debate. Negotiations on transfers to the provinces are also to be negotiated or reviewed, we are told. However, the finance department has already determined what the outcome will be with this budget. Lip service is being given to collective bargaining in this budget, but the budget precludes it.

On February 2, 1994 there were 29,000 fewer jobs in Canada than on October 25, 1993. The government was elected with the hope that it would make good on its promises to create jobs and to get Canadians back to work. What does this budget show? It shows 25,000 fewer jobs in the public service, 16,500 jobs from defence. We did not know that the government's job plan was going to work in reverse after it got elected. This budget shows that is exactly what is going to happen.

The minister said we would all share the pain equally. I ask Canadians if they feel it is fair that $6 billion was cut from the unemployed while the rich still get to deduct 50 per cent from the cost of their cruises and hunting trips. The unemployed will be getting more trips too, but those trips will just be to the food banks.

The wealthy certainly did not need to fear the budget. They will still get to hide their money in private trusts, untouched. The 63,000 profitable corporations will still go untaxed, untouched. Offshore profits are untouched by the government.

[*Translation*]

That is why, on behalf of Canadian workers and also on behalf of about six million Canadians who want to work, I ask the Minister of Finance to send back his work boots. The last thing we need is to be kicked while we are down.

[*English*]

The budget clearly shows that the Minister of Finance should send back his work boots. We do not need to be kicked while we are down.

Elements of the budget have not given hope to Canadians as it should have done. It has not restored consumer confidence that needed to get our economy on the rise.

• (1310)

The government has failed on all counts but most seriously it has failed the faith of Canadians, the faith that Canadians elected it to provide jobs to get them back to work. In fact more people are out of work.

Later in this session I will be presenting a private member's bill on full employment. It will ask the government and require the government to set employment targets, to put before the House on a regular basis through the Minister of Labour a report on how those targets have been achieved and to give a full report to every member about the objectives of the government in terms of job creation. The time is long past when empty rhetoric and promises will do. Canadians want to see a pay cheque, not a promise.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, I want to say to the member for Yukon that whenever a budget is put forward there will always be people, through change and transition, who will go through some pain.

I want to say to the member that we feel the pain that a lot of those people—we do not feel all of the pain, but we feel a little bit of the pain—are going through, especially on those bases in Atlantic Canada.

The member knows we inherited a fiscal framework that was dramatically different from all of the forecasts to which we had access. We have been caught in a very tough bind. It is our collective responsibility to try to get some kind of confidence going in this country.

There is an area in the budget that the member refused to talk about or forgot to talk about and that is the area around small business. The member for Yukon has made tremendous speeches on the importance of small business. Small business represents our greatest hope for putting Canadians back to work. It represents our greatest hope for liquidating the unemployment problem. I think she has to be fair and recognize that there are many good things related to small business in the budget.

I have heard from small business people and already just the mere fact that the Minister of Finance announced we would be having a comprehensive study on access to capital for small business has caused a positive response in the community. Banks right now are beginning to trip over themselves in providing a more aggressive lending practice toward small business. That is a good feature of the budget and I do not think we should forget it.

The other thing related to small business in the budget is the continuation of that good idea about new home ownership from the RRSP pool for first time buyers. In my community there are many people in the trades; carpenters, plumbers, home builders who are happy about that and already we can see some activity in the home building industry. That is another good part of the budget.

My only point to the member for Yukon is that, yes, this is a tough budget and I acknowledge that. We have ourselves in a fiscal bind, the likes of which we have never seen in this country. When we talk about the budget she should at least acknowledge that there are some portions of it that really are exceptional. The section relating to small business is headed in the right direction.

• (1315)

Ms. McLaughlin: Madam Speaker, I will agree with my hon. friend. I certainly concur with an emphasis on small business but I would remind my hon. friend that small businesses rely on customers. If farmers are going bankrupt and factories and mines are closing across this country, there are not going to be many customers.

We have to make the link between the two. People living on reduced unemployment insurance with no hope of a job and people living on reduced social assistance are certainly not going to be viable customers for the small businesses that my friend mentions.

I agree that the Canada investment fund, a fund that we proposed during the election, is important to get venture capital to small businesses. I support that. I hope members opposite will review the proposal of the New Democratic Party. It was reasonable. There are some similarities to that of the Liberal Party. We share some good ideas on that. The hon. member across and I both share the necessity of ensuring that part of our economy is stimulated.

I would like to mention two other points on small business. I note that the budget says that Canadian business centres will be established in every province. I hope that was just a lapse. We from the territories have to pick up on this lapse and hope that there will be one in Yukon and the Northwest Territories as well. I am assuming that there was a temporary amnesia there. We do have two territories that cover one–third of Canada's land mass.

The second point I would like to make is with regard to the negotiations, and I applaud the government for doing this, with banks and financial institutions in terms of venture capital to small business. While it is not my place in this period to ask a question, I will phrase it as a comment. I hope that in this consultation the government will raise with financial institutions the possibility of looking at a formula whereby the savings

that come into a particular financial institution from a community or a portion thereof will be reinvested in that community.

One of the main problems we have is that a very large proportion of Canadians' savings is not being invested in Canada. It is being invested offshore. We must encourage Canadians to invest in their own country, something that the province of Quebec and Quebecers learned a long time ago and we could take a lesson from.

Mr. Nelson Riis (Kamloops): Madam Speaker, I am pleased to have an opportunity to participate in today's debate.

I listened to eight or nine Conservative budgets. After each budget I could almost hear the champagne corks popping on St. James Street in Montreal, on Bay Street in Toronto and on Howe Street in Vancouver because almost inevitably that same group was always pleased with the Conservative budget.

Of course working people just shuddered because they knew that they would be slapped with additional taxes, they would be hacked here and there and slashed up. Indeed, they were never disappointed because that is exactly what happened time after time after time.

When the election came along in October, the people of Canada said that they were going to send a clear message to Ottawa and they jettisoned all of the Tories, except two. They said that they were going to send the strongest message possible and set these Tories back so far they were never going to come back, at least in the foreseeable future. They disappeared almost like the dinosaurs.

The people of Canada said that they wanted a government with a strong mandate, one that was going to do something totally different. There was going to be a new direction. There was going to be a new approach. We would get off this monetary and fiscal policy that we saw in the past and the government was going to create jobs. It went on and on.

In the red book there were jobs here, jobs there, jobs, jobs. Of course, this was what Canadians wanted to hear. Therefore they elected the Liberals. Almost the next day things started to change. There is a magic conversion that takes place when Liberals walk across that central aisle and occupy the seats on the right hand side of you, Madam Speaker.

I can see all my friends across there. I remember their passionate speeches against NAFTA, how NAFTA was going to be the killer of jobs. I heard "killer of jobs" echo throughout this Chamber days on end. The first thing they did was sign NAFTA. This sort of jarred people. They wondered what was going on.

Of course, they remembered the payroll taxes that those mean and nasty Conservatives used to impose on small business. The first thing the government did was to impose another payroll tax. The people of Canada started to get a little shell–shocked at this.

• (1320)

Then they remembered that cruise missile testing by the United States was coming up for renewal. They remembered all of the Liberals saying for years that this was dastardly, that it was caving in to the Americans, and they would never do that. When the time came, they did that too. They agreed to it.

I could go on and on, but I think I have made my point. Before we even got started, people were dazed because suddenly the Liberals started to break their promises and do exactly what they said they would not do. They enacted exactly what they said they would never enact.

Along comes the budget. I guess Canadians thought: Well, here is a chance because Liberals were elected to do a job, and that job was to create jobs. What Canadians got was a snow job.

Look at this budget. I am sure that if you went back a few days you would find there were some ghostwriters such as Michael Wilson and perhaps Don Mazankowski. Perhaps they wrote that budget. Maybe Kim Campbell slipped back from Harvard and added her two bits worth.

Has there been a significant departure in terms of domestic policy in this country? No. Has there been a change in monetary policy? No. I know there is a new Governor of the Bank of Canada, sort of a John Crow look–alike. He says that the same monetary policy will continue.

Is there a shift in policy? No. Canadians were hoping for a different kind of budget that would actually put people back to work. What did they find? If they read the budget carefully and they go to page 9, they may ask what the government predicts all of this is going to do. They read through and, lo and behold, they find that unemployment levels will continue in double digits for the foreseeable future.

After all the red book rhetoric, the budget plan says that unemployment will continue at essentially the same level for this year, next year and on into the future.

Ms. McLaughlin: And it is a blue book.

Mr. Riis: Yes, this is a blue book. They did not even change the bloody colour, for Pete's sake.

We had a chance to start setting targets. When it came to reducing the deficit, targets were set. This is what we anticipate the debt reduction to be. However, when it came to setting targets for reducing unemployment, they were woefully absent from the budget. This is a serious oversight and it is really too bad.

We have the old approach to the Peter Pan school of economics. We thought it would be something a little bit different from the Liberals; that if you really believe that unemployment will come down, it will. But you have to take action. You have to set

targets and then introduce strategies to reduce those levels of unemployment. That is not in this budget. It is not in here.

Here is what happened to me personally. I received calls from a number of small businesses in Kamloops. They called and said: "We have not read the budget, Nelson, but what is in it for us?" I told them there were a couple of things, that there would be a network established and so on so they could bid on international contracts. I was told: "I am running a hair salon" or "I am running a welding shop, I am not going to be exporting my services overseas. What is in it for us?" I had to say, with a heavy heart, that there was nothing in it for the average business person in this country.

The unemployed, as my hon. leader indicated, were again hit with this budget. The victims of these government policies have been now hit. It is a strange way to run a government. We accept it, but it is a continuation of what we saw for the last nine years under the Mulroney regime.

I want to give credit to the government on one point. Actually I could give it credit on a number but let us just pick one. When it was changing the unemployment insurance system, it acknowledged that some people would be really hard hit. I am thinking particularly of single parents or low income families with dependent children or adults that they are caring for. Their benefits went up slightly. In other words, there was acknowledgement that some people were hard hit.

Is there anything in here for the 1.5 million kids who are living in poverty today?

Ms. McLaughlin: No. Not a thing.

Mr. Riis: Not a single word, not a word.

• (1325)

What about the public servants? The public service was hit in this budget. As a matter of fact 25,000 will likely lose their jobs over the next three years as a result of this budget. The government said it was going to freeze their salaries once again.

Does it make sense to freeze everybody when messengers or people who shovel snow off sidewalks have annual incomes in many cases below $20,000 and deputy ministers have incomes in excess of $120,000? It does not acknowledge the fact that some federal government workers are struggling to simply survive.

The government showed sensitivity when it came to changing UI programs. Why did it not show that same sensitivity to the people who actually work for the government? As somebody said the other day, it is like bombing your own troops.

Show some compassion, show some sensitivity. There are people who work for the federal government right now who quite frankly are just managing to survive by the skin of their teeth. They are suffering. There should have been an acknowledgement about that in terms of that blanket across the board freezing of salaries.

My greatest disappointment is that a handful of people are probably still drinking champagne. Those are the richest families in Canada who had a special tax loophole provided for them by a previous government, actually by the Liberals which was then updated by the Conservatives. There is not a single tax lawyer or single tax accountant in this country who says family trusts make any sense at all, not a single one.

I remember when the experts were before the finance committee. The financial advisers were asked what they thought of this particular tax exemption. They all thought it was crazy. They thought it was nutty. They thought the government was goofy to do this.

The Minister of Finance had a chance to show that even the very wealthy in this country are going to have to pay their fair share this time under this new government. Did he close that loophole? Oh, no. The government is going to study it. What on earth is there to study about a loophole that everybody agrees is absolutely dastardly?

In closing, it was a missed opportunity. I could go on and hopefully I will have an opportunity later. I must say that those Canadians who were hoping for a change of course from the last nine years of Brian Mulroney are very disappointed after this budget.

Mr. Jim Jordan (Leeds—Grenville): Madam Speaker, I think anyone who campaigned in the last election found out that very high on the priority list of Canadians was the need to address the national debt and the national accumulating deficits. I notice my good friend from Kamloops did not allude to that.

Today I think we know where the Reform would stand. They would say: "Correct that by deeper cuts". I think I know where the BQ stands, if I understood their leader this morning. We did not get a chance to dialogue with him because of the new rule. I think he was saying: "We would be in favour of deeper cuts, that way of getting at the national debt".

I wonder if the hon. member for Kamloops would tell me where the NDP stands in relation to national debt. Were the cuts deep enough, too deep or just right?

Mr. Riis: I think it is fair to say that there were some changes that could have had a very serious impact in terms of deficit reduction. I named one, the closing off of some of the glaring tax loopholes like the family trust loophole, a consideration of a wealth tax. Again, we are one of the very few countries in the world that does not have a wealth tax. These are not going to solve the deficit problem but they would show good faith in moving in the right direction.

I think if a person wins $5 million on a lottery they would not mind paying some tax on that. I do not think anybody would say that is an unfair request.

The question of a minimum corporate tax that we have often discussed in this House is something that deserves examining. In other words a whole number of changes to the tax system would generate an awful lot of wealth.

This budget assumes that the deficit will be brought down, which we all support. No one in this House would say we do not have a serious debt crisis and a deficit problem and we have to take steps to get it down.

This budget assumes that because of the steps taken there will be economic activity occurring and then general revenues will flow to the central government. That is a fair summary I think.

However, as my leader indicated, when one person is unemployed or underemployed or afraid of being unemployed, if one is living on social services, one does not have enough disposable income to make much difference. That is what we require. We must get people back to work. I know my friends opposite when in opposition said the same thing. It is critical. If we are to pay down the deficit we must get people back to work so that they can contribute and not be a drain on those revenues.

• (1330)

I do not think the budget will put people back to work. I do not rely only on my own observations. I have listened to the experts who responded to the budget. I have yet to find anybody who says it is going to put a lot of Canadians back to work.

We have all sorts of unused capacity. I remember the figures given earlier this week for manufacturing losses in the province of Ontario alone because of unused capacity and the new technologies. They are simply not putting people to work.

This is why the budget has been such a disappointment. There is nothing in it to give hope to those people who are unemployed or to those people who want to see a meaningful new direction in terms of putting people back to work.

Mr. John Cannis (Scarborough Centre): Madam Speaker, I followed the debate with great interest all morning. If I were confused this morning, I am even more confused now.

Earlier we heard two presentations from the Reform Party. One was saying how we did nothing and there were not enough cuts. The critic for the defence ministry indicated that we cut too much. Now I am hearing something else again. I do not know what it is.

Did we cut enough? Did we not cut enough? We want to entice businesses to hire. The $300 million rollback on the UI will entice companies to hire.

Mr. Riis: Madam Speaker, we in the House would all agree that the area the government has supported in the past to a certain degree and needs to support more in the future is the area of high technology.

What do we find in the budget? We find the abandonment of the KAON project in British Columbia. I see some of my British Columbian colleagues across the way. That project would have put Canada on the cutting edge of high technology. It would have been a vote of confidence for our scientists and our top engineers in the country and around the world.

The Conservatives slapped British Columbia in the face by abandoning the *Polar 8* icebreaker. This was to be the federal government's show of support for B.C. KAON was the same and the government let down KAON. Literally hundreds of millions of dollars that would have gone into creating jobs in the construction area and, most important, in the high tech sophisticated scientific engineering area have now been abandoned. It is very disappointing that we missed this opportunity.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, the finance minister's budget speech, that could be described as "Campbell meat with Martin sauce", reflects the vicious circle of irresponsibility the federal government has got stuck in.

The Minister of Finance did not allow himself to do the job he has been elected to do. During the whole election campaign, he said "jobs, jobs, jobs", but when the time comes to create them, he is not there. Instead, he forecast a record deficit of $39.7 billion, and a new series of committees. There is a disease in Ottawa, the "committee disease", which I have rarely seen so rampant anywhere else.

The election slogan has fallen by the wayside due to the timidity of a finance minister who has given in to the federal bureaucracy. How then can politicians ask voters for their confidence when, every time, government parties promise one thing during the election campaign and do the opposite?

This budget will contribute to increasing the differences and disparities between the various regions of Canada because, under the guise of the infrastructure program, the federal government is cutting the budgets of the development agencies without giving the provinces any leeway to take over their own development.

The federal government is courageously taking on the weakest in the system by raising the minimum number of weeks of work required to be entitled to UI benefits and bringing down to 55 per cent benefits paid to unemployed workers. That is a Valcourt plus formula. What is worse, they assume that people do not want to work.

• (1335)

The lack of jobs and the extensive restructuring of the North American economy are blamed on the unemployed and on other people who try and improve their lot. Instead of trying to help them, we will take a whole year to cook up a reform, the contents of which are not known, when we should be up and running and taking immediate action. We were not elected to create committees but to take action.

I would like to underline more particularly that the situation in regions like Eastern Quebec is certainly as bad as in aboriginal communities, but I do not find the same level of support for those areas as for aboriginal communities. I think the needs of native people are real, but ours are too, and it is extremely unfortunate that the situation is handled the way it is.

Somebody said a while ago that there is no tax increase. Do you not think there will be a hefty increase for those people who will have to go from unemployment to welfare next year because they do not have those two extra weeks of employment? They will have to find news ways of making ends meet only to find that they are accused of cheating the unemployment insurance system or the welfare system.

The federal government turns a blind eye to the elimination of duplication, because it would have to admit that the federal system itself is the cause of runaway deficits. During the election campaign, voters kept asking the same question: Are you going to create jobs like the Liberals promise they will? Our answer was: Yes, but in order to do that, we need some leeway.

Because of a lack of political courage, the Liberals will not reach their goal since they cannot get this breathing space. In no way, since the recall of Parliament, has the government allowed us to seriously examine spending in order to remedy the inequities, the programs which were created a long time ago, but no longer meet our needs. In the national capital, we often forget what the situation of unemployed people really is. We do not want to look at that because if we did, the government would be forced to admit that federalism is costly for Canada as a whole.

If the Liberals had freed the $3 million lost because of duplication, they would have given hope again to the 25–35 generation whose potential is wasted. That generation includes technicians, engineers, skilled people who should be working. We will realize in 10 or 15 years that this generation has been sacrificed, that we did not give these people the opportunity to work for the good of Quebec and Canada. They will struggle along from one project to another.

The government also forgets—since it has decided to tax the elderly, we understand a little better its agenda, which is to become another conservative government—that unskilled workers older than 40 were the ones who were hardest hit by the recession. Nowhere do we find this search for fiscal fairness which was supposed to be the mark of this budget.

Forgotten were family trusts. Forgotten were the $250 million which are wasted because of duplication of labour services for Quebec alone. I personally had the opportunity to work in reclassification and labour assistance committees which systematically have both a provincial representative and a federal representative to do a job that could be done properly by one person only. Quebec has agreed for a long time to take full jurisdiction in that field but no one wants to hear a word about it.

The government reduces transfers to the provinces by $2 billion, which means $700 million less for Quebec. All the provinces will then have to accept the machiavellian plan of the Minister of Human Resources Development to reform social programs.

This is a very difficult situation to live with since the minister will then take advantage of the hardship the provinces will be faced with, because of the budgetary restraints, to impose on Canadians a reform that they do not want. In the foreword, the Minister of Finance said:

> Our goal is a Canada where every Canadian able to work can find a meaningful job.

Unfortunately, there are no incentives in that budget for massive job creation, as promissed by the Liberals during the electoral campaign, for all unskilled workers, except for the infrastructure program and that will judged when it is operational.

By not having contingency funds coming from useless expenditures, the government is acting exactly like its predecessor, the Conservative government, but in their case, such an approach would have been understandable.

• (1340)

The government did not dare cancel the tax shelters of the rich. Rather it turned on average consumers—the elderly and the self–employed—by increasing their tax burden.

They went so far as to create two income classes for UI beneficiaries. Single people will have to prove they are not hiding a lover in their closet. What a good decision is this, the Year of the Family. Terrific! All the better since individuals living alone very often have fixed expenses which eat away at their budget. The only jobs created by this decision will be those of Axworthy's Macoute–style inspectors they will surely appoint, because of their bureaucratic logic. Federal Liberals should have taken advantage of the experience of their Quebec counterparts. A similar measure is now leading to the downfall of the Johnson administration.

In its process, the federal government even took the incredible decision of increasing the National Research Council's budget, an organization that is far from being as productive as regional research centres. Every part of the budget bears the mark of Ottawa mandarins totally unaware of what citizens are

experiencing in the regions, everywhere in Canada and in Quebec. The government members did not do their homework.

On another point, I want to remind the minister of defence that, during the campaign, we did advocate cuts in the defence budget. However, the decision to close the only French language military college in all of North America has been inspired by something else than pure financial arithmetics. I appeal to all the Liberal members from Quebec, who will be stigmatised by this decision, especially the Prime Minister.

The Prime Minister and I come from the same region. The St. Maurice Valley is an area which had long been dependent on American or English–Canadian companies in the pulp and paper industry. Then, we had to slowly blossom as full partners. If he is not aware of the impact a decision such as the closure of the Collège de Saint–Jean will have, I think that he forgot what being a Quebecer means.

If the federal system can no longer assume the training of French–speaking officers in Quebec, Quebec will not take this laying down. We will fight as vigorously as others have done to protect the survival of the French fact in other Canadian provinces. The Acadian and francophone communities know full well that a bilingual education system is the shortest route to anglicization, for soldiers as well as ordinary citizens.

The Liberals have decided to make committees the corner–stone of their job creation program. Let me name a few: a task force to develop a code of conduct regarding loans to small and medium–sized businesses; a task force on the taxation of family trusts; a task force on an improved supplementary plan to make businesses more competitive; a review of how to increase the efficiency of federal assistance. Moreover, a discussion paper on science and technology will be published to trigger a national debate that will lead to a new policy in that area.

As a former civil servant, I know only too well this disease called "committee–itis". I know the recipe. It is the best way to go nowhere. A year or a year and a half from now, we will receive reports on reports. They will be quietly tabled here, on a day when the attendance is low, and they will not resurface until the following year.

Today, governments must react quickly to allow this country to enter the excessively competitive world market. While we prepare all these fine reports and that years of pussy–footing in committee go by, Canada will pursue its breathtaking drop on the list of nations with declining productivity. We were not elected here to set up committees.

Action was urgently needed to help college and university graduates. Now, forestry workers will have to hunt down 12–week contracts instead of 10–week ones. Of course, unemployment insurance officers will be overworked, chasing down the bad guys who are trying to save their skins.

The government is not taking its responsibilities and is behaving like a consultant when it should be governing. By giving itself additional time, it avoids making real decisions. However, unlike the Conservatives, the Liberals have dared to increase the qualifying period for unemployment insurance.

• (1345)

This budget appears to be the work of bureaucrats unaware of the devastating effect raising from 10 to 12 the minimum number of weeks of work required to be eligible for unemployment insurance will have in our local areas. I urge the Liberal members to remind their Minister of Finance of their election promise to put Canada back to work.

This budget will disillusion those who still believed in election promises. During the election campaign, I met people working in peat bogs and took half an hour or so to explain to them how politics could be useful and how things could change with the coming election. Now, when I will go back home, these people are going to come to me and say: "See, nothing changed. You elect a new government and, once in office, it does the exact same thing as the ones before". At least, I will be able to say that we did not change.

My cry to the Minister of Finance is also the cry of the regions, those struggling ever since fishing was restricted and doing their best to cope with their unemployment problems. These are also the regions that the young generation has inexorably fled, as well as those striving to pull through. No, the regions are not applauding this budget. They are scowling and looking forward to taking their development into their own hands. Two thirds of welfare spending goes to the various intermediaries in the system instead of to those who need it—that is something which should be attacked right away, and not worked on in a committee for over a year.

Those who are surprised that Quebecers regularly and repeatedly elect sovereigntists should understand why, faced with these successive Tory or Grit budgets that only show the influence of the federal bureaucracy. If only to get out of this infernal cycle, Quebec can no longer afford to stay in the federal system.

Indeed, next year at the same time, the Minister of Finance will explain to us why he could not keep the deficit to $39.7 billion, but that 1995–96 will really be the year when the government regains control of its budget. I would be quite prepared to bet on that with any hon. member. It is a well–known old refrain that rings hollow.

To avoid this sad situation, I again ask the government to strike a special all–party committee to analyze all spending. This would force government managers to answer our questions about the necessity of the work done and would show all of

Quebec and Canada that we, not the senior civil servants, are the ones running this country.

Tomorrow I will go back to my riding to tell the people of Kamouraska—Rivière–du–Loup that there is no more hope of regaining control of the runaway federal government. I would hope that they rise up everywhere to show their disapproval as they have been doing in the media for several days. On the weekend, when you meet your constituents, how will you answer them when they ask all government members how this Liberal budget is different? Is there any hope in this budget of putting Canadians and Quebecers back to work? It is up to the Liberal members to bring their government to its senses.

Mrs. Eleni Bakopanos (Saint–Denis): Madam Speaker, I listened with great interest to the comments made by the hon. member opposite, and I find it strange that the remarks are always the same. Regardless of the issue discussed in this House, the observations made by the hon. members opposite never change. They are always making the same comments and every government measure is invariably taken at the expense of the poor and the unemployed. It is clear to me that they have not read the budget and I will simply give you an example to illustrate my point. As regards unemployment insurance, we clearly stated that women with children are going to benefit from the new system to be put in place. And let us not forget that the government also intends to bring in other changes. Of course, it is in their interest to talk about the unemployed and the poor and to mislead the media to get their message across.

• (1350)

In Montreal's newspapers, it was mentioned that senior citizens would lose their pension. I can tell you that I received calls at my office, because people read this inaccurate information released by the opposition, to the effect that the elderly, regardless of their income, would lose their pension, which is not true.

Also, the scenario always being presented by the opposition is not realistic. Again, they did not look at the real figures in the budget and at what we really want to achieve. We do talk about jobs, yes we do. Let us not forget job creation. To what extent will we be able to create these jobs? It will be to the extent that we help small businesses in Quebec, including in Montreal where my riding is and which I know well, because they create jobs.

A few years ago, the city of Montreal conducted a study which showed that small and medium–size businesses were the ones creating jobs. We will help those businesses. We will provide them with the means to create jobs for the poor, as the members opposite keep saying.

Given the narrow vision of the opposition, and given that it keeps saying the same things, I would like to know why these separatists—after all this is their real name—insist on continually misleading Quebecers and not telling them the truth.

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Madam Speaker, I am very surprised to hear such words from a member who lives in the poorest region of Canada. I feel she has lost touch with our planet.

How can you say that the Saint–Denis riding, in the region of Montreal—

The Acting Speaker (Mrs. Maheu): Order! I am sorry to interrupt the member, but he should address his comments to the Chair.

Mr. Crête: Madam Speaker, can the hon. member seriously tell us that in her riding, increasing the required number of weeks worked before one is entitled to unemployment–insurance benefits will not increase poverty? Let us not be mistaken here; the unemployed will be entitled to fewer weeks of benefits.

As for the issue of women, it is perverse for a member from Quebec to say such a thing; she should know better from her own experience in Quebec where the Bourbeau reform was implemented a few years ago and where women have to find witnesses and leave their homes in the evening just to prove they live alone. That kind of situation is unacceptable. We cannot maintain such a thing.

With regard to the member's question and comment, I for one trust Canadian and Quebec medias. I do not feel they lie, I think they report truthfully what they hear in the House of Commons. This is also partly what Mr. Martin, the Minister of Finance, realized the day after he presented his budget. He discovered that everyone thought he had made no changes at all and that surprised him a great deal.

My last comment is on the issue of what you call the separatists, or at least those who want Quebec to be sovereign. A sovereign country is one which makes its own legislation, collects its own taxes and signs all its treaties. We believe there is 3 billion dollars worth of duplication in a federal system and that means unnecessary expenditures; and because of your ideology, government members refuse to address that question. If they had the courage to do so, they would not have to take money away from the less fortunate among us.

Mr. Benoît Serré (Timiskaming—French River): Madam Speaker, the hon. member for Kamouraska—Rivière–du–Loup certainly did not listen to my speech this morning. He claims that it is only in Quebec that one can get an education in French. In fact, he is asking a question to Acadians and francophones outside Quebec. Earlier, he was telling us: "Ask them if one can get an education in French outside Quebec".

Madam Speaker, I think that I am living proof of that. I completed all my studies in Ontario and in French. Not only did the Franco–Ontarians have a good education system, but they also served a good part of Northwest Quebec, where people

would come to Sudbury because there was no learning institution in Northwest Quebec.

• (1355)

Mr. Crête: Madam Speaker, since the hon. member speaks French, he certainly did not listen to my answer, because I was talking about our bilingual colleges. I said we know very well that for any francophone, bilingualism in a bilingual college in any province of Canada leads directly to anglicization. When we know that, in Canada, we had to wait one hundred years for Supreme Court decisions allowing us to have French schools in some Western provinces and that we must still go to court to be able to preserve that, I think it is very clear that bilingual education in Canada does not have any future. You will have to walk all over us before you can impose the closing of the Collège militaire de Saint–Jean. You can be sure that the entire Quebec population will be behind us.

[*English*]

Mr. Dennis J. Mills (Broadview—Greenwood): Madam Speaker, I listened to the member's speech closely and I appreciated his respect for the fact that we had such limited manoeuvrability because we inherited a fiscal framework that was much worse than any of us ever imagined.

We all realize there is a crisis of confidence in the country. It does not matter whether it is in the member's riding in Quebec or my community in downtown Toronto, one of the factors that affects the confidence of investors is that we have so many members constantly talking about separation.

Does the member not realize or does he not agree that this constant focus on separation affects the economy just as much as any budget does?

[*Translation*]

Mr. Crête: Madam Speaker, if making a case for the sovereignty of Quebec could be as successful as the process that led to the separation of Norway and Sweden, I think we will have much to be proud of. Today, small countries like these have practically full employment while we are stuck with a federal government that is as cumbersome and slow–moving as an elephant. It is so slow to react to crises that by the time it is ready with solutions, another crisis has already developed.

Mr. Martin Cauchon (Outremont): Madam Speaker, I heard what the hon. member said. To hear him talk, a separate Quebec would be seventh heaven. I would like to ask him why that would be the case and how a separate Quebec could be in better shape economically than it is now within Canada, a Canada that has its place among the Group of Seven, a Canada that operates within a North American free–trade zone and that looks both to Europe and Asia. What more would a separate Quebec be able to offer Quebecers?

Mr. Crête: Madam Speaker, when Quebec is a sovereign state, it will control all decisions that affect Quebec. It will never decide to waste $250 million worth of labour just to make another level of government look good.

Furthermore, we can say that this beautiful Canada of ours is close to being examined by the World Bank. If the government keeps bringing down budgets like this one, not only those terrible separatists from Quebec but the whole world will want to see some changes made.

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, the hon. member of the Bloc Quebecois is to be commended for his very sensitive presentation on government administration.

• (1400)

He suggests that once his province is a separate state, which God forbid, he will have all the answers and that Quebec's economy will be the envy of the whole world.

If we look at unemployment insurance, considering the economic situation in Canada today, a Canada which includes the 10 provinces and two territories, I would like to ask the hon. member what he wants to improve in reference to the economy.

Mr. Crête: Mr. Speaker, if Quebec became a sovereign state, I never claimed it would be seventh heaven. Those were the terms used by the hon. members on the government side. However, I did say, and maintain that we would be able to get along as well as many small countries in the world which are doing a better job than Canada is doing now. In 1980, people in Quebec wondered—

The Speaker: Order. It being 2 p.m., the House will now proceed to Statements by Members under Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

ELECTORAL BOUNDARIES

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, the Electoral Boundaries Commission has proposed to eliminate the ridings of Cochrane—Superior and Timiskaming—French River in northern Ontario.

I am appalled at the commission's ignorance of the geopolitical landscape of this area. Reducing the number of ridings will only make it more difficult to properly serve our constituents because of the distances travelled and the increase of population set at 80,000.

Northern Ontario will not sacrifice two ridings for the benefit of southern Ontario which will be getting four additional ridings. We need a strong voice in Ottawa.

[*Translation*]

By eliminating the ridings of Cochrane—Superior and Timiskaming—French River, the Elections Commission is proposing to disfigure the north of Ontario. We will never accept a diminished representation. How could the Commission use a population of 80,000 as the only criterion to divide the huge territory of northern Ontario?

It did not take into account the excellent service we offer our constituents in spite of the great distances we must cover.

* * *

SCOUTING

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, February 22 is a very important day. It is on February 22, 1857, in London, that Lord Baden-Powell, the founder of the scouting movement, was born. So, on February 22, Baden-Powell Day, we celebrate scouting, which Canada joined in 1910.

The scouting movement has now more than 25 million members across the world, in 150 countries. As a former scout, I would like to repeat for the House this famous quote from Baden-Powell: Try to leave this world in a better state than you found it.

* * *

[*English*]

TOBACCO SMUGGLING

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, I rise to reflect what the tobacco smuggling issue tells me about Canadians.

Many say the government started it all by over reaching with taxes, but what about the complicity of the tobacco industry that markets a killer substance and then passes it off as socially acceptable? Protesting store vendors did not participate in civil disobedience. It was crime for profit. Some natives near the border look the other way, then blame someone else.

However, the real moral lapse comes from Canadians who consume illegal products. When did we become a nation of cheaters? Is it okay as long as one does not get caught? Dodging the GST, scamming welfare, lying to customs, it is time for each of us to look at ourselves and our social malaise.

If there are no buyers, there will be no sellers.

* * *

• (1405)

VIOLENCE AND ABUSE

Mr. Paul Szabo (Mississauga South): Mr. Speaker, on many occasions in this House, hon. members from all sides have expressed unanimous concern about the growing and senseless violence and abuse within our society.

Spousal abuse, child abuse and racism have been raised frequently because we know that law and order and safety within our communities are very important to all Canadians.

As such, members of this House have a duty to reflect their support for these social concerns whenever possible. Verbal support is important but tangible actions must compliment the words to demonstrate our sincere commitment.

Accordingly, I call on all members of this House, and indeed all elected representatives across Canada, to utilize their skills and resources to develop and to champion specific initiatives to promote our shared value which is, and I emphasize, there is no excuse for abuse.

* * *

[*Translation*]

AGE TAX CREDIT

Mr. Martin Cauchon (Outremont): Mr. Speaker, I rise today to clarify a question which many people have asked me regarding the age credit.

Contrary to what the Bloc Quebecois has been saying, the changes brought to the age credit will be of no consequence for the vast majority of seniors.

As a matter of fact, three quarters of retirees are not affected since their income is less than $25,921. Only those whose income exceeds $50,000 will no longer be entitled to the age credit. They represent only 5 per cent of all retirees. Thus, three quarters of them will not be affected at all.

The new budget provisions will have the same beneficial impact on seniors who are less fortunate. Retirees with an income below $26,000 will not pay more taxes.

One of the key ideas of the 1994 budget is to better target our resources so that we can meet the basic needs of those who depend on government assistance. By reducing the level of tax credits for the more wealthy, we free additional money to help the elderly who are less fortunate, so that they can live with dignity without being afraid of tomorrow.

S. O. 31

[*English*]

ESTONIA

Mr. Stan Dromisky (Thunder Bay—Atikokan): Mr. Speaker, I address the Canadian people in celebration of the 76th anniversary of the independence of the republic of Estonia.

On February 24, 1918 Estonian nationalists declared independence from Russia, and after several periods of foreign control, reclaimed their independence on August 20, 1991. Since then it has emerged as a leader among the Baltic states. It is the first former Soviet republic to issue its own currency, to double exports and is outstripping the other developing economies of the former Soviet Union as well as most European countries.

Under the vibrant leadership of Prime Minister Mart Laar, institutions are rapidly emerging which clearly and solidly establish Estonia as an independent and free democratic republic wherein the supreme power is vested in the people.

To the people of Estonia, the people of Canada extend wishes of permanent peace and prosperity.

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[*Translation*]

WINTER OLYMPICS

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, Quebec is once again in the spotlight today in Lillehammer. It is with great pride and pleasure that we learned this morning that Philippe Laroche of Lac–Beauport, in the riding of Charlesbourg, and Lloyd Langlois of Magog, in my riding, have respectively won silver and bronze in freestyle skiing–aerials.

We extend our heartfelt congratulations to them and wish them the best of luck in whatever challenge they decide to take on next, with no lack of enthusiasm, that is for sure.

Mr. Speaker, the success of our athletes at the Olympic Games is even more preaiseworthy when you think that they must initially struggle on their own to find financial support.

We will see to it that the Minister responsible for Amateur Sports honours his commitments and quickly puts in place new policies regarding support for our athletes.

* * *

[*English*]

INDIAN AFFAIRS

Mr. John Williams (St. Albert): Mr. Speaker, it has been reported in the media that members and supporters of the Reform Party have been maligned and labelled racist and haters of Indians by certain members of this House.

I find this repulsive and so do more than 2.5 million Canadians across this nation who voted for the Reform Party.

• (1410)

Many of those who supported our party are native Indians. I have two reserves in my riding and they as well find these remarks offensive.

Remarks of this nature serve only to create divisions in our country and foster hatred between different groups of Canadians where there should be friendship and understanding.

It is my fervent hope that the members who have made such offensive remarks will rise in this House and apologize and promise never again to make such hate filled comments, whether in private or in front of this House before the television cameras.

* * *

BLACK ACHIEVEMENT AWARDS

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, February is Black History Month. The black community has a long history in Canada during which, like many other immigrants, black people have substantially contributed to the life of this country with pride and determination.

Every February *Pride* magazine presents the Canadian Black Achievement Awards to members of the black community who have performed outstandingly in their field of expertise and in participating in the life of their communities. The awards recognize and honour the accomplishments, achievements and excellence of African Canadians in 16 different categories of endeavour.

This year *Pride* magazine has recognized and honoured three members of this House who are for the first time representing the constituents of their ridings in the Government of Canada.

The hon. member for Etobicoke—Lakeshore, the hon. member for Vancouver Quadra and the hon. member for Bruce—Grey were chosen for the work each of them did in their communities in their capacities as educator, medical doctor and mayor, respectively, while being active volunteers in many other endeavours.

I am sure all members of this House want to join me in recognizing the three hon. members and congratulating them for their achievements.

* * *

DEFENCE POLICY

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, this week the Minister of Foreign Affairs announced that Canada

was sending 12 Canadian forces personnel to Cambodia to take part in the dangerous task of removing five million land mines which literally cover half of the country.

The terrible legacy of two decades of civil war left a deadly variety of land mines which kill or maim 300 Cambodians every month. It also makes any kind of agricultural activity virtually impossible.

I congratulate the bravery of these 12 Canadian soldiers who are going to Cambodia to support the demining operations there.

In view of the international conventions against the use of biological, chemical and other diabolical weapons of destruction, I will recommend that the use of land mines in warfare be considered on the agenda of the Canadian foreign affairs and defence policy review which this government is preparing to launch very shortly.

* * *

[*Translation*]

SAINT–HUBERT WEATHER OFFICE

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, on October 25 last, the people of Quebec and Canada thought they had elected a new government. Unfortunately, until proved otherwise, this is not the case. Take for instance this important issue affecting my riding, namely the closure of the weather office in Saint–Hubert.

Weather services experts are slated to be replaced by an automatic meteorological observation system which has not yet been perfected and does not differentiate accurately between types of precipitation.

Following the announcement of this highly questionable decision, officials from the Montérégie region asked to meet with the two ministers concerned to review the decision made by the Tories. Will the Minister of Transport and the Minister of the Environment dare reconsider a decision made by the Tories? Stay tuned!

* * *

[*English*]

INDIAN AFFAIRS

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, recently the Minister of Indian Affairs and Northern Development expressed his concern with what he believes is the Reform Party's view on aboriginal Canadians which is that Reformers hate Indians. This allegation, of course, is completely false.

Charges of racism have been used all too often as a means of attempting to undermine the Reform Party. These allegations contribute nothing to the daily performance of this House.

The statements the minister made in this House, which implied that Reformers have shown racist tendencies, are based on the fact that we speak openly and honestly on issues like Indian—

The Speaker: It is the practice in making these statements under Standing Order 31 that no member be directly attacked in this way.

Perhaps the hon. member could rephrase his statement so that it would not be a direct attack.

* * *

• (1415)

VETERANS AFFAIRS

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I rise in support of a special war medal for Dieppe veterans.

For 30 years or more the issue has been in the hands of the federal government. Almost everyone seems to support the idea of special recognition for these very deserving war veterans. Politicians make positive statements, officials meet and promises are made, but nothing really happens. If the country waits much longer all these men will be dead.

I am given to understand that the federal government is now studying proposals on how special recognition might best be provided and that when that is done the government will have several concrete options for veterans' groups to review. Moreover the secretary of state says he sees merit in a war medal for these courageous men.

Let us hope we are near the end of this saga. The gallant veterans of Dieppe have waited long enough. I urge the government to act and act now for a group of fine men.

* * *

CHILD POVERTY

Ms. Paddy Torsney (Burlington): Mr. Speaker, there are just two days left and tickets are going quickly for the second annual gala for child poverty.

The successful event benefits needy children in the Ottawa–Carleton region. It is sponsored by the Fund for a New Generation, a group of active young people who represent all parties in the House as well as the public, private and university sectors. These young people strongly believe in grass roots community support.

I take this opportunity to thank the 100 local merchants and retailers and national sponsors Sun Life Canada, Merck Frosst and the Rider Travel Group. They have made the event possible but they cannot do it alone. Future generations need us now.

I ask members, visitors and pages to stick tapes in their VCRs to catch the Olympics and go to the Museum of Nature this Saturday night. Many children in the Ottawa—Carleton region

need our support. Tickets are available from any of the whips' offices. They should call now. Operators are standing by to take their calls.

* * *

EMPLOYMENT

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, the Liberals are making it more difficult to be a young person with hope. In Regina—Lumsden more and more unemployment insurance claimants are rejected because of the unfair changes to UI.

These individuals cannot find full–time work and are forced to take seasonal or part–time jobs. When these jobs dry up they do not qualify for UI; they go on the province's welfare rolls instead. They are not lazy. They are underemployed because there are simply not enough full–time jobs to go around.

The Government of Saskatchewan addressed the issue of unemployment in its recent budget with a job creation program. Unfortunately the federal budget will mean more unemployment for Saskatchewan and more people dependent on welfare.

The changes to UI simply offload federal costs to the provinces and continue the Tory tradition of disguising how many unemployed people there really are by shifting them to welfare.

The Liberal government does not get it. The unemployed do not want to be unemployed. They only wanted one thing from this government: real jobs. Instead they got snow jobs.

ORAL QUESTION PERIOD

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

Unexpectedly, to the dismay of francophones in Quebec and Canada, the government wants to close the military college in Saint–Jean. It is the only French–language military college in Canada and enables francophones to advance in the armed forces in their own language. Since it was founded, this college has trained several generations of brilliant French–speaking officers.

I ask the Prime Minister if he does not admit that by closing the Saint–Jean college in an arbitrary and underhanded way, he is sending a message that there is no more room for francophones who want to become officers in the Canadian armed forces in their own language and environment.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the government does not take such action on a whim. We had a recommendation to close the Royal Roads Military College in Victoria and the one in Saint–Jean, Quebec.

Royal Roads was established in 1942 and Saint–Jean in 1952. We decided to close them both and to keep the one in Kingston, Ontario, where both official languages of the country will be taught. There are many French–language institutions that work very well in Ontario.

I would remind the Leader of the Opposition that many times he recommended cutting military spending by 25 per cent. If we had followed his recommendations, not only would we have closed the military college in Saint–Jean but we would also have had to shut down the facility in Bagotville, in his region.

• (1420)

Hon. Lucien Bouchard (Leader of the Opposition): I have trouble understanding how one can say such things when the Canadian armed forces already spend only 13 per cent of their capital budget in Quebec.

But, Mr. Speaker, if you allow me, I would remind the Prime Minister that the college in Saint–Jean was founded to end the scandal of an army that resisted the French fact and that the college in Kingston was indeed one of the bastions of that hostile attitude.

I want to ask the Prime Minister if he does not admit that his government's decision is taking us back 40 years and wiping out a symbol of success for the French fact in Canada.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I am sorry, perhaps that was the problem in 1952, but since then, we passed the Official Languages Act. The best example I can give the House now is that the chief of Canada's armed forces, John de Chastelain, is a perfectly bilingual anglophone, which proves that the Canadian armed forces have changed a lot since 1952.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, we all noted with interest that the Prime Minister admitted that until 1952, it was a problem. Indeed, the problem was that the French fact was not recognized and was snubbed by the Canadian armed forces and that Kingston was a prime example of such rejection.

Can the Prime Minister confirm that closing the college in Saint–Jean is the result of last–minute pressure from the Liberal caucus to help the closure of military bases go down better in the rest of Canada?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, that statement is totally false. The problem was not even raised in the Liberal caucus.

I would say to the hon. member that he should think twice before making statements like that. If we had cut 25 per cent as he asked and as he called for dozens of times in the election campaign, not only would we have closed Saint–Jean, but we would have closed the military base in Bagotville at the same

time. Furthermore, I think that the new Canada can have a completely bilingual institution in Kingston, Ontario, where they have one of the best universities in Canada.

Mr. Michel Gauthier (Roberval): Mr. Speaker, in an article published this morning and entitled "Kingston, a choice made for reasons of economy and national unity", the Minister of National Defence says, and I quote: "I am tired of those Quebecers who claim to be the only ones protecting the French fact in Canada". The minister goes on to say: "In Canada, francophones must feel comfortable everywhere. That was the dream of Mr. Trudeau and the Liberals of old".

Mr. Speaker, given those comments, are we to understand that, to get rid of those Quebecers he is tired of, the minister intends to give to Kingston the responsibility of training French–speaking officers?

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I stand by what the Minister of National Defence said. There is a possibility.

[*Translation*]

I once was the member for Beauséjour. When I was there, I attended the University of Moncton, where some law classes are taught only in French. I visited the University of Sudbury and the University of Ottawa. I was also invited to Glendon College, in Toronto. It is possible to find institutions in Canada, outside Quebec, which provide first–class education in French, and that is what Canada is all about: ensuring the preservation of French all across the country.

Some hon. members: Hear, hear.

Mr. Michel Gauthier (Roberval): Mr. Speaker, how can the Prime Minister, who supports the comments made by his minister to the effect that he is tired of Quebecers who try to protect the French fact in Canada, believe that they will trust him when it comes to protecting the interests of the French language, while he and his government are about to close the only institution for the training of francophone officers in the Canadian Forces?

• (1425)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I am very pleased to see the hon. member defending federal institutions in Quebec. I am really very happy to see that. I hope that the hon. member will now start saying that he knows more than his small region.

Some hon. members: Oh,oh!

Mr. Bouchard: The small region of Lac–Saint–Jean, is that it?

Mr. Chrétien (Saint–Maurice): I want to say something to the leader of the opposition. If, some day, he succeeds in leading Quebec to independence, his neighbour's children will not have the option of becoming American citizens. In an independent Quebec—

Mr. Gauthier (Roberval): Is he talking about my children?

Some hon. members: Oh, oh!

Mr. Chrétien: It is true. We, on this side, believe that there are federal institutions in Quebec and that one can be a proud Quebecer, a proud Canadian and a proud francophone everywhere in this country.

Some hon. members: Hear, hear.

[*English*]

Some hon. members: More, more.

The Speaker: Order, please. I am starting to feel like the Maytag repairman. With my colleagues' kind permission we will hear from the member for Calgary Southwest.

* * *

EMPLOYMENT

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I am wondering what happened to our resolve to conduct ourselves a little differently than in the past.

My question is for the Minister of Human Resources Development. The premier of Quebec announced that it was the objective of his government to reduce unemployment in that province by 1 per cent this year.

Does the federal government have an unemployment reduction target for the country as a whole and, if so, what is it?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would like to respond to the hon. member for Calgary Southwest by pointing out that one of the reasons the premier of Quebec is able to target a reduction of 1 per cent unemployment per year is that there is a federal government in Ottawa providing great assistance in job creation right across Canada and helping Quebec, Alberta, British Columbia, and every other province to reduce the number of unemployed.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the minister's reply is simply too vague, particularly on an issue of such personal importance to millions of Canadians.

In the name of those Canadians my question is: Does the minister have specific targets for reducing unemployment in 1994–95, public sector targets, private sector targets or national targets, and if he does, can he tell us what they are?

• (1430)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, there are two answers for the hon. member. The real target for members of the government is to put into place job creation programs, such as reducing UI premiums

that will create over 60,000 jobs; an infrastructure program that will create over 65,000 jobs; a youth corps that will create over 15,000 jobs; an apprenticeship program that will create 15,000 or 20,000 jobs. The government is in the job creation business.

If the member wants the targets I suggest he read the budget papers because the information is in the budget papers. Maybe he should learn to read before he asks questions.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the red book and the throne speech promised jobs. Yet the budget predicts that unemployment will fall from 11.2 per cent last year to 11.1 per cent this year, a drop of only one–tenth of 1 per cent.

Will the minister acknowledge that this is not good enough, that the job impacts of the budget presented on Tuesday are negligible in 1994–95 and therefore unacceptable to unemployed Canadians.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, with all due respect to the hon. member I think he has been attacked by a slight case of schizophrenia.

Yesterday he was in the House of Commons in high dudgeon speaking about the need to cut government expenditures, to get all the expenditures down, which would put thousands and thousands more Canadians in the unemployment ranks. Now he is asking us how we are going to put people back to work. He cannot have it both ways.

* * *

[*Translation*]

THE BUDGET

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my question is directed to the Minister of Finance.

Last December, the Liberal government raised unemployment insurance premiums to $3.07, a tax increase of several hundred million dollars for 1994. The new Budget reverses this decision but will maintain the tax until next December. The government claims that the rate reduction will create 40,000 jobs, starting next January.

Would the minister agree that a roll–back is necessary right away, and that based on what the minister said, the premium increase, a real tax on jobs, will cost us about 40,000 jobs between now and next December?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, I am glad to hear the hon. member agrees with the number of jobs we will create by lowering unemployment insurance premiums, after the increase we had to introduce as soon as we came to power because of the deficit inherited from the previous government. If you look at the number of jobs we will create, our roll–back is in line with our infrastructure program and our job creation program which was welcomed by everyone. It is really excellent.

Let me quote the following: "The unemployment insurance premium roll–back is a major incentive for small business. By cutting social costs you get more jobs"; this was said by John Bulloch, President of the Canadian Federation of Independent Business. "It should provide the conditions that will help the private sector create jobs. And I think that is the tenor of this budget"; this from Anne–Marie Hubert, accountant, participant at the conference in Montreal. "I think the minister has brought down a budget that goes as far as the government can go towards—"

The Speaker: Order. The hon. member for Laurier—Sainte–Marie.

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, thank you for interrupting the minister's quotes from favourable press clippings.

It is really incredible. The minister tells us: "You agree this will create 40,000 jobs, and it certainly will, especially since this year we are going to cut 40,000". Now that is quite an achievement. Mr. Speaker, this is like the cha–cha–cha: one step forward, two steps backward. The minister admits that this year he will be cutting 40,000 jobs, and he says that next year, he will save 40,000 jobs.

Why does he not do something right away and save several hundred million dollars in the process? This measure will create unemployment, because—the minister admitted this himself—they want to create jobs because this year they are creating unemployment.

Does the minister feel his policy is responsible, yes or no?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, the answer is, of course, yes.

• (1435)

According to statements by the vast majority of union and business leaders, because we made it very clear that we are going to freeze spending— that is how we can do this roll–back—we are creating the kind of optimism that will create jobs. And here again, I could quote, if you do not interrupt me, Mr. Speaker, "This is the right way to go, because it is essentially a social cost, and if we can reduce the tax on jobs, this will have a positive impact on employment growth". That is one quote, but there are thousands, Mr. Speaker.

Some hon. members: Hear, hear.

[*English*]

Mr. Randy White (Fraser Valley West): Mr. Speaker, my question for the Minister of Finance affects all Canadians and not just one province.

Page one of the budget plan states that the government will meet an:

—interim target of a 3 per cent deficit–to–GDP ratio by 1996–97.

If 3 per cent is the interim target, is the ultimate target to reduce the deficit to zero?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Yes, Mr. Speaker.

Mr. Randy White (Fraser Valley West): Mr. Speaker, somehow I expected that answer.

The obvious question for the minister then is when does he forecast a successful attempt in getting to zero?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, we are on the road to that with this budget. It is the first important step.

Again, I would want to go through a whole bunch of citations.

An hon. member: No, no.

Mr. Martin (LaSalle—Émard): But they are so good, Mr. Speaker.

It is very clearly our ultimate goal. It is a goal that we have set out with this budget. As we begin to approach that goal there is another goal that we intend to implement at the same time and that is reductions of taxes because that is very important to a nation which is overburdened.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux–Montagnes): Mr. Speaker, my question is also for the Minister of Finance.

In his budget speech, the minister chose to target the middle–class and particularly middle–income seniors. He has decided to take $490 million out of their pockets over the next three years.

Does the Minister of Finance realize that he is adding unacceptably to the fiscal burden of 800,000 seniors by digging into the pockets of every senior earning over $35,000 to find an extra $560 over two years?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, first of all, 95 per cent of seniors will be entitled to all or part of the age credit. Only 5 per cent of seniors will no longer be entitled to any credit whatsoever.

All we are really doing is bringing the age credit in line with other revenue–based credits.

I might add that our budget does not affect in any way Old Age Security, the Guaranteed Income Supplement or the pension income credit.

Mr. Paul Mercier (Blainville—Deux–Montagnes): Mr. Speaker, the 800,000 people I was referring to are over and above this 5 per cent.

Why did the minister choose to target middle–income seniors rather than making sure that all corporations pay minimum tax or doing away with outrageous family trusts?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, there are two questions in one and I will answer both. As far as seniors and the budget are concerned, if I could just quote the famous Mrs. Solange Denis who was quoted in this morning's edition of *Le Droit* as saying: "We must be careful not to think that we can do as we please because we are senior citizens. Seniors must do their share; the deficit is enormous and every one knows that a concerted effort is required". Certainly, we will take the word of Mrs. Denis on this. Now, Mr. Speaker, the question was put to me—

• (1440)

Mr. Loubier: One question, was it?

Mr. Martin (LaSalle—Émard): No, there were two. At any rate, he is much cleverer than you are.

Mr. Speaker, in response to the question on family trusts, about what we plan to do, allow me to refer the hon member to a speech made by the Bloc Quebecois critic for finance, who said in essence that the same thing applies to family trusts, that there are no really comprehensive studies on the subject, that the Bloc Quebecois reiterates its request that a parliamentary committee be struck.

* * *

[*English*]

GOVERNOR GENERAL

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the Minister of Finance, and he will happy to know he will not need reams of paper to answer it.

Last night CTV reported that the Governor General was using a Challenger jet to shuttle between Ottawa and Arizona for a total cost of $160,000. I know that we would all like to head—

Some hon. members: Oh, oh.

Mr. Marchi: There's the wild thing. Those westerners are expensive.

The Speaker: Order. As a general practice questions about the Governor General are not handled in the House. Perhaps the member could somehow phrase his question so that he could elicit the information he wants without reference thereto. The hon. member for Wild Rose.

Mr. Thompson: Thank you, Mr. Speaker. I was surprised I even had to talk about Challenger jets. I heard they were for sale.

I wonder if the finance minister would agree that it is time the government started showing some restraint in this kind of spending in these tough times.

Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I think it is the same for the Governor General as it is for the Prime Minister. When the Governor General and the Prime Minister travel, questions of security are decided along guidelines established by the security service of the RCMP.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, I can accept that security may be important. I am not sure if it is or not. I would like to check into it more.

Some hon. members: Oh, oh.

Mr. Gauthier (Ottawa—Vanier): That's disrespectful of the G–G.

Mr. Thompson: Probably security can be a factor. However I believe there might be better ways of doing it.

Mr. Manley: Just ask General Renfrew.

Mr. Thompson: The next question I have for the minister is: Would the finance minister be willing to take on an immediate, full scale review of pay and perks for all employees of the people of the country to put a stop to extravagant spending?

Mr. Marchi: They just froze it for goodness sake.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, in the budget the Minister of Finance indicated that a review of all boards and appointments is being conducted at this time under the authority of the minister in charge, the President of the Privy Council. We are reviewing everything to make sure there will be no unnecessary spending.

In the case of the Governor General, I did not complete my answer to that. The same principle applies as to Her Majesty the Queen.

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[*Translation*]

THE BUDGET

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, my question is for the Minister of Finance. The budget speech brings us 20 years back by taking into account the spouse's income and dependant children to establish the level of UI benefits.

Does the minister not agree that it is women who will bear the brunt of the changes brought about by his budget since they will have to prove whether or not they have a spouse or dependant children?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, it is very clear that the role of women is very important in the unemployment insurance reform we are presenting, as indicated by the fact that we have substantially increased benefits for single mothers. We did away with the draconian measures imposed by the Conservative Party. When you look at the reform, it is very clear that the women's role is very important to us and that we will act accordingly.

• (1445)

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, does the minister recognize that the enforcement of the new changes will require the establishment of a monstrous control system similar to a gang of boubous–macoutes which will harass women?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the only monster around is in the mind of the hon. member.

The fact is that the administration of this new effort to help those most in need will be based upon those who are eligible for the child tax credit, which is a basic standard form that is applicable to all Canadians.

I would like to ease the fears of the hon. member and tell her that if she has any more problems with monsters, she may want to talk to the Leader of the Opposition about that.

* * *

NATIONAL DEFENCE

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of National Defence.

Yesterday this House voted on establishing a joint parliamentary committee to review and revamp defence policy. On Tuesday night the Minister of Finance announced cuts to defence and the closing and downsizing of over 20 military installations.

My question to the Minister of National Defence is this. Could he inform the House as to what criteria was used in selecting the bases to be downsized and cut? Can he give this House an assurance that the actions in the budget of two nights ago will not prejudice the work of the defence review committee?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I answered a similar question in the House a few weeks ago.

We cut in such a way as to deal with the surplus capacity, the excess infrastructure, so as not to prejudice the outcome of a defence review.

I regret that many installations were deemed surplus after an exhaustive review by our officials and thorough costing was done. In fact one in the hon. member's constituency has been severely hurt and I do regret that. We are trying to work with him and the other members affected to see if mitigative measures can be put in place to help those local communities replace some of the economic activity that has been lost.

* * *

INDIAN AFFAIRS

Mr. David Chatters (Athabasca): Mr. Speaker, my question is for the hon. Minister of Indian Affairs and Northern Development.

It is my understanding that the previous government and native leaders agreed not to discuss Bill C–31, a bill defining band membership as part of ongoing discussions regarding land claims and native self–government. In fact, they agreed to leave that matter to the courts for a decision so that land claims and self–government discussions could proceed more quickly.

If native leaders made this agreement with the previous government and were satisfied with it, why is the present minister dragging Bill C–31 into discussions with native leaders and bands?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is a different government.

We started with the premise that the inherent right of self–government exists. We look at communities, watersheds and cultural aspects. We do not say that an aboriginal person on a reserve is any different from an aboriginal person off that reserve during negotiations.

It is very sensitive. I know there is strong feeling within the bands across Canada. Part of the problem is on the return. No one knew this was coming on the return. Everybody estimated it would be about 10 per cent of those people reinstated wanting to return to the reserve. In fact, it is closer to 40 or 50 per cent and it provides tremendous pressures on the chiefs.

Notwithstanding all that, dealing with the people who legitimately belong to bands is part of the ongoing discussions. That is the policy of this government.

Mr. David Chatters (Athabasca): Mr. Speaker, I am not sure if that answered my question or not. Native Canadians arrive at agreements with governments and rely on governments, no matter what party is in office, to honour those agreements.

My supplementary is this. The minister has yet to clearly deny or confirm that he told members of bands in my riding that Reformers hate Indians. Will he rise in this House today and give an unequivocal yes or no. Did he so label Reformers as haters of Indians, yes or no?

The Speaker: The hon. Minister of Indian Affairs, if he wishes to answer the question.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think it is very important. The Reform Party of Canada has asked me several times if I at a private meeting said that the Reform Party of Canada hates Indians. As I said yesterday in this House, I do not recall making such a statement and others do not recall me making such a statement.

• (1450)

However, if I did or even if the Reform Party thinks I did, and I think that is important, let me state categorically to all members of this House and to all Canadians that I do not think the Reform Party of Canada hates Indians.

Notwithstanding partisanship, Mr. Speaker, the House of Commons must continue to function. All of us in this House must work together to improve the quality of life for all the First Nations of Canada.

* * *

[*Translation*]

SOCIAL HOUSING

Mrs. Monique Guay (Laurentides): Mr. Speaker, my question is for the Minister of Finance.

When the Liberals were in opposition, not only did they condemn the cuts to social housing made by the Conservative government, they also pledged, if elected, to restore funding in this area.

Can the minister explain to us why the budget contains no measures to restore funding for co–operative and non–profit housing? Why is he reneging on commitments he made during the last election campaign?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I want to thank and congratulate the hon. member for keeping this issue before the House. If the hon. member has anything besides congratulations for the Minister of Finance, I think she should look at the budget and see what the Minister of Finance did.

The minister is providing $2 billion under direct financing for the purpose of social housing, $100 million is reaffirmed for the purpose of RRAP which is social housing, and savings which accrue to approximately $120 million over four years are for the purpose of social housing which has yet to be defined depending upon consultations with the various stakeholders.

I say to the hon. member and her party that they should congratulate the Minister of Finance for his commitment to social housing.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, during the election campaign, the Minister of Finance made the following promise to groups and I quote: "There is no question that a Liberal government would see to it that funding was restored to these areas". What happened to this nice promise?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I refer the hon. member to table 7 of the budget plan which clearly spells out the commitment of the Government of Canada as it relates to social housing.

The hon. member and her party may wish to disagree as to whether the RRAP is social housing or not. We on this side of the House believe it to be social housing because it helps provide low income Canadians with necessary assistance to make improvements to their homes.

That is social housing. That is a live commitment by the Minister of Finance.

* * *

JUSTICE

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister of Justice.

Three weeks ago the decisions on the Martensville child abuse case were released. There is an uproar in Saskatchewan from all those involved in this case. The people of my province are demanding an official inquiry.

Will the minister press the Saskatchewan authorities to initiate an inquiry in this case?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I should first thank the hon. member for his consideration in giving me advance notice of the question.

At least part of that case is still before the courts. Anything I say ought not to be taken as a comment on the case but I am happy to speak to the subject generally.

As the hon. member implicitly recognized in his question, the issue whether there ought to be an inquiry is a provincial matter. I have no doubt about commitment of Attorney General Robert Mitchell of Saskatchewan to the integrity of the administration of justice in his province.

I have every confidence that he will confront the decision whether to order an inquiry in accordance with appropriate factors but it really is a matter for the attorney general of that province to deal with.

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, my supplementary question is for the Minister of Justice. The ugly reality of child abuse in our society demands a response from us as leaders.

What plans does the government have to help Canadians work toward preventing this type of horrible crime against innocent children?

• (1455)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Again, Mr. Speaker, without referring to the Martensville case itself, would you permit me to express to the hon. member the confidence that I have in the effectiveness and the responsiveness of the criminal justice system to deal with these hateful crimes of child sexual abuse.

The fact is they do present extraordinary challenges in terms of the police investigations, the prosecutions, and for the judges and juries who must decide them.

There have been changes in the criminal law in recent years, including bills that have made it easier for victims of alleged crimes to testify, to have attendance with parents or friends in the courtroom, and to use screens so they need not confront the alleged attacker. May I remind the hon. member as well of the steps we outlined in our platform document that we intend to take to deal with this issue, including the creation of a national register of child abusers.

I am confident in the present system. This government has plans to improve it further so that we can deal with this very difficult and hateful crime in an effective way.

* * *

GOVERNMENT EXPENDITURES

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Mr. Speaker, my question is for the President of the Treasury Board.

There is a perception among many Canadians that government departments seek to avoid future budgetary reductions by recklessly draining their budgets at fiscal year end. Will the minister tell this House how he will implement the red book commitment to exercise unwavering discipline in controlling federal spending?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, there is indeed that perception on the part of Canadians about rushing to spend the money before the year runs out. Of course, under the Financial Administration Act it does lapse. Perhaps from time to time it means that managers will spend prematurely or money will be expended prior to when it needs to be.

To combat that we have in this current fiscal year put in place the opportunity to carry over a percentage of the budget so that spending can be done at more appropriate times beyond the year end. I am pleased to inform the hon. member and other members of this House that as of now we have made the decision to increase that amount to 5 per cent of operating budgets. That should severely curtail at least the perception and of course the

reality of that past practice so we can ensure the effective and efficient use of taxpayers' dollars

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[*Translation*]

GOVERNMENT EXPENDITURES

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, my question is for the Minister of Finance, but first of all, on behalf of all members of the Bloc Quebecois, I would like to express our solidarity with the people of Saguenay—Lac–Saint–Jean and our disappointment with the comments made by the Prime Minister earlier in this question period.

In his budget, the Minister of Finance announces a slight reduction in government expenditures of only $400 million and postpones until 1995 the real decisions on streamlining the government's administrative machinery. Thousands of statements condemn him in this regard.

Why did the Minister of Finance not act this year to implement without delay the repeated recommendations made year after year by the Auditor General to streamline government and reduce waste estimated at several billion dollars?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, regarding not only the cuts but also our plan to streamline government and to really make it much more efficient, in co–operation with the President of the Treasury Board and the Minister responsible for Public Service Renewal, we have outlined in our budget the most substantial government reform process since World War II.

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, does the minister not agree that, by acting without delay on the government cuts recommended by the Auditor General year after year, he would show a real political will to end the waste of public funds instead of going after the unemployed, the poor and the aged?

• (1500)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, as we already stated in this House, we accept the great majority of the Auditor General's suggestions and we intend—we said so in the budget—to implement them this year. That is our intention.

[*English*]

FISHERIES

Mr. John Cummins (Delta): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The enabling authority for the aboriginal fishing strategy will expire this spring. As I understand it cabinet must review the program and then rule on whether to continue or terminate it.

Will the minister tell us when we can expect such a decision, whether the decision will be made in splendid isolation, or will input be sought from those affected by the program?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for Delta for his question.

The member will know I had the great privilege and honour to be in the province of British Columbia within the last two weeks. I met with many groups while in British Columbia. With each and every group I talked to, including during an address to the Pacific Trollers Association, we had a discussion of the aboriginal fisheries strategy.

Certainly consultation is not being done, to quote the member, "in splendid isolation". May I say that I would welcome input from the member either on the floor of the House, in committee, or privately on this important subject.

The government will be seized of the matter within the next number of weeks. We will conduct the review as is appropriate. We will be glad to report our findings to the country as a whole through the auspices of the House of Commons in the appropriate way and time.

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PUBLIC SERVICE

Mr. Nelson Riis (Kamloops): Mr. Speaker, the minister responsible for public works indicated that the government had demonstrated a sensitivity for seniors with the continuation of the RRAP. I agree. The Minister of Finance indicated some sensitivity to low income Canadians with special responsibilities by having a benefit differential with the UI changes.

My question is for the Minister of Finance. When the decision was made to freeze salaries of the public service across the board, and recognizing the tremendous variation from very low paid jobs to very high, why did he not show the same sensitivity to those people who work for the government? Why did he not recognize that to freeze those wages for everybody is quite different in terms of impact for somebody making $20,000 a year and somebody making $120,000 a year?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, prior to the budget being brought in I consulted with employee representatives, the various union leaders, with respect to the fact that in order to get the deficit down we were going to have to make some of the cuts on the wage bill. We looked at various options. I told them that we were looking for up to a billion dollars. I got their input on this matter.

First and foremost union representatives said that they wanted to preserve jobs. That is what we took. We found that the best way to make those cuts was to extend the wage freeze and to try to preserve jobs.

We looked at a lot of other options: everything from wage rollbacks to the kinds of measures that the hon. member's leader in Ontario had taken, but those Rae days, those kinds of measures were very unpopular with the union. We did what we believed was best to preserve the jobs for our employees.

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POINTS OF ORDER

WITHDRAWAL OF COMMENT

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I rise on a point of order to say that during my response to the member for Calgary Southwest I used the word schizophrenia. I would like to withdraw that remark. It was inappropriate to use it in that context.

COMMENTS DURING QUESTION PERIOD

Mr. Ray Speaker (Lethbridge): Mr. Speaker, my point of order is with regard to citation 495 of Beauchesne's under the documents cited section.

• (1505)

Today the Minister of Finance cited a number of documents in his responses to questions. I was wondering if we could have the minister table those documents in respect to citation 495.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, I would be delighted to accede to the request. I would not only like to table these documents but I have a pile more I would like to table as well.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, as is customary at this time, I would like the Government House Leader to tell us what the business of the House will be for tomorrow and next week.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I am pleased to provide the weekly business statement.

Today the House will continue with the budget debate. Tomorrow the House will proceed to second reading of Bill C–14, respecting the borrowing authority. We will continue this debate when we come back on Monday, March 7 and if it is completed before the end of the day, we will return to consideration of Bill C–7 and Bill C–5.

Tuesday, March 8 shall be an allotted day and there will be a vote on the budget subamendment at the end of the day.

On Wednesday, March 9 we will continue with the budget debate. On Thursday, March 10 we will conclude the budget debate with the votes, if any, at the end of the day on Thursday.

On Friday, March 11 we will commence the report stage of Bill C–3 respecting federal–provincial fiscal arrangements. Of course we will consult further about any other business that day.

Finally my parliamentary secretary has some motions to move on consent which I understand he will do as soon as I complete these remarks.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I think you would find unanimous consent for the following. I move:

> That, pursuant to its order of reference of February 8, 1994, concerning the modernization and restructuring of Canada's social security system, the House authorize the required personnel of the human resources development committee to travel from place to place for the purpose of preparing and holding video teleconferences of committee sittings during the week of March 6, to 12, 1994 in the following cities: Vancouver, Edmonton, Windsor, Quebec and Sydney, Nova Scotia.

I should state that I am informed the total approximate cost of the travel contemplated by this motion and authorized by this motion is $11,000.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to.)

Mr. Milliken: Mr. Speaker, I have another brief motion and I believe again there is unanimous consent. I move:

> That, if a recorded division is demanded on Monday, March 7, 1994 at the conclusion of the debate on second reading of Bill C–14, an act respecting borrowing authority, such division shall be deferred until Tuesday, March 8, 1994 at 6.30 p.m.

The Speaker: Members have heard the terms of the motion. Is there unanimous agreement?

Some hon. members: Agreed.

(Motion agreed to.)

The Speaker: Today during statements by members I recognized the member for Red Deer but the member for Vegreville made a statement. The record will be corrected to show that it was the member for Vegreville who took the floor.

* * *

• (1510)

THE LATE DOUGLAS CHARLES NEIL

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, I consider it an honour to rise in the House today to pay tribute to a veteran honourable member and a friend of this place.

Hon. Douglas Charles Neil passed from this world on Monday, February 21. Mr. Neil served his community and country well. Along with community service Mr. Neil, like so many others, was part of the overseas forces during World War II. As a member of Parliament, Doug had nothing but the highest respect from his colleagues as well as from his constituents. He truly was an honourable member.

He served as member for Moose Jaw from 1972 until 1984. This was the southern and urban part of the current riding of Moose Jaw—Lake Centre, the electoral district which I am now privileged to represent.

Although I did not know Doug personally I have heard many in my riding refer to him and the service he gave to them, to his country and to the House. These references of which I speak were without exception favourable and commendatory.

Just today I was reading through press accounts of Doug's passing. I am struck by the deep sense of loss many of his personal friends are expressing at this time. Even stronger than that sentiment is the gratitude and respect these friends hold for Mr. Neil. Truly his life of service impacted his fellow citizens in a profound way.

I join all those who sorrow at this time of Mr. Neil's death. On behalf of members on this side of the House I express my sincere condolences to his wife, Charlotte, and to his family. I also join in the recognition that Doug Neil has had and will have a lasting influence for good. May his memory be blessed.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food): Mr. Speaker, it was my privilege to know the late Doug Neil and to serve with him for a term in the House in the 1970s.

Doug was first elected as the member for Moose Jaw in 1972 and he served as a member of Parliament until 1984. From 1974 until 1979 it was my honour to represent the Saskatchewan constituency of Assiniboia which at that time was right next to the constituency of Moose Jaw.

Doug and I shared a common interest in issues such as agriculture, transportation and rural affairs. We had many encounters on these issues and others in the House, in the Standing Committee on Agriculture, in the Standing Committee on Transport and on many public platforms, especially in western Canada. We obviously had our policy disagreements, but I believe we also shared a mutual respect for each other and a profound commitment to the well–being of those we were elected to serve.

Prior to his career as a member of Parliament, Doug Neil distinguished himself as an RCAF navigator, a barrister and solicitor, a Moose Jaw city councillor and an active contributor to his community through such vehicles as the Moose Jaw Wild Animal Regional Park, the Royal Canadian Legion, the United Services Institute and the Moose Jaw Kinsmen and K–40 organizations.

Doug Neil was well known and well respected in Moose Jaw. He was a proud citizen of Saskatchewan and Canada. He was a successful and effective member of Parliament and a dedicated servant to his community. He will be missed.

I wish to join with the hon. member for Moose Jaw—Lake Centre to express on behalf of the Government of Canada our sincere condolences to Mr. Neil's family.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, although I did not know Douglas Charles Neil personally, I would like at this time, on behalf of all my Bloc Quebecois colleagues, to extend my deepest sympathies to the family and friends of the former member for Moose Jaw, Saskatchewan who served in this House from 1972 to 1984.

• (1515)

[*English*]

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, it is my honour this afternoon to join with my colleagues of this assembly to extend deepest sympathies on behalf of the New Democratic Party caucus to the family of the late Doug Neil, the former member for Moose Jaw in Saskatchewan.

We are very saddened to learn about Mr. Neil's death. We do acknowledge that he and his family committed a great deal of time and energy, to serving Saskatchewan, to serving Canada and to serving the farming community in western Canada.

Along with my deskmate, the member for Saint John, a Conservative Party member, and on behalf of the NDP members, I offer my deepest sympathies to the family.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government; the amendment; and the amendment to the amendment.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, after listening to the response to the budget proposal of Tuesday and examining very carefully the comments of members of the opposition, outside commentators and others, I am struck by one very sad and disappointing realization.

People still have not come to grips with the fact that there is a jobs crisis in this country just as there is a jobs crisis right around the world. They have not really come to terms with the reality but we are going to have to look at a fundamental change in employment strategy for this country and begin to make the changes to make it work.

[*Translation*]

The Bloc Quebecois, out of sheer partisanship, is claiming that the budget is an attack on the unemployed. However, what it neglects to say is that the budget is an attack on unemployment. The Bloc prefers to see people remain on unemployment insurance rather than have a chance at getting a job.

[*English*]

The difference is that we want people to go back to work while they want to protect the status quo. They want to protect the old way and not look to create new opportunities.

The Reform Party has elevated the reduction of the deficit to an end in itself, not what it will do, not what impact it might have, but an end in itself to the point even that the member for Medicine Hat rises in this House and says that we should have a complete cancellation of government programs for training at a time when every single whip would know that the best investment we can make is in the people of this country.

The outside commentators who have commented on the budget have said that the government in reducing UI benefits, is doing what the Conservatives said they were going to do. What they ignore is how the changes we made are designed to put people back to work.

It is about time in this Chamber, in this city and across this country that we begin to examine seriously how to create work, how to find work for Canadians, how we distribute work and how we prepare people for work. That is the overriding, ever compelling responsibility of this government and it should be the responsibility of all members of this Chamber.

The shortage of jobs is world–wide. We know that. It is not simply happening in Canada. In two weeks time, there will be a major job summit of the G–7 countries at which we are going to come together to examine this shrinkage of employment, the shredding of jobs.

The OECD has said that the number one employment problem in European countries is the lack of job creation. We are finding increasingly that all the old standards, all the old formulas no longer work. One pushes the levers of productivity, competition and growth and it does not end up in jobs. It is like pushing a wet string.

Therefore we have to put our minds to the serious question of how we begin to find jobs. That means that we have to take a look at what is happening in the employment market of this country. For example, 10 years ago part–time work was about 10 per cent of all jobs created. It is now close to 20 per cent.

• (1520)

In the 1990s all new jobs will require a minimum of post–secondary education. Between 1990 and 1993 jobs held by university graduates increased by 17 per cent, those held by high school graduates increased .5 per cent, and the jobs held by those who did not graduate from high school decreased by 17 per cent.

That is an enormous revolution in the world of work. We have members in this House unable, unwilling and not ready to begin facing that new reality, talking about defending the old ways of doing things. The world of work is changing and it is about time members opposite began to change with it.

I have just come from a meeting of a group of labour leaders, business leaders and academics, a special group I have established to look at this question of work, the distribution of work, and who are prepared to join a common cause to look at this issue. The conclusion at the first meeting is clear. The traditional strategies of productivity and economic growth are not working any more. The time for political posturing is over.

I would say to members who have spent a great deal of time in this House, Reform members, Bloc members, our own members, we must make Parliament relevant again. The best way to make Parliament relevant is to start talking about relevant things such as how we get people back to work.

That is what the budget of Tuesday did. It began to set the stage, the foundation, the framework by which we can begin to create a new employment strategy for Canadians. That is what Canadians want. That is why they elected us in October.

All the other smoke–screens and masquerades and charades that we have heard will not mask the fundamental fact that the deep, abiding, overwhelming commitment of all members of this government is to get Canadians back to work. We invite members opposite to help us in that task. Just take a look, let us

clear away all the attempts to short–circuit and create smoke–screens.

Let me give some clear indication of our commitment to job creation. The leader of the Reform Party wanted to know what we are going to do about it.

The infrastructure program has been part of the budget, 65,000 direct jobs and perhaps close to 130,000 indirect jobs as a result. The youth service program has 17,000 as a first estimate. By an interim program to help get young people from school into the workplace we are talking about 60,000. On the reduction of the UI premiums alone, from a statutory requirement to be raised to $3.30 by 1995 will be brought down to $3.00 which in itself will create 40,000 jobs.

On a rough total, my mathematics are pretty simple, that adds up to over 180,000 to 200,000 jobs forecast by direct initiatives of this government alone.

We believe that will set the climate in which the private sector can respond. It will begin to set the engine rolling, it will begin to put a catalyst in the system so once again people will no longer have the insecurity of not knowing where the jobs are. They will know they have a government that cares where their jobs are and that is going to do something about it.

When we hear all these cherry–picking criticisms, let us not forget the central task that we have to begin to mould our programs, our initiatives and our policies around that central fundamental issue of how to get people working again.

Let me talk for a minute about the unemployment insurance changes. Members opposite have made a great deal of effort to try to distort the actual meaning of what took place. How can they distort the fact that in every single consultation that the Minister of Finance had, in every single meeting right across this country, we heard small business say to us that if we reduce the premiums, if we begin to reduce the burden of the payroll tax, if we begin to show for the first time that we are prepared to give small business a chance, it will go out and create work for Canadians?

That is exactly what we have done. We have started a contract with the small business community across this country to say: We are beginning to do our part, now do yours. That is the message in the budget.

• (1525)

To give one example, if there is a small enterprise of 100 employees, the net effect of the changes announced by the Minister of Finance would be a net saving to that employer of $30,000. There is one new job all by itself. What is wrong with that and why do members opposite oppose creating another new job in a small business?

I want answers from them because they have not given them so far. All they are asking is how do we keep people on unemployment insurance. They do not ask how we put people back in the work place. That is the question they should be asking themselves.

Certainly we have made a very clear linkage between one's work history and the amount of benefits provided. Some ask why. I would like to cite a couple of examples. It is time we began to break that sense that UI itself has become part of the wage scale of so many Canadians.

I have a copy of a letter written to the Minister of Finance from someone living in a small town in British Columbia. The letter says: "The people in this town do the necessary work and then refuse any further work until next year. They feel that the only time they need to work is to build up their UI claims and that they do not feel the need to do further work". The sad part about this is that they say their children are beginning to do the same.

We are building a culture in which we are saying that the only requirement is to get a bare minimum of 10 weeks and then one can be on pogey for the next 42 weeks. There is no relationship between work and benefit. We believe that unemployment insurance is crucial. It is a vital program. It is an essential program but it shall not be used to provide a replacement for work. It should be simply—

Some hon. members: Hear, hear.

Mr. Axworthy (Winnipeg South Centre): That is what the members opposite want us to do. They want to perpetuate a system that is killing jobs in this country and destroying the incentive to work.

I think it is disgraceful at this time when there are so many unemployed Canadians that we have an opposition that says keep them that way, do not try to put them back to work.

[*Translation*]

Mr. Speaker, that is the position of the Bloc Quebecois. It prefers unemployment to jobs.

[*English*]

The fact of the matter is we have also said that we will begin to change our system to respond to need, that we recognize there are large numbers of people in that system who need special assistance.

Again we changed the UI program to ensure that those who have the greatest need will receive the greatest benefits and we have raised the benefits.

Some journalists yesterday asked me how we are different from the Tories. When we changed UI conditions we brought down benefits as a result to change work. When we changed benefits we made sure those most in need had the highest level of benefits.

We also have made fundamental changes to the voluntary quit portion to change the onus of responsibility from the employee to the employer to make sure there is a built–in fairness in the system. That is how we are different. We care about the workers.

The hon. member laughs. That is the hon. member who will stand in her place and say do something about social housing to create jobs but at the same time supports the party which has no interest in creating jobs by bringing down UI premiums, by changing the world of UI so that people have a chance.

That is the problem. I do not think that party is really interested in getting Canadians back to work. Its real agenda is to provide delay, distortion, to show that federalism does not work so its own self–prophecy of separatism will be the agenda, not putting people back to work. That is the real, true agenda of the Bloc Quebecois.

We fully recognize that those changes in themselves are not enough. They are just the beginning. That is why we have put in place within the budget a fundamental restructuring of those programs at the federal level. It can provide a new framework for employment in this country, our training programs, our employment programs, our educational programs, our assistance programs, and unemployment insurance, and to begin to provide the integration of those programs so they begin to reinforce one another, they begin to provide a synergy of assistance and are not simply used as a way of propping up old ways of doing things.

We recognize that action is required. We recognize that Canadians have voted for us, not for more studies, not for lengthy and delayed consultations. They want action. They want this government and this Parliament to show that it is ready to work to put Canadians back to work. That is the message we had and that is the message in the budget. That is why we believe that it is going to be absolutely crucial in the days and weeks ahead that we begin to build upon this framework.

• (1530)

A week or so ago we met with the provincial governments which have offered their full co–operation in a major program of reform. They are not hanging back, obscuring and obfuscating like members opposite have done during this budget debate. They are prepared to get in there and work.

What is more important is that in joint co–operation with the provinces we have come to an agreement that over the next year or two we will initiate a number of new programs targeted at the most chronically unemployed Canadians, those who have been on welfare for a long period of time, those who have exhausted benefits and those who have various employment handicaps.

The Minister of Finance has dedicated $800 million over the next two years to give this country a brand new lease on innovation. We are challenging the provinces, ourselves, employers, business groups and labour unions to become part of the new thinking and approach to the world of employment. We are prepared to use scarce resources to make sure that those hardest hit, those most in need, those with the longest record of unemployment will be given that assistance.

I can report to members of the House today that already we have applications and proposals from every single province in this country. That is the kind of spirit of co–operation we need. That is the kind of working together that Canadians expect. That is the kind of esprit that Canadians voted for, that we have a notion as to how we can bring Canadians together to reason together and find ways of working together. That is the kind of invitation we keep putting out to members of the opposition to respond to.

Of course they do not want to co–operate. We know why they do not. We know what their agenda is. We hear it every day in the House. Co–operation is not part of their make–up. Working together as Canadians is not part of their make–up. Trying to make this country economically strong and firm again is not part of their make–up. They have a very different, destructive, negative agenda but we will not let them succeed. We will not let them have their way because we want to put Canadians back to work.

We believe that the budget is the first step in giving Canadians a sense of a new direction, a sense that they recognize that there is now a plan in place, that we are moving toward a new employment strategy, that we will begin to work within the programs of our own level of government, work with provinces and work with the private sector to give that sense that we can begin to reorganize, restructure and reform the system of employment in this country.

I do not pretend it is going to be easy. I do not say it is something that is going to happen overnight. I recognize the difficulties of it. However, I also recognize that if we do nothing about it, if we simply hang on to the old shibboleth, if we simply echo the old arguments, if we simply hang on to the status quo then nothing will be done. We will not be able to have a better trained population. We will not be able to say to our young people that we are going to give them a chance to have a first time job with real employment, not to go on UI as their first source of income. We will not be able to say to older workers that we are prepared to help them get back to work.

My colleague, the Minister of Fisheries and Oceans, and I are presently working with other ministers on a program in the Atlantic in order to say to the 35,000 to 40,000 people in the fishing industry who have seen their livelihood disappear that we are prepared to give them a five year commitment of

long–term stability, to change their training, to change their careers and to put them back to work on eco tourism, aquaculture, restoring the resources, conserving the reap of the natural riches of the Atlantic provinces so they will no longer have to say, when they get up in the morning: "I have nothing to do. I am waiting for the fish to come back".

We are going to help them to go back to work and to put the fish back. They have been harvesting for 20 years. Now we think we can help them plan for the next 10. That is what we want to do. That is the new way of thinking about things. We are again working in co–operation with the provinces, the unions and the industry to make it happen.

I think that this is the great crusade for this Parliament. This is the great mission that we have before us. How do we once again give Canadians a sense of the dignity of work, the opportunity to have a livelihood based upon their labours and their creative talents, something that is the entitlement and the right of every Canadian?

• (1535)

It will not be perfect and we will not fill every hole. We are now putting in place a youth service corps for community employment, an intern program for workplace training, and major changes to student aid and education so we can provide serious incentives to get back to school and get back to work. We are basically providing a guarantee to all our young people from 18 to 21 that if they want to improve themselves, if they want to go to work, if they want to change their skills, the federal government is there to help. Those are the kinds of things we are working on.

Mr. Speaker, you have been very kind in allowing me to speak this full period of time. I hope that what we have been able to convey to members of this House and to Canadians listening that the need for a new employment strategy is paramount. The foundations were laid in the budget of our finance minister, but we have a lot of work to do yet.

We have enormous work to do in this Parliament in coming together to put forward ideas, to provide a forum for Canadians to come together and present their solutions. We have an enormous amount of work to do in working in our own communities to change the attitudes of business and labour and community groups to begin seeing that employment is the major priority. We have a lot of work to do ourselves, to begin to understand that we can no longer separate or rely on the old habits and old ways of thinking.

If we do it right, if we are able to mobilize ourselves into this new world of work, to face the new realities that we all have to experience, then I believe that at the end of this Parliament we will be able to say to Canadians we have done well by helping them to get back to work.

That is our purpose and our mission.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, when one has a little parliamentary experience and hears a minister make, in reply to the budget speech or as a follow–up to the budget speech, the kind of partisan remarks the Minister for Human Resources Development just made, you can be sure that he is hiding something.

He spent half of his speech blaming the opposition. Yet, he is the one who ran an entire election campaign on job creation. The truth is plain and simple and, if it was easy to speak the truth, then the minister could speak it calmly. Canadians would understand.

Why does the minister have to make such a fuss, raise his voice and make accusations? The reason is simple. I cannot say that he is lying, of course, but I can say that he is not telling the whole truth. The truth of the matter is quite simple. They are making $5.5 billion worth of cuts on the backs of the unemployed, cutting $2.5 billion in social assistance and there is no telling what is going to happen two years from now to post–secondary education, I mean federal transfer payments to the provinces in that area, but one thing is sure, we can expect cuts. We do not have the individual amounts for social assistance and post–secondary education, but the combined amount is in the budget.

The minister talks about job creation. He did so during the entire campaign. Yet, in January, the government decided to collect an extra $800 million in UI premiums. And now, it is telling us that in 1995 it is going to reduce the premium rate and roll it back to its previous level. That will happen next year.

The loss of 40,000 jobs has just been announced, and we will have more jobs in 1995. Of course, this is making the unemployment situation worse, so benefits have to be cut. Everyone can see that you are cutting benefits. Everyone can see that you are getting ready to cut social assistance. That is clear from your budget.

It apparently contains measures for businesses. As we said before, Mr. Speaker, the Auditor General of Canada clearly demonstrated that Canadian corporations were hiding millions of dollars in international tax havens. Yet, there is only one tiny little measure with regard to banks and insurance companies in this budget, and it will not be implemented before November 1995.

In the *Globe and Mail* this morning banks were reported as saying: "We did not get an answer yet. We are waiting. It is only for 1995, anyway". Basically, what they mean is that things can change between now and then. Cuts on the other hand take effect immediately.

I would ask the minister to calmly tell us the truth on this. He does not need to shout if he wants to get his message across to the Canadian people. Neither does he need to accuse the opposition. If he has positive steps to introduce, we are prepared to listen.

The Deputy Speaker: Order! I recognize the hon. Minister of Human Resources Development.

• (1540)

[*English*]

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, in response to the hon. member who said that there were all these cuts taking place in the budget and so on, I would remind him that there is a need in any budget to balance the objectives. One of the most important is to make sure that the fiscal stability of the country is held in a position which is respected by international finance.

I would like to cite a very important authority on this matter. I quote from a page of *Hansard* of May 4, 1989.

> We never see any recognition of the fact that we have throughout the country a responsibility for public finances and that those finances must be absolutely sound if we are to maintain social programs.

In other words, says the speaker, our responsibility is not just to Canadians living today who are having trouble but also to future generations. He goes on to talk about the need to handle the debt and deficit problems. The authority I cite is the—

[*Translation*]

The authority I just quoted is the hon. leader of the Bloc Quebecois, when he was a member of the Conservative government. He has changed his position since he left the Mulroney government to become leader of the Bloc Quebecois.

[*English*]

The Deputy Speaker: Many members would like to speak. Is the minister finished?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I understand. I would just like to simply have the amount of time that the hon. member took in posing the question. I think he missed it. I do not think he was in the House. I just want to point out to him that under the direct job creation measures proposed in the budget, not just the general economic climate ones, we are talking about 180,000 new jobs being created as a result. That seems to me to be a pretty good start.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, I was interested in the minister's comments about selective attention. Basically I think what he was saying was tunnel vision. He was referring to his aim to achieve jobs for Canadians. He referred to the Reform aim or our concentration on the deficit as the be all and end all.

However, in answer to the questions posed to the Minister of Finance less than an hour ago, after finally admitting that his eventual goal should be the achievement of a balanced budget, he volunteered the information, "and that would allow us to reduce taxes". By reducing taxes you enable business to expand and to generate jobs. These are long–term jobs.

If I may quote the hon. minister, he has invested $6 billion, $2 billion from the federal government, $2 billion from the provincial government and $2 billion from the municipal government, all from the same taxpayer and this is going to create 60,000 jobs, I think he said, with various off–shuttles. But these are short–term jobs and they are bought with borrowed money.

I think the answer to the problem of Canada is to get our fiscal situation right and to generate long term jobs so that we own our future rather than owing it to somebody else.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, there may be no argument about the question of getting the fiscal situation in order and bringing down the deficit. It is a question of how you want to do it. The Reform Party says the only way to do it is to cut all kinds of expenditures which would throw tens of thousands of Canadians out of work. That is what they are talking about. They are saying we did not go far enough. We have members here who are saying that we went too far.

They are saying that the kind of Draconian measures proposed by the Reform Party would have the unemployment rate in this country going up to 13 per cent, 14 per cent, 15 per cent. We are saying that the only way to ultimately bring down the deficit is to get Canadians back to work, get them back creating revenue for their families. Get them off unemployment insurance. Get them back paying taxes. The responsibility of the government is to provide the stimulus to do that, to create a climate in which government can give a signal, a message to the private sector that the hard days are over and that they should get back and create work.

In my speech I asked: What is one of the important signals? By reducing unemployment insurance premiums from a projected statutory rate of $3.30, it brings it down to $3 which for every company of 100 employees puts $30,000 back in the pocket of the employer; it puts $80 to $100 back in the pocket of the employee. That employee can go out and buy a kitchen table or his kid's shoes. That is how we are going to create deficit reduction, not by the cut and slash program—

• (1545)

[*Translation*]

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, I listened with attention to the very aggressive speech by the Minister of Human Resources Development. He launched several attacks on the Bloc Quebecois. He occasionally uses progressive terms to outline conservative, sometimes right–wing policies.

Instead of tackling unemployment, the budget goes after the unemployed themselves. The Bloc Quebecois worries about the most disadvantaged in our society: unemployed workers and welfare recipients. I come from the union movement, Mr. Speaker, and we are not alone in our fight against the minister's budget and his cuts to unemployment insurance. I had feedback from three Quebec unions, namely the FTQ, the CEQ and the CNTU. I also heard from the Canadian Labour Congress. Over two million Canadians are very concerned about the govern-

ment's budget. The president of the FTQ, Clément Godbout, said, "To effectively tackle the debt and deficit problem, we must put people back to work by creating jobs. However, this concern does not appear in the budget". For the FTQ, this is incomprehensible. Not only does the government not do anything to create jobs, but it is hitting the unemployed very hard by taking $6 billion over the next three years from the unemployment insurance fund.

The Deputy Speaker: Order, please. The hon. member must conclude his comments and ask his question as soon as possible.

Mr. Nunez: What does the Minister of Human Resources Development think of the unions' unanimous opposition to this government's budget, to its cuts to unemployment insurance and social programs?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, what the unions said, as reported to us by the hon. member, is false, is not true. Indeed, the budget we brought down will create 180,000 jobs. I hope that the hon. member will send to union members in his riding messages of hope and not the ones being sent by the Bloc Quebecois which say there is no hope for the unemployed. We are sending a positive message of hope. I hope he will relay it.

[*English*]

Mr. Randy White (Fraser Valley West): Mr. Speaker, I cannot help but be astounded how a minister of a government can stand up and continuously say that spending more government money will create more jobs. Ultimately that money is going to turn into a higher deficit, more debt. When is that going to get paid off?

My question though is on the infrastructure program. I was told very recently by a mayor of a municipality that the infrastructure program was basically going to accommodate their program to build sewers and roads. All it is doing quite frankly is costing them one–third of the cost instead of the whole full cost—

The Deputy Speaker: The Minister of Human Resources Development.

Mr. White (Fraser Valley West): What happens—

The Deputy Speaker: Order. The hon. member's question is clear enough.

Mr. Axworthy (Winnipeg South Centre): I am astounded equally by how members of the Reform Party do not have the economic sense to understand that when we put capital investment in new transportation, in new infrastructure, in improving productivity, we create new wealth for the country.

Do they have no understanding of how important it is to improve the productivity of the country and to help people get back to work?

Some hon. members: Oh, oh.

Mr. White (Fraser Valley West): You don't know what economic sense is.

The Deputy Speaker: Order. Time has thankfully expired on the questions and answers.

• (1550)

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I rise to address the budgetary policy of the government as presented by the Minister of Finance.

As a new member of Parliament and a member of the Standing Committee on Finance I listened intently to the minister's speech in the hope that this budget was going to be different. After cutting through the finance minister's wonderful rhetoric, the budget is nothing more than a continuation of the Trudeau philosophy that we can grow out of our economic problems.

That concept was the solution for a different problem at a different time. In fact, the only things that grow out of this budget are overall spending, up by $3.3 billion, and the number of task forces, committees and hearings to determine and sell next year's budget. These new studies are up to about 15 new committees with three or four task forces.

I have said this before in the House and I will say it again. Total government revenues are projected at $123.9 billion. Total expenditures are slightly less than this. It is the interest on the debt that creates the deficit of $41 billion. Interest expenses on the federal debt now total 33 cents of every tax dollar. I submit that it is the debt and the interest expense to service the debt that puts in jeopardy the viability and flexibility of our existing programs.

The Minister of Finance has taken great pride in the unprecedented degree of consultation that his party sought in the preparation of the budget. What good is consultation when a government will not implement policies that people want and are demanding?

I fail to see the finance minister's so–called game plan that he claims to have presented in a budget that is full of wait–until–next–year promises. Spending increases are this year and all the big spending cuts are left for future years.

As a former professional football player I know the value and the purpose of a game plan. A game plan is about attacking a known obstacle or problem which in this case is the rising costs associated with servicing the debt.

Based on the government's game plan I can tell members that they are attacking the wrong problem because they have ignored the debt. It will not work in the field of economics. However through his great political skills and wondrous humour skills, the Minister of Finance will certainly know how to talk to the reporters after the game. Will he blame the players, the game plan or himself when this plan fails?

The finance minister has promised to "put an end to real drift" by guaranteeing meaningful jobs, training and retraining. How does he plan to do this when he tells the people who pay our salaries to wait another year for government to fulfil its policies? It appears that he has learned nothing while he was eight years in opposition and has applied, I am sad to say, very little of his own business acumen.

I hope that the finance minister and the Prime Minister truly enjoy themselves as they travel across the country selling another year's worth of hope and weak promises on the rock solid financial foundation of living on borrowed money and over spending while those to whom they speak must live within their means.

I submit that the budget, like those before it, has missed the mark. The Minister of Finance has truly wasted some golden opportunities to reduce spending and here are a few of them.

The budget could have included the elimination of business subsidies and regional development programs; savings to the government, $3 billion to $4 billion. The budget could have outlined at the minimum a 25 per cent reduction of subsidies to crown corporations; savings to the government, $1.25 billion. In this area our party would have gone further and outlined the value of some privatization, with the application of the proceeds from the sale to the national debt, another savings to government of $3 billion to $4 billion.

This budget could also have addressed old age security payments going to seniors whose household income is in excess of the national average of $54,000 per year. That is $54,000 and not $35,000 as the finance minister seems to say on television. They are not truly needy. Savings to the government, $2 billion to $3 billion.

• (1555)

If the government or the finance minister had done nothing, in other words no new budget, with his own figures and estimates it shows us that the federal deficit would have gone down, dropped to $41.2 billion from this artificially inflated $45 billion, in the coming fiscal year, and unemployment would have remained at around 11 per cent. By doing nothing that is what we would achieve. What the finance minister did was shuffle the financial deck of cards and confuse everyone with a new hand to evaluate.

The finance minister has deferred the tough decisions and at the end of the day has ended up with virtually the same results. Why did he bother? He has created a whole lot of pain with no net gain for those who have been asked to sacrifice. At the end of the day, in my opinion, if you are asked to contribute and sacrifice, there should be a reward, and there is none in the budget for those people.

In my estimation, Canadians have been dealt a rotten hand while the finance minister on the other side of the table has finessed four aces in the financial deck of cards. When will he play the ace of toughness and cut overall spending by the government? When will he play the ace of reality and stop hiding behind taxpayer funded task forces and committees to debate the obvious? When will he make the real choice; do what has to be done, reduce overall spending.

When will he play the ace of change and show something for his party's eight years of opposition, spent criticizing Tory budgets, and work toward helping Canadians see the benefit in attacking the debt instead of adding to it, more so than the previous Tory government did in their last year?

Finally, when will the Minister of Finance play the ace of all aces, the ace of tax reform, and eliminate the incredibly high, complicated and bureaucratic taxation system that all Canadians want simplified and lowered? Canada needs a simple, visible or flat tax that is the same rate for individuals and businesses alike; a tax with no exemptions or loopholes in the range of 15 to 20 per cent, which addresses the problem of equality, equity, neutrality and efficiency; a tax that increases disposable income for all Canadians and businesses and reduces the current bureaucratic, suffocating nightmare.

These are the key factors for an effective system of taxation. The Liberal budget addresses none of them. When the finance minister has the courage to play this card, the ace of tax reform, his government will have begun to address the real problems in the country.

This budget is not about change, but rather a nibbling at the edges leaving only high debt, high taxes and high unemployment, the exact opposite of what is intended.

The Liberal Party always challenges us for alternatives. Here in my speech I have provided over $9 billion in cuts this year for the Minister of Finance to use which are not in his budget. I challenge him to take the initiative, take the credit, start reducing the debt and do what is best for the country.

I say to the Minister of Finance: Stop talking a good game. Make some real decisions. Get into the game. Get your uniform dirty and complete the grand slam to lower debts.

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I would suggest that the Minister of Finance is not some kind of card shark who is gambling with the lives of Canadians. The Minister of Finance is someone who cares about the lives of

Canadians, is concerned about job creation and has taken a balanced view.

When we have one million Canadians unemployed it costs the economy $25 billion, and I would suggest to the hon. member on the other side that perhaps the deficit is only the symptom not the root of the problem.

Mr. Silye: Mr. Speaker, I have long abandoned the deficit because when you say deficit the opposition tackles that. So let us present the real problem: the debt; the fact that the government is now adding another $41 billion to the debt. It is going to be $550 billion at the end of this coming fiscal year. It is the debt that is causing the problem and the interest on it. They make an emotional plea about jobs. Currently the unemployment rate is at 11.2 per cent. At the end of this year, with the finance minister's projections and the Minister of Human Resources Development with these 168,000 jobs offered, at the end of all this the unemployment rate goes from 11.2 per cent to 11.1 per cent. This is one–tenth of 1 per cent. Is that what this government calls giving jobs to Canadians?

• (1600)

All you do is talk and promise, promise, promise but you do not deliver the goods. Here was your opportunity to lower the deficit to a point at which you could leave money in the hands of private enterprise so it could create long–term, meaningful jobs and it is equity capital.

In the previous speech I heard the Minister of Human Resources Development say that capital creates jobs. There is no question that capital creates jobs but not borrowed money and not governments—equity capital not debt capital, private enterprise not public enterprise.

The Deputy Speaker: I would invite the hon. member for Calgary Centre to put his remarks through the Chair. The reason is quite simple. It is designed to promote harmony between the members by doing it that way. That is the theory.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, let me express my harmony through you to the member for Calgary Centre.

Actually I have found the member for Calgary Centre to be rather reasonable on some issues. What I am concerned about is the amount of response we have coming back and forth between the government and the Reform Party. It is the same kind of debate that took place during the election campaign when we all were on the hustings. We were all debating the issue.

There is a fundamental question. We laid out a plan and our plan is the red book. The Reform Party laid out a plan which was the slash and burn book. My question to the member for Calgary Centre is will he not concede that we stayed true to what we said we were going to do in the red book?

Mr. Silye: Mr. Speaker, in response to the hon. member and with respect, I just cite the figures of the finance minister which show that the Liberals were elected on a promise to create jobs. The number of jobs they are going to create after 12 months is one–tenth of 1 per cent. If the member figures it out himself he will see that is not very much of a growth.

If they keep that up in year two, year three and year four, pretty soon the rest of the member's mates will be back over on this side of the House and we will be all over there full. Once eastern Canada gets to see what we are talking about, the advantages of living within our means, it will understand that we have the right medicine and we have identified the right problem and not the pie in the sky that the Liberals keep talking about.

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, the Prime Minister bought the Minister of Finance a new pair of work boots for the budget the other day and it is a good thing because he has certainly got his work cut out for him.

Like all new work boots, or at least like any that I have had, it will only be a matter of time now before he gets a certain amount of organic material on them.

This was the minister's first budget and we can only hope that within the next three budgets he will get better at reducing the deficit. This budget will put Canadians another $39.7 billion in debt, bringing the total debt in two years to $550 billion. If we add the projected deficit of $39.7 billion to this and the $32.7 billion for the forecast for next year, one will find that we are adding another $72.4 billion to our already burgeoning debt.

Since we are living on borrowed money, as has already been pointed out by my hon. colleague from Calgary, and borrowed money is subject to interest of at least 7 per cent, if we are lucky, we are adding another $5 billion in interest to that debt.

To switch off of the negative for second, I do wish to commend the minister for showing at least some restraint and changing some government operations which will produce some savings.

• (1605)

Unfortunately, it seems to me that all of this will be negated by the cost of the 18 new programs and 15 new studies announced in this budget.

When will this government admit that we have a spending problem? Spending is the key, not revenue. The government revenues for 1993–94 totalled $127 billion. The Prime Minister said in this House not too long ago we cannot run government as if it were a business.

Even if we grant him that supposition, perhaps the government could be run like a household. Certainly, when we can no longer pay our bills in our household we have to take drastic measures; namely, do without some of the things that we can do

without in order to reduce our expenditures to fit our income. That certainly seems to make sense to me.

The whole issue of spending $70 billion a year on a social safety net and a further $40 billion on interest to service our debt simply has to stop. Past governments have certainly made the military their whipping boy at budget time. What do you know, this government seems to have taken right up where the other bunch left off.

We on this side of the House were quite pleased. We applauded and supported the government in its promise to undertake a military defence review. Instead it accelerated the process and we as members of Parliament did not have any opportunity for input. It completely prejudiced the outcome of the study by going ahead and closing bases and reducing others.

Perhaps if we had had a better equipped military we could have exercised sovereignty over the Atlantic fishery and we would not have to pay support to the whole east coast fishing industry. The cod stocks maybe would not be quite as low as they are now, and certainly they are depleted. Members opposite refer to our cod stocks as extinct. Now we have added all these otherwise self–sufficient business people to the ranks of the full time unemployed.

The January unemployment rate was 11.4 per cent in Canada. Stats Canada reports that there were 1,592,000 unemployed people in Canada last month and that does not take into account all those people who have dropped out of the system.

This budget simply nibbled at the edges in my opinion. The unemployment insurance program is a good example of that.

Reducing the generosity of the program is, however, a step in the right direction. After all, we are all aware that generous UI programs do have the effect of increasing the number of people drawing unemployment insurance.

The cumulative deficit of the unemployment insurance account amounts to $6 billion. It is a fallacy to believe that this is solely a worker–employer funded program. It is the government, the taxpayer of Canada, paying for the shortfall.

The unemployment insurance program changes announced in the budget begin to target social benefits to lower income Canadians, as the minister has said, to target those most in need. This as well is a positive step.

The Canadian unemployment insurance plan has become an inefficient income supplement plan rather than social insurance. We need to the "un" out of unemployment insurance. It should be employment insurance with extra emphasis on insurance. We buy life insurance, not death insurance.

The Reform Party policy is to make employment insurance a sensible, sustainable program of social insurance which provides compensation for temporary loss of employment. We believe the program should be funded by employers and employees who determine the level of premiums and benefits. This, I am sure, would go a long way in reducing the underground economy and ultimately relieving the tax burden.

To quote the hon. Minister of Finance, the underground economy is not simply about smuggling, it is about hundreds of thousands of otherwise honest people who have withdrawn their consent to be governed.

It appears that they are withdrawing their consent to be overtaxed as well.

An hon. member: Good point.

Mr. Johnston: The underground economy's strength is directly proportionate to the high levels of taxation. Taxpayers need a break. The beleaguered Canadian taxpayer deserves a break.

• (1610)

Canadians do not want to cheat. They are prepared to pay their fair share of taxes. Does this budget provide a fair level of taxation?

Over the last 10 years successive governments have increased the tax burden of the average middle class Canadian. The Fraser Institute reports that even though before tax earnings have increased for the average family, the percentage of after tax income has decreased. It has to be an increase in the taxation.

At the same time the same governments allowed this debt to escalate to $500 billion, half a trillion dollars. Is it any wonder that the underground economy is flourishing? Does this budget give the taxpayer a break? I do not think so.

We in the Reform Party will do everything we can to ensure that the minister gets an opportunity to wear out his new work boots. We will continue to work in this House and in committees to convince the minister and his government colleagues that they must reform their red ink book philosophy before the minister brings in another budget.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I have one question to put to my hon. friend, the hon. member for Wetaskiwin.

The hon. member went on a bit about the UI program. As opposition members are wont to do, the member focused on what he thinks are some of the more negative aspects of what we have done or not done with UI.

One thing that he did not point out is the reduction in premium rates that will come about from $3.07 to $3.00. According to the government, and I have no reason to disbelieve the calculation put forward by the hon. Minister of Human Resources Development, that premium reduction alone could translate into as many as 40,000 jobs. That reduction does put an additional $300

million into the hands of business. Most of that is small and medium size business.

I would like to know from the hon. member for Wetaskiwin how he feels about that particular reduction and whether he would support putting that kind of money into the hands of business which might use it to increase jobs.

Mr. Johnston: Mr. Speaker, the member raises an excellent question, one that I am sure we could debate on all day.

The first thing that springs to my mind is that whenever government gives something, it first had to take something away.

I am going to try to answer this question to the very best of my ability. I am not going to dance around it. If government had not been involved in unemployment insurance in the first place, if it was an agreement between the employer and the employee, probably the rate would have been down around $1.50. There would never have been a need for it to be raised in the first place so that it can be lowered at budget time.

I think that should probably suffice the hon. member.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I would also like to ask a question of the member and congratulate him on his presentation.

I have a bit of a problem with the position he took with regard to the military. I think it is very clear that as the budget came down, the finance minister and the minister of defence had a mandate to reduce expenditures and costs. Certainly there is a review of the military and that is extremely important as well.

However, if they were not to take steps and measures within this budget of a $1.9 billion reduction we would have a deficit, in addition to what there is at present, of $1.9 billion more.

Is the hon. member suggesting that those cuts not be taken and the deficit be increased?

• (1615)

Mr. Johnston: Mr. Speaker, I am suggesting that there is a need for military in Canada today. Let us define what it is. We need a certain amount of military to exercise our sovereignty over Canada. We also need a certain amount of military to exercise our sovereignty over our 200–mile offshore limit. We also need a certain amount of military for search and rescue operations.

Let us define what it is before—and I use some terms I have heard from the other side of the House—we hack, slash and burn our military.

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I have a very quick question for my hon. colleague.

He mentioned in passing in his speech that he found the $70 billion figure for the social safety net unacceptable. Could I ask him what he thinks is an acceptable figure? In other words by how much would he cut the $70 billion and what programs would he cut thereby?

Mr. Johnston: Mr. Speaker, I do not know that it is so much a matter of cutting out certain programs. It is safe to say that we could find a level somewhat less than $70 billion.

If we were able to lower our debt we would lower our interest payments and there would be at least a portion of the $40 billion that could be used to put into social programs. That would be my recommendation.

Mr. Tony Ianno (Trinity—Spadina): Mr. Speaker, I rise today to present my maiden speech to Parliament with honour, pride and a great sense of responsibility. I would first like to congratulate you on your election as Speaker. I believe your sense of fairness and calmness will help us in these uncertain times as we face the unique challenges of the nation.

I am honoured and humbled by the confidence placed in me by the people of Trinity—Spadina who have given me the opportunity to serve them in the House. In this capacity I hope to echo both their deepest concerns and their greatest hopes.

Trinity—Spadina is located in the heart of downtown Toronto by Lake Ontario. It is one of the most economically and culturally diverse ridings in Canada. It is an exciting place to live and a great place to raise a family. It is home to the University of Toronto and the world champion Toronto Blue Jays. Great theatres and some of the best restaurants in Canada are located in places like Portugal Village, Little Italy, Chinatown, the Annex on Queen Street and the waterfront.

I had the good fortune to be raised in Trinity—Spadina and have experienced many of its great attributes. My parents like many Canadians immigrated to this country because of the opportunities it provided. They instilled in me the belief that with hard work any dream can be achieved. They also instilled in me that sharing with and compassion for others must be integral parts of that dream.

I believe the government was elected to give Canadians their pride, dignity and hope. The way to achieve this is by charting a new economic course. As an entrepreneur this experience allows me to speak with some insight on the issues facing our economy. Too often in Trinity—Spadina I see small business people striving to keep their enterprises alive. I see single mothers struggling to raise their children. I see university graduates trying to find jobs that do not exist and working people who cannot make ends meet. I see a staggering number of people who

depend on the Daily Bread Food Bank, an appalling number of whom are children.

For us to move ahead as a nation we must ensure those without a voice, those who have fallen through the cracks, are not left behind. We must give Canadians the tools to realize their potential and their dreams and thereby fulfil Canada's. That is this government's goal.

The budget is the first step in achieving that goal by laying the basis for tomorrow's prosperity. In order to achieve this we must harness the initiative and creative talents of all Canadians.

• (1620)

The key to the success of Canada's economy is our small and medium sized businesses. There are over 900,000 of them across the country. If we as a government as we have started to do in the budget establish the proper framework for our small and medium sized businesses so that each of these businesses can hire just one person, many of our economic problems would be solved and the government would have a net gain of $18 billion from direct employment alone.

What small businesses need to achieve this is access to capital. The banks' rigid lending formulas and the arbitrary cancelling of lines of credit are cracking the backbone of our economy. Every time we allow a small business to close we not only lose jobs; we kill a dream. It is time Canadian banks recognize their responsibilities as partners in the development and growth of Canada's economy. Canadians through the Bank Act have given the banks special privileges. Canadians expect them to do more. We will work to achieve it.

The first step, as mentioned in the budget, was to establish a task force that would develop a code of conduct for small business lending. Small businesses also need access to the emerging new global economy to survive and grow. The opening of foreign markets to Canadian business will provide unprecedented opportunities for growth. Canada's cultural diversity, coupled with its entrepreneurial spirit, gives our country a unique advantage in this highly competitive world.

This government is going to play its role. Our international network of embassies and trade officers will provide a pro–active, ongoing link to these exciting new export markets. The economic engines of the future are the emerging technologies of today. We must participate fully in the technological revolution and be at its leading edge.

Through increased funding for the National Research Council and the technology partnership program, government will bring together our research institutions and the private sector to capitalize on the innovations of Canadians in such fields as environment, health care, biotechnology and telecommunications. In some of these fields we are already world leaders.

By the year 2000 environmental technology sales alone will be worth approximately $580 billion a year. We have great opportunities. The government's task is to ensure that Canadians have the capacity to meet these new challenges.

Let me give an example from my own riding. At Central Technical High School a partnership has already been forged between the school and the Canadian Tire Corporation. In the past Canadian Tire could not find graduates trained in computer based auto repair. To help remedy this situation they provided the school with $200,000 of equipment to modernize the auto mechanics teaching facility. Because of this, graduating students will now enter the workforce with the most up to date skills and Canadian Tire will not have to look abroad to fill the jobs.

We must keep up with technological change, not only in our educational facilities but also in the workforce and the workplace. We must use new technologies to reinvigorate our existing industries. As an example, Spadina Avenue has historically been synonymous with the fashion industry in Canada. Today, to remain competitive, this industry must embrace new approaches to design and manufacturing. By drawing on the creative talents of designers and by utilizing the most modern computer assisted systems we can put Toronto once again back on the leading edge of the global fashion industry.

It is only through this kind of creative leadership that we can accomplish these changes. The budget will help in the required transformation.

However economic growth is not just a matter of exporting abroad. It is drawing on the strengths we already have. In Trinity—Spadina we know first hand the benefits that can come from expanding tourism. Trinity—Spadina is home to many of Canada's most unique tourist attractions. From the art galleries and the museums to the theatres and the bistros, from the SkyDome to Ontario Place, from the CN Tower to Harbourfront Centre, millions of visitors come to my riding to enjoy music, art, theatre, history and sport. We must take advantage of this resource. Governments and business must work together to expand this industry by letting the world know of our treasures. These resources must be aggressively marketed. Tourism is a form of export. The difference is that foreign customers come here and leave their money behind.

• (1625)

I draw the attention of members to a potential infrastructure project in my constituency which will provide much needed construction jobs and will advance the long–term goals I have described. I am referring to the establishment of the World Trade Centre at Exhibition Place or the expansion of the Toronto Convention Centre. Either of these facilities would provide Canada with a venue that would allow us to compete with convention centres around the world. By drawing these shows to Canada we could help small and medium sized businesses bring

their Canadian products and technologies to the world marketplace.

Along with bolstering our export market such a facility would draw hundreds of thousands of visitors who would leave millions of dollars behind. The people of Trinity—Spadina want to be a part of a proud Canadian team competing in this international market. Canada has the tools and an intelligent educated workforce that can adapt to these new industries and technologies. We have the strength in our diversity and we have the desire and ability to succeed. We are not afraid of competition.

The budget set the foundation on which the future economic growth of Canada will be built. This government will be the catalyst to bring Canada's people, businesses and institutions together to harness our strengths and to achieve our common goals.

All Canadians must share in our growth. Everyone's dream is important. No one will be left behind.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, I listened attentively to the hon. member opposite. In addition to our ideological differences, I noticed something else. I noticed that there are huge differences between urban and rural constituencies. Where I live, there is no CN Tower. I live in a rural riding whose population depends on farming and forestry and where many are unemployed.

Is the hon. member not a little surprised that the budget cuts funds for forestry and maintains the status quo for agriculture? Are you not a little surprised by that?

[*English*]

Mr. Ianno: Mr. Speaker, I thank the member for the question. I am not surprised. What we are doing in the budget is setting the framework so that we can invest in agriculture and forestry, but maybe not in the same ways that have been used in the past.

We have to get creative. There is a lot available for us with new forestry technology and agricultural technology. Not only will we serve our own purposes here as my father–in–law on his own farm and my relatives deal with. There will be a future. Their children will have a chance to participate in innovative ways. Not only will we be able to use the technology in Canada but abroad to the benefit of export markets for cattle and everything else our farmers utilize, and in our forest industries when we take into account depletion around the world and our concern for the environment.

I am not surprised by the member's question, but I hope in the next four years when the economy comes along with us we will be at the leading edge of a lot of these new industries that our communities will be able to participate in fully and vibrantly, especially the young.

• (1630)

The Speaker: I know the hon. member was referring to me when he said you.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I want to thank the hon. member for not only his speech but the demure way in which he gave it. I appreciated that very much. His presence would be welcome in my office or in my presence at any time as a result of that.

I would like to ask the member a question having to do with the debt. We have been told by economists that we may be beyond the line of any return on the debt. What impact does the member feel the addition of $100 billion to the federal debt over the next three years will have upon job creation and employment in Canada?

Mr. Ianno: Mr. Speaker, I appreciate the question from the hon. member.

We wish that we did not have any debt to deal with and could just deal strictly with investment. However, as a small business person I can tell the hon. member that when one is searching for growth, one has to pay a price and that price is in investment.

I believe that we need to retrain our work force in Canada. I indicated in my speech that we have to give training to the lower echelon of Canadians, those who do not currently participate in the situation. We have to give them the opportunity to have the tools so that we, as business people and entrepreneurs, can develop the niche markets and expand internationally to bring all of that money back to Canada for growth. We must help Canadians, those who are not as fortunate as some of us, to be able to participate in the process.

I therefore believe that there is an investment. I am not afraid of having a debt in order to invest in the future.

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Crowfoot—Indian Affairs; the hon. member for Regina—Qu'Appelle—Book Publishing Industry.

[*English*]

Mr. Paul DeVillers (Simcoe North): Mr. Speaker, I am pleased to speak in support of the budget tabled by the finance minister earlier this week. I am particularly comfortable in supporting this budget because it is the funding of the red book key programs that were the Liberal platform in the last election. They contain investments in people and job creation not necessarily through tax increases but rather through spending cuts.

Earlier today in this House I heard what in my opinion was hollow rhetoric coming from the backbenches of the independent members to the effect that this budget must have been ghost written by a former Tory minister.

I would like to take the opportunity to outline some of the measures contained in the budget, some of the red book programs that are being implemented. For instance, the establishment of the national infrastructure program that is already in place, the restoration of full funding for the national literacy program, the establishment of the youth service corps, the establishment of the youth internship and apprenticeship programs, the insurance of access to capital for small businesses in replacement of GST, the reinstatement of the residential rehabilitation assistance program, the establishment of a prenatal nutrition program, the establishment of the aboriginal head–start program, the establishment of a centre of excellence for women's health, the restoration of the court challenges program, the restoration of the law reform commission, the establishment of the Canadian race relations foundation and the establishment of the national forum on health.

I suggest that it is indeed hollow rhetoric to suggest that this was written by a former Tory minister. What this budget contains in addition to the implementation of these red book programs is hope.

• (1635)

[*Translation*]

If we want to give voters hope in our political institutions again, governments must keep their promises. Canadians have had enough of governments that say one thing and do the opposite. With the former government, this country got the habit of not respecting politicians because of broken promises. Just think of universal social programs, which were a sacred trust for the former government. We are keeping our word with this budget. We are doing exactly what we promised to do.

[*English*]

Past efforts by Tory governments in deficit reduction overlooked the expenditure side of the financial statements. Tory minister after Tory finance minister used to indicate that the forecasted deficits were not attained because there was not enough revenue. They were able to control the spending but there was not enough revenue. That is why I submit that what we have in this country is an income crisis, not a spending crisis.

Government like businesses must be prepared to promote and intervene in economic activity to create revenues. That is something that has been lacking in the last few years and it is something that is contained in this budget that is before the House.

This budget also was delivered following unprecedented consultation.

[*Translation*]

The pre–budget consultation process begun by the Minister of Finance gave many people an opportunity to express their views on the policies which affect them deeply. The government has created an important precedent with these consultations. I hope that we can go beyond the four cities that were visited by the advisory committee for next year's budget. Through the debates in this House, I was able to share the concerns of my constituents in Simcoe North.

[*English*]

The measures contained in my prebudget debate speech that received favourable review in the budget include the need to prevent tax avoidance through offshore affiliates of Canadian companies, a review by the parliamentary committee of family trust rules, partial preservation of business expense deductions, no reduction in RRSP contribution limits and implementation of a permanent RRSP first time home buyers' plan.

In addition, this government will be undertaking a complete tax review in the very near future. As a matter of fact it is already before committee. That will include the replacement of the GST.

[*Translation*]

I already said in this House that Canadians have an unprecedented lack of confidence in our taxation policies. If we want Canadians to respect the law, they must feel that the law is fair and equitable.

If we want our economic recovery to succeed, people must feel good and contribute to the economy. I can say with full confidence that the measures in this budget will restore the confidence of Canadians. Canadians can now count on this government for greater fiscal fairness.

[*English*]

This budget has been well received by the international monetary markets. I am aware that the Canadian dollar was indeed up yesterday, the day after the budget was announced. The budget also received favourable comment from the Canadian Federation of Independent Business. It realizes that the UI premium reduction provided for in this budget was in fact a tax on business and jobs and that this measure will indeed help in job creation.

• (1640)

[*Translation*]

This budget shows that this government is taking a radically different approach from the one the former government took. Some people want us to give up our search for a just society. As the finance minister said, this is not the time to move away from our values; on the contrary, it is the time to return to them.

The mere fact that the opposition parties claim on the one hand that we have not cut enough and on the other that we have cut too much is a perfect indication that this budget is balanced.

[*English*]

The bottom line is that we are delivering on our election promises. This budget puts us on track to reduce the deficit to 3 per cent of GDP in three years. This was what our red book commitment contained.

Some opposition members have been saying that we did not cut deeply enough. This is the position of most of the Reform Party speakers I have heard.

Their election platform as I understood it was a zero deficit in three years. In my estimation that would create untold hardship on Canadians. We have already seen the hardship that the present measures in the military cuts have inflicted on Canadian lives. To attempt to reduce a deficit of this magnitude in three years I submit would be untenable.

The Liberal approach is much more balanced and realistic. The majority of Canadians supported the Liberal plan. Canadians know one cannot stop putting groceries on the table in order to pay off the mortgage on the house in three years.

I do not expect the opposition to agree with this budget since they campaigned against the Liberal plan. I do not believe that they or Canadians can truthfully say the Liberal government is not following our red book plan.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, I apologize to Mr. Collenette if we are bothering him, but we do have to speak up from time to time in the House.

First of all, I want to get back to something my hon. colleague from Simcoe North said. Throughout his presentation, he kept repeating that his government had delivered on its promises and had followed through on its red book plan, and so on. In their red book—as you can see, I have read it because I am familiar with the lies it contains—, the Liberals promised to convert military bases into peacekeeping training and staging centres. A program is like a contract and when one fails to meet the terms of a contract, one must pay a penalty.

The Liberals did not promise to close military bases. They promised to convert them into peacekeeping training and staging centres. So, what did the government do? It closed some bases and consolidated others. As a result, jobs have been lost.

I would like to ask the hon. member, through you, Mr. Speaker, if the government gave any thought at all to the cost of redeploying thousands of military personnel who will have to be moved and reassigned? Did it give any thought at all to number of direct and indirect jobs that would be lost as a result of base closures? The government talks about job creation, but what I see are job losses.

In an editorial, Lise Bissonnette stated the following: "In five years, once the dust has settled, DND will not even have saved $1 billion. Not even $1 billion after five years. The figure will be more like $850 million. However, for the communities in which the designated bases are located, economic activity will grind to a halt. Everyone will feel the effects: the corner store, the movie theatre, the school and the restaurant. Activity will come to a standstill because direct and indirect jobs will be lost". That is the first part of my question.

The second part has to do with the promises you made. Did you promise during the election campaign to tax the elderly? Did you promise during the election campaign to penalize the unemployed? Did you promise during the election campaign to extend the wage freeze in the public service? Did you promise during the election campaign to close military bases? These are my questions, Mr. Speaker.

Mr. DeVillers: Mr. Speaker, I do not think I have enough time to answer all of these questions.

[*English*]

I am sure the hon. member knows that the red book contained many promises. The present action taken in the budget with respect to the military closings was not an action taken lightly. It results obviously in some unemployment for people who are affected. The minister of defence has assured us that there will be early retirement packages available as well as relocation packages, et cetera, to try to deal with that. But the more significant issue is that the funds that are being saved by these cuts, which we are informed should have been made years ago and would have been easier to make at that time, are being reinvested into the programs, some of which I listed at the beginning of my speech, where there would be a better return for the job creation that is required than to continue to fund the military establishments that are no longer useful.

• (1645)

Mr. John Williams (St. Albert): Mr. Speaker, I have a few points I would like to raise in response to the hon. member's speech in defence of the budget.

He took great pride in talking about the new programs that are being introduced in the budget. This was presented by the Minister of Finance as being a tough budget. Yet 18 new programs are being introduced. We have gone 125 years since Confederation without these programs. This was supposed to be a tough budget and here we have the government starting off and spending on programs in brand new areas.

I have another point, and it is the one to which I would really like the member to respond. He said we have an income crisis and not a spending crisis. The country is $500 billion in debt. Canadians are groaning under the weight of taxes they can hardly afford to pay. I would like him to tell us why he thinks we have a revenue crisis rather than a spending crisis.

Mr. DeVillers: Mr. Speaker, the definition of a deficit is the difference between incomes and expenditures. My position, and I believe my party's position, is that we can increase our revenues. Government obtains revenue from taxation. The problem is we do not have enough people paying taxes because of the unemployment rate.

The measures being implemented through the red book program and through the budget are designed to get more people employed so that we can broaden the tax base, have more people paying taxes, not people paying more taxes. That is the object of the budget.

[*Translation*]

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, as a Montrealer from way back who represents Ahuntsic, a Montreal riding, I would like to talk about my city, the city of Montreal.

A number of years ago when I was still in elementary school, our teachers taught us, with barely disguised pride, that Montreal was Canada's metropolis. We were the residents of a city that was Canada's financial and banking centre. The port of Montreal was Canada's major port, handling goods from Ontario and the Prairie provinces and imports from Europe and Africa. Those were the good old days, but times have changed.

Montreal has now become this country's poverty capital. In the metropolitan area, 18.5 per cent of households live below the poverty line. And with the first Martin budget, Montreal has become the capital of despair. During the past ten years, poverty has been gaining ground, and not only undermining the moral of Montreal's residents but also their ability to face the major challenges it must overcome to be competitive on the market. Business arteries formerly crowded with shops, boutiques and markets, now show signs "for rent", "going out of business" or, tersely, "bankruptcy". I am not dramatizing at all. This is a fact of life in Montreal.

But what these shop windows tell us reflects only a fraction of the experience of Montreal residents. According to a study conducted by United Appeal to improve the way it targets funding to the neediest in the organization's territory, half the low–income residents surveyed in the United Appeal's territory live in the city of Montreal. Montreal Island has a poverty rate that is higher than the average rate for the greater United Appeal district, which also includes the suburbs. In Montreal, Montreal North, Verdun and Ville–Saint–Pierre, one resident out of three lives below the poverty line.

• (1650)

I may add, for the benefit of the Minister of Finance, that his own city and his own riding has been struck by poverty as well, since one resident out of four in Ville LaSalle lives below the poverty line.

This is the same minister who gave us a budget that, ostensibly to give the economy a boost, takes the money out of the pockets of those who need it most. They do not need the money to put into family trusts and save on their income tax or to compensate for the fact that they can no longer deduct their business lunches. They need the money for food, clothing, shelter and health care.

Not so long ago, when he was meditating on the opposition benches before becoming Minister of Finance, this is the same person—although he seems to have forgotten this, as we saw in his first budget—the same person responsible for the economic development of greater Montreal, who wrote in *La Presse* on June 8, 1992, in referring to Montreal: "As the economic heartland and a major development force, the Montreal region must be given a boost very quickly, otherwise its economic decline will be that of Quebec as well".

Why did the minister not introduce the kind of measures he proposed last June, which included upgrading or rebuilding infrastructures and a program for home renovation assistance, which, as he said quite accurately, generated jobs and would be very beneficial in an area like Montreal, with one of the highest tenancy rates in the country? Since the only existing renovation program, the Residential Rehabilitation Assistance Program, is intended not for tenants but for owner–occupants, one wonders who had the most powerful lobby.

Why did the same member, who is now the minister, not talk about creating super economic incubators and implementing a policy for renewal of growth sectors in the manufacturing industry in partnership with Quebec and the city of Montreal?

These are all former proposals made by the minister. Was it all just a fantasy? What happened to the promise he made with other Liberal candidates last October, a promise that included investing $250 million in research and development in Quebec, mostly in Montreal? What happened, since everyone agrees Quebec does not get its fair share of spending on research and development?

How could they promise such measures and many others it would take too long to mention, and not take concrete steps in the Budget, at a time when we are witnessing the pauperization of Montreal? And what are the consequences, in the near and not so near future, of a deteriorating financial situation in a city of 1.2 million with an unemployment rate that rose from 9.1 per cent in December 1989 to 13.8 per cent in December 1993, higher than the unemployment rate in St. John's, Newfoundland during the same period, or in Toronto, where the unemployment rate rose from 4.1 per cent in December 1989 to 11.5 per cent for the same period?

One of the more obvious signs of poverty is reflected in the housing situation, shelter being a very basic need and extremely important in a country like ours with its severe winters—some-

thing we can certainly see these days—like the winter we are going through, which may end some time this spring?

But seriously, the housing situation has been discussed many times in this House, and with good reason. It is a good way to assess the poverty level of a city or any other community. In the last census, we get a very good picture of the rental housing situation in Quebec and Canada. In Toronto, 62 per cent of all units requiring major repairs were occupied by tenants. In Montreal, the figure is about the same, that is, 59 per cent; it is 58 per cent for Ottawa–Hull and 54 per cent for Vancouver.

In Montreal, families in rental housing live in appalling conditions. One household out of three spends more than 30 per cent of its income on accommodation, and one household out of six spends more than 50 per cent. Nearly 20,000 people are considered homeless. According to the Montreal Municipal Housing Bureau, 10,000 households or about 20,000 people are on the waiting list. Most of the requests for low–cost housing come from seniors, single–parent families and people with disabilities, that is to say the most vulnerable segment of our society.

• (1655)

Last Tuesday, merely two hours before the budget speech, when I inquired about the lack of social housing, the Minister of Public Works, who is responsible for the Canada Mortgage and Housing Corporation, asked me to be patient, that I would have an opportunity to review the decisions of the Minister of Finance once he had delivered his budget. The fact of the matter is that there is nothing for social housing in that budget.

In Montreal, 63,280 households pay in excess of 50 per cent of their income in rent. That is about one tenant household in five, or 19.1 per cent. Montreal is the Canadian city with the highest number of tenant households paying over 50 per cent of their income in rent, with 19.1 per cent, as compared to 14.5 per cent in Ottawa and 16 per cent in Toronto.

One third of all tenant households forced to devote in excess of 50 per cent of their income to housing, or 194,225 households, live in Quebec, as compared to 583,705 in Canada. With a much larger population, Ontario has about the same number of households in the same predicament: 194,920 households, in a much larger population. There are 77,120 such households in British Columbia.

To complete this list of sad statistics showing the poverty level in Montreal, we must take a brief look at Montréal–Nord, a city represented by Mr. Nunez, the hon. member for Bourassa, a neighbouring riding. The level of poverty in Montréal–Nord is such that experts warn that it could turn into a social tinderbox. In Montréal–Nord, a very cosmopolitan city, 10,500 households, nearly 42 per cent of all tenant households, spend more than 30 per cent of their income on housing, while 22 per cent spend over 50 per cent. These figures reflect a completely absurd situation.

Again, it must be pointed out that, last October, the Minister of Finance, like the rest of the Liberal candidates, had promised to support co–ops and non–profit organizations involved in providing social housing.

At this point, I must quote statistics from the Co–operative Housing Federation of Canada. In 1992, there were 17,400 housing units in Quebec versus 35,000 in Ontario; 17,400 versus 35,000. These figures show once again that Quebec does not get its fair share. One out of two is certainly not a prorated share. This is no doubt another good example of the fairness of the federal system.

Why is it then that the Minister of Finance wrote a coalition of organizations involved in social housing and told them that it was up to the federal administration to ensure that over one million Canadian households have decent and affordable housing? I hope that our colleagues will ask questions about the RRAP program, so that we can cover that aspect as well.

How can a nation which calls itself civilized and boasts that it is the best in the world, as our friends have told us repeatedly, see the desperate situation some of its citizens, people just like you and me, are in because they are unable to find work or have lost their jobs and have us believe that taking $5.5 billion away from the unemployed over the next three years will help put Canada back to work? It is surrealistic. By failing to tackle the deficit directly by reducing duplication and overlap, of which we still do not fully appreciate the magnitude, failing to even impose minimum tax on large corporations and getting cold feet when it should cut federal operating expenditures, the government made the conscious decision to get the money it needed out of the pockets of the most vulnerable members of our society.

With the qualifying period for unemployment insurance benefits increased from 10 to 12 weeks, chances are that all those whose work is seasonal in nature, like farmers, fishermen, gardeners, waiters and waitresses, and summer camp workers, or do contract work, which is the only way for many young professionals to earn a living, will be greatly penalized. Again, the hardest hit by the measures introduced by the Minister of Finance will be the people who already have an employment problem.

• (1700)

Furthermore, beginning unemployment insurance reform before the vast consultation to identify the people's needs even begins will have a downright disastrous effect on the provinces' finances. These measures will put more people on welfare, at provincial expense; the provinces in turn will be forced to cut their programs as a result of the freeze on transfers to the provinces. Part of our deficit is being shifted to our neighbours,

while their funds to meet the resulting new needs are cut. The situation is most alarming. It is quite a program.

Just think that during the election campaign, the Liberal Party spoke only of employment and equity, and this budget provides no remedy for unemployment and poverty; it only offers short-term jobs, which we hope will last at least 12 weeks so that these workers qualify for unemployment insurance. It is clearly insufficient for restoring the dignity of people without work.

The unemployed, especially jobless women, seniors and the poor will pay the price for the Liberal government's social spending cuts. The Minister of Human Resources Development, whom I would call Mr. Axe, tells us that the social program review could lead to more cuts. What an indecent turnaround in the Liberals' social positions from the time they were in opposition until now, when they are in power. Unemployment insurance cuts lead to more people on welfare, the present Deputy Prime Minister said in 1992. Unemployment insurance cuts lead to more people on welfare! She was in the opposition then. If you raise your eyebrows, you can check the news on the French network of the CBC yesterday; it ran that newsclip.

These new cuts still mean shifting the deficit to the provinces. Freezing transfer payments costs the provinces $2 billion more. Montreal is seriously ill, but the Liberal government is still cutting a little more of the oxygen off from its disadvantaged population. We have to thank the Liberals for their generous program of collective impoverishment.

Mr. Bill Graham (Rosedale): Mr. Speaker, I want to thank the hon. member for his eloquent speech and for his description of a city that has fallen on hard times. Many of us who live elsewhere in Canada also find this situation very distressing. I was born in Montreal, but have lived many years in Toronto. I also taught at McGill University and at the University of Montreal. I do have a question for my colleague and I ask it of him humbly and with no malice. Will he not concede that the problems experienced by the big city of Montreal, which should be a prosperous city after all, are due to his own policies and threats of independence? In order for a city to be prosperous, it needs to attract investment. Investors are shying away from Montreal. Even Montrealers themselves refuse to invest their money because they fear the current policies. You are responsible for creating this situation, and we are having to pay for it. This budget attempts to correct the imbalance created by your own policies.

Montreal first lost its advantage over Toronto when Mr. Lévesque was elected. I remember, because I living in Montreal at the time. We can trace everything back to this time. That is when Montreal lost its edge over Toronto. People in this world are free to do as they please. They are free to leave, free to travel, free to invest their money wherever they want.

I would like you to be honest and to ask yourselves whether your sovereigntist policies encourage investment in Quebec or whether in fact your policies are responsible to some extent for creating the problems which you have so sadly ascribed to us. I put this question to you very humbly, as all Canadians are very fond of Montreal.

• (1705)

The Deputy Speaker: Please address your remarks to the chair.

Mr. Daviault: Mr. Speaker, through you, I thank the hon. member for his nice comments. Earlier I quoted unemployment figures from 1989 to 1993. As far as I know, there was no sovereigntist government in Quebec at that time.

I would like to talk about a study done by Professor William J. Coffey and Mario Polèse—it could be tabled if someone asks for a copy; this document is available at the Library by the way—on the city of Montreal; it is called *Le déclin de l'empire montréalais: regard sur l'économie d'une métropole en mutation*. The authors are not sovereigntists. Their analysis shows that Montreal's decline is mainly due to what they call the loss of the hinterland. The market gradually moved to Toronto. Our industries got older. The Lachine canal region, which was a cradle of industrial development in Canada, is sinking into obsolescence; major investments are needed to revitalize it.

I was involved in creating an association to promote economic development in Montreal. In the end, we must take ourselves in hand at the local level and this, in turn, will lead us to do the same at the national level. I am a Montrealer and a "Montrealist" and, in that sense, we cannot propose to use the means at our disposal while leaving important tools in the hands of the federal government, which does a very poor job of managing them.

During question period this afternoon, the minister, in a flight of partisan oratory, talked about the RRAP. The RRAP was supposed to be a social housing program. The first part of the program is aimed at homeowners and the second part, at handicapped people. The part of the program designed for handicapped people can be compared to social housing, obviously.

We know that Montreal has a problem, mostly because of single parent families and the large number of new residents, who often live in apartments. Toronto probably has the same problem to some extent. But these people are not eligible under that program.

This government, which was a great advocate of social housing when in opposition, throws us a few peanuts and tells us

it is providing social housing; it is outrageous. When the minister adds that we should applaud the Minister of Finance, who is responsible for Montreal's economic development, that is the last straw.

So this study, that will be made available to you—again, it is called *Déclin de l'empire montréalais*—identifies the Quebec political option as a minor factor. It is a minor political factor at this stage. I would guess that William J. Coffey is not a sovereigntist.

It is important for Quebec's main city to give itself tools and to recognize that these tools must belong to the Quebec government. The federal government did not fulfil its mandate and I myself have lost hope.

• (1710)

In 1988, I was among those who supported the Conservatives for the nice worth—

An hon. member: Chrétien nixed that one.

Mr. Daviault: The "beau risque", as we say in French, did not work. Even Bourassa's five minimum conditions did not work. To start with, these five minimum conditions with a patriation of power, respect for our jurisdiction, even that did not work. The government tells us that as far as the Constitution is concerned, it is business as usual, the problem will disappear by itself. That is not true. The federal government is involved in all spheres of activity. There is not one department, except possibly defence, where it is not involved.

The economic development projects that it presents to us, the Youth Corps program which resembles Katimavik is a provincial program. It has no business being there. This is a cultural program, an educational program, it has no business being there.

As for occupational training, no subject brings such nearly unanimous agreement among Quebecers. Even the very federalist Conseil du patronat and its president, Ghislain Dufour, who is not a sovereigntist, agree. It is up to the SQDM, the Quebec labour development corporation, to act in this field. When we get to this point in other subjects, we can raise specific issues where the federal government does not even recognize programs that qualify for the SQDM, there is all that duplication. We are wasting our energy while we cut help for the unemployed. You said yourselves that by cutting unemployment insurance, you would put pressure on welfare. Now that you are in power, you say the opposite.

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I find it very depressing to listen to the speeches of Bloc Quebecois members. They are painting a very gloomy picture of Quebec and making it out to be the most miserable place in the world. Truthfully, I would be most unhappy if I had to live there.

Would Bloc members not be better off singing the praises of Quebec expertise, and giving examples of the achievements of Quebec industries which are recognized around the world? Does the hon. member not think that if he spoke in a more positive tone, if he praised Quebec's merits, then businesses would consider relocating to the province, which would result in job creation and improve the lot of Quebecers? Does he not want the same thing as we want?

Mr. Daviault: I thank the hon. member for Beauséjour. Indeed, entrepreneurship in Quebec is alive and well. In my riding, attempts were under way for many years to set up an economic development corporation. Federal and provincial members of Parliament and municipal councillors persisted in telling us that this was impossible. But, we took matters into our own hands and established such a corporation, because we had the will to succeed.

There are many examples of similar successes at the provincial level. However, we also encounter obstacles and when I spoke about unemployment insurance in particular, I mentioned that we needed some oxygen. Until such time as all of these problems are resolved, and the Minister of Human Resources Development sits down with his provincial counterpart and settles the question of manpower training as best he can, until such time, we need some oxygen in Montreal to help the disadvantaged who are gasping for breath.

This afternoon, the minister quoted from a newspaper clipping. Undoubtedly, he overlooked an article on unemployment insurance which appeared on page C–1 of today's edition of *La Presse*. It quotes Mr. Claude Forget, a former provincial Liberal minister who once put forward a major proposal for unemployment insurance reform.

• (1715)

Mr. Forget is reported as saying that the introduction of a different benefit level for persons with dependants will complicate matters and increase the costs of administering the legislation which is already highly complex.

With two different benefit levels, namely 55 per cent and 60 per cent, the system will be absolutely impossible to administer. This will create major problems and complicate the system. In addition, as reported on page C–3, the budget proposes vague fiscal measures. Even the experts are confused. Moreover, it is reported on the front page that Mr. Paul Martin was visibly disappointed with the frosty reception given to the government's financial plan and was prepared to accept part of the blame.

Perhaps the most interesting of all the articles appearing in *La Presse*—

The Deputy Speaker: Order, please. The hon. member's time has expired. We will now proceed to debate.

[*English*]

Mr. Culbert: Mr. Speaker, I rise on a point of order. Concerning the previous speaker's presentation, one of the things I noted, and I believe I noted it correctly unless it lost something in its translation to me, was his reference to a very distinguished and honoured minister of this House, whom I believe, if I am not mistaken, he referred to as Mr. Axe. That was the translation I got. I do not think that was the intention of the hon. member but if it was I certainly suggest that this House take an action.

The Deputy Speaker: I take it that was a point of order. The test of a point of order is whether it is disruptive in the House. Although the member just raised the point of order, I did not take it as being a disruptive comment.

If I find otherwise I will come back to the House with respect to words that have been ruled to be unparliamentary. Having read Beauchesne several times, I am not sure that Mr. X is an unparliamentary word, but I will be happy to look at it and report back to the member.

Mr. John Finlay (Oxford): Mr. Speaker, I rise today as the elected member for the Oxford riding to make my maiden speech in this elegant and venerable chamber. When I visited this place as a high school student some 50 years ago, I little thought that I would have the opportunity to address my hon. colleagues as a member of Her Majesty's government. However, that day has arrived and it is an intensely moving experience for me.

I am proud to represent all the citizens of Oxford riding and Burford Township and I thank them for giving me the opportunity to serve them and Canada.

Oxford County and Burford Township, which make up the riding of Oxford, are situated in the agricultural heartland of southwestern Ontario. It is not as rugged as Alberta or B.C., or as expansive as Manitoba or Saskatchewan, nor does it have the rocky coasts and oceans of maritime Canada. It does have the pastoral beauty, character and history of many predominantly rural ridings in central Canada.

Agriculture is the backbone of our communities. We have tobacco farms in the southern part of Oxford around Tillsonburg, which is a progressive town, supporting factories, supplying parts to the automotive industry. Tillsonburg is also the headquarters of the Flue–Cured Tobacco Growers' Marketing Board.

About 25 kilometres north of Tillsonburg is the town of Ingersoll, the home of the huge, modern General Motors Suzuki automobile plant known as CAMI.

The county seat is in the city of Woodstock, population 30,000. It is the administrative centre of Oxford County and has many factories serving the automotive and trucking industry, as well as several concrete fabricating plants, foundries and metal machining factories. The linings for the new Detroit River tunnel are being fabricated in Woodstock.

• (1720)

Woodstock is proud to be called the dairy capital of Canada and its symbol for the last 50 years is a holstein cow, Springbank Snow Countess, owned and milked by Tom Dent, a former Speaker of the legislative assembly of Ontario between 1943 and 1955. A life size statue of Snow Countess stands proudly beside the highway just as one enters Woodstock from the east.

I could wax eloquent about the hundreds of well kept dairy farms throughout Oxford County and Burford Township. There are also cash crop farmers, pork producers and chicken farmers. In fact, Cold Springs Farms of Thamesford is one of Ontario's largest turkey producers and processors.

Burford Township boasts some high tech factories and an outstanding research farm. Just north of Woodstock is the Western Ontario Breeders Incorporated which collects, tests, stores and sells semen around the world for the artificial insemination of cattle.

Oxford, my hon. friends, was the birthplace of some interesting historical characters. Aimie Semple MacPherson, the California evangelist, was born and raised near Ingersoll. A woman with a less admirable but no less colourful life was Cassie Chadwick, the famous con artist who lived very high off the hog in Cleveland, Ohio by pretending to be the illegitimate daughter of the New York City millionaire Andrew Carnegie of library fame.

On the male side, "Colonel" Joe Boyle, the saviour of Romania, was a Woodstonian who made a fortune from hydraulic placer mining in the Klondike following the gold rush. He equipped his own machine gun battery of ex–mounties and miners and transported them to France in the first world war. He was sent to Romania and Russia to reorganize the railroads. He rescued the crown jewels and 20 million in currency for Queen Marie of Romania from the Kremlin during the Bolshevik revolution.

His bones were returned to Woodstock several years ago and reburied. The Reverend John Davies of old St. Paul's Anglican Church in Woodstock, who lived to be 101 and who had known Joe Boyle in the Klondike, presided at the reinternment.

I will just mention some other heroes. The Mighty Men of Zorra, the tug–o–war team which won the world title at the Chicago World's Fair in 1893, was commemorated last year on July 1 at the Annual Highland Games in Embro by an international tug–o–war contest. The anchorman on the 1893 team, Robert MacIntosh, had a chest expansion of 52 inches.

Last year the unlimited class hydroplane, Miss Canada IV, was returned to Ingersoll to the Centennial Park Museum by Harold Wilson, its owner and driver. Miss Canada IV broke Sir Malcolm Campbell's world speedboat record in the 1930s.

I want to share with my hon. colleagues some of the things I believe about this country. I believe passionately in this country. I agree with the view expressed two weeks ago by one of the hon. members opposite who said there were three founding realities in Canada's past, the aboriginal people, the French and the English.

My hon. friend from the Bloc went on to point out very rightly that now more than one–third of Canadians, 12 million in fact, are neither aboriginal, English nor French, but come from many cultures and races.

I would like to remind all hon. members that 52 per cent of Canadians are women.

I am proud to espouse the Liberal philosophy and to be part of this Liberal government. Our members represent people from one end of this great country to the other, both ways, and bottom to top.

Just look at the diversity along these government benches and across the way in the rump corner. Nearly every one of the ethnic groups which make up this country is represented in this government. We have not yet achieved parity in representation for women. Yet, 37 Liberals out of the 52 women members in this House is a great improvement over the last government.

• (1725)

I believe that Canadians want this government to succeed. They want to help Canadians get back to work. They want an equitable tax system in which everyone pays their fair share.

They want a revised safety net of social programs which is affordable, makes sense, and serves all those who need it but not those who do not. The people want us to govern firmly. They want peace, law and order. They approve of the Prime Minister's multifaceted and firm approach to the tobacco smuggling problem. They want a searching review of the Young Offenders Act and our parole system with respect to serial killers and violent sexual offenders.

This government committed itself in the throne speech to a more open process and more power to the backbenchers on both sides of this House. I would remind the hon. members opposite that provincial governments are just as guilty of overlap and unnecessary duplication of programs as the federal government ever was.

In this first budget presented by the hon. Minister of Finance we have fulfilled another promise from our famous red book.

This budget will stimulate small and medium size businesses to undertake new ventures and test new markets. It will reduce significantly government spending on inefficient and non–productive programs. It will force a thorough review of all our social security programs and our defence department's role to make sure that we can deliver the programs we need efficiently and effectively.

The budget does broaden the tax base and stops up loopholes in the tax system. It collects more taxes from large corporations and the rich. It will reduce the unemployment insurance premiums to help small business expand.

It lengthens the minimal work requirement and lowers the percentage benefit for all except those who have dependents and need.

There are many other provisions which reduce government spending.

In conclusion, I give a quotation from Sir Wilfrid Laurier which I would ask all hon. members to ponder, particularly those in Her Majesty's Loyal Opposition from Quebec.

In 1911 Sir Wilfrid said:

> I am branded in Quebec as a traitor to the French and in Ontario as a traitor to the English. In Quebec, I am branded as a jingo and in Ontario as a separatist. In Quebec I am attacked as an imperialist and in Ontario as an anti–imperialist. I am neither. I am a Canadian. Canada has been the inspiration of my life. I have had before me as a pillar of fire by night and a pillar of cloud by day, a policy of true Canadianism, of moderation, of conciliation.

I honour the spirit of Sir Wilfred and I commend his balanced and zealous view of this great country to all honourable members.

Mr. John Williams (St. Albert): Mr. Speaker, I offer my congratulations to the hon. member for Oxford on his maiden speech in the House. We are delighted to hear about the many facets of his riding and I can see that he has much to talk about.

On the budget, about which he did not have too much to say, he seemed to emphasize the fact that he was proud of his government's attempts to broaden the tax base and close the loopholes and perhaps raise taxes and so on.

I was wondering if he would agree with the previous speaker with whom I took issue who said he thought that we did not have a spending crisis in this country but that we had a revenue crisis in this country.

The hon. member seems to think that we should be raising more taxes. Again, I ask him the same question I asked the previous speaker. Does he think that while Canadians are groaning under the massive weight of taxes in this country, and while we are $500 billion in debt, we should not look at cutting spending and cutting that spending dramatically rather than trying to squeeze another dollar out of the Canadian taxpayer?

• (1730)

Mr. Finlay: Mr. Speaker, I appreciate the comments of my hon. colleague. I am glad that he found some of the comments about Oxford interesting.

With respect to the budget and his very appropriate question, we must not forget that this budget cuts $5 in spending for every $1 it takes in through taxes or other payments.

I agree that the Canadian people do not want any more taxes. I said that they wanted a tax system that is equitable and in which those that can pay their fair share. I do not think this budget goes as far in this regard as it can. I remind the hon. member that the matter of family trusts is being taken up by a committee and that there are other changes that the finance minister pointed out would be dealt with in future.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I speak out against what the hon. member opposite said about duplication being the provinces' fault. It has been more than 50 years since he attended high school and he needs a refresher course.

I wonder if the sharing of constitutional jurisdiction has any meaning for him. Originally, four provinces agreed to share certain powers, but never ever did they think that they would give up their own powers which belonged to them and which they needed for their own development within the Canadian Confederation. So there is something wrong with that.

If there is duplication, it is because the federal government has always been meddling. The provinces did not middle in the national defence of Canada, the provinces did not meddle in foreign trade. It is downright wrong. We have been hearing that since this morning, so we should set the record straight.

As for job creation, 99 per cent of Canadian businesses have fewer than four employees. There are 1,114,000 self–employed people who work for their own business; that is not a lot. They play with figures to suggest that taxes for those people will be reduced from 28 to 12 per cent, when in reality their tax rate is 12 per cent. Those people have an awful time making ends meet.

Does the minister know that while he was telling us such nonsense, the national debt is costing us $75,000 a minute, and for the four or five minutes he took to tell us such rubbish, we are some $275,000 worse off than when he started to speak? He should be aware of that.

[*English*]

Mr. Finlay: Mr. Speaker, I think there were three or four questions there. There were a couple at the start. I might remind my hon. friend that while death and taxes may be sure, the other sure thing in this world is change.

When the Constitution was written we were not flying across the ocean in six hours. We were not flying from the capital to Vancouver in four and a half hours. We were not picking up the telephone and calling our offices at home. There was no such thing as electronics, fibre optics and a lot of other things we now have. The Constitution did a good jobs in those days for what people knew.

I suggest to my hon. friend that he has to keep up with the times. We have the problem of airlines and telecommunications. These things need new approaches.

Mr. Bernie Collins (Souris—Moose Mountain): Mr. Speaker, I commend my colleague from Oxford for his maiden speech. It was very well done and certainly very timely in this Chamber.

As I rise this afternoon to place some comments before this House with regard to the budget of the finance minister, I think that it is a credit to the people of Canada that they elected the government they did that keeps its promises.

• (1735)

Within four months every single item we proposed in the red book has been met or budgeted for. I can tell my constituents in Souris—Moose Mountain that there are no new taxes. For farmers and small business in my riding, it is good news. They were concerned over the $500,000 capital gains provision, that it not be touched.

For many farmers their farms are their pension plans. The exemption is a legitimate means of financial security. This budget is an investment in the future of Canada. It is fair, it is pragmatic and it is progressively oriented.

I was very pleased that agriculture was given careful consideration in this budget. Again the citizens of Souris—Moose Mountain are greatly affected by the agricultural industry. Every livelihood in our riding is affected by it.

It therefore pleases me very much to see that many programs affecting the industry were kept in place. The people of Souris—Moose Mountain are responsible and they are compassionate people. They want to contribute their share to this country, to the reduction of the deficit and to the development of our economy. They are willing to shoulder their share of the burden. However, they want to know that the contribution they make is handled responsibly by this government.

That is what pleases me about this budget. It is a balanced responsible approach to problems of the future. We are reducing the deficit while stimulating jobs. We are supporting those in need while closing loopholes and eliminating waste. We are putting our own house in order, just what my constituents asked us to do.

In that same spirit of co–operation and contribution my constituents are saying to me with respect to agriculture that they will make their contribution but we should handle things responsibly, guard the industry from disaster and collapse.

This budget is addressing those concerns. Although grants and contributions will see a 5 per cent across the board cut, essential agricultural insurance programs will not be affected. The gross revenue insurance plan, the net income stabilization account and crop insurance were exempted from these cuts. This is very good news for the people of my riding. They have been severely affected by circumstances far beyond their control in the field of agriculture. The exemption of these programs from the restraint measures is much needed and appreciated.

As well the finance minister has announced that there will be a study of the taxation of capital gains as it applies to small business and farmers. We have been given assurance by the minister that no changes will be made to the current exemption without the agreement of the farming community.

The grain farmers in my riding have one concern. That is with regard to cuts in the Western Grain Transportation Act. The report of the producer payment panel is still outstanding. The agriculture community would like to have a chance to agree on a new process before any cuts to this program are made.

With respect to the impact of the budget on growth and jobs, the budget provides funding for a number of programs mentioned in "Creating Opportunities" which will create jobs immediately and build the foundation for job creation in the future.

The infrastructure program is now being implemented and agreements have been signed with every province. Over the next three years the programs will create 50,000 to 65,000 new jobs. There are other initiatives in the budget that offer hope to young people. For example, the Canadian Youth Services program will put together a place where young Canadians get meaningful work experience and develop personal skills.

In addition, new youth internship programs will be developed with the province which will help to provide young people with alternative training.

It is important to note that there are no changes to the access to RRSPs for first time home buyers. That was a major concern to the people of my constituency and one that the budget delivers well on.

• (1740)

With respect to social programs, I am very pleased that the government intends to overhaul Canada's outdated social security system within two years. It will build bridges to work and support independence and not dependence. The budget calls for an investment of $800 million to test innovative new approaches to release Canadians from dependency and get them back to work.

As promised in the government's platform, the budget provided funding for the aboriginal head start program, a centre for excellence for women's health, the creation of the Canadian race relations foundation, the reinstatement of the law reform commission and the court challenges program and a prenatal program for low income pregnant women.

As an alderman and a former mayor of the city of Estevan, I have always believed in fiscal responsibility and fiscal restraint. This budget addresses both. For every dollar raised in new revenues, the government will cut $5 from government spending, resulting in a $23 billion cut over three years. The cancellation of the EH–101 helicopter added another $1.7 billion over three years.

In addition to focusing on fiscal restraint, we also have focused on budget loopholes. Through incentives we are going to bring together fairness to Canada's tax system.

The corporate income tax deduction for meals being reduced from 80 per cent to 50 per cent is a good direction to travel in. The $100,000 capital gains exemption which primarily benefits high income Canadians is eliminated immediately, another right direction.

The Liberal government promised to create jobs and to this end the budget addresses economic renewal. We encourage innovation and technology development and the government is supporting the vital small business. Canada's investment program, venture capital, and Canada's technology network program are excellent moves.

For years governments have promised more than they can deliver and delivered more than they can afford. We are confronting a deficit head on. In three years we will reduce that deficit from $45.7 billion to $32.7 billion. As a government committed to cutting expenditures, we intend as an example cutting $3 billion from government operations and putting on salary freezes.

Finally, with regard to UIC, the move from $3.07 to $3 will add $300 million for new investment by small business.

I want to assure this House and all Canadians that we will be taking home the gold. Never has so much been done by such a finance minister as the present Minister of Finance. I am pleased to stand here and support the budget this evening.

Mr. Randy White (Fraser Valley West): Mr. Speaker, I congratulate the hon. member on his speech. I would like to once again try to put some logic into this infrastructure program.

The infrastructure program is supposed to have $2 billion coming from the federal government, $2 billion from provincial and $2 billion from municipal. Municipalities will charge residential tax and the provincial probably an income surtax and so on.

I wonder if the hon. member could enlighten us as to how long these infrastructure jobs might last, how he sees the logic in spending $6 billion for that duration of those jobs and how will it be recovered.

Mr. Collins: Mr. Speaker, let me just highlight the process we have in the province of Saskatchewan with regard to infrastructure program. I look forward to the infrastucture program in Saskatchewan because I think it has all kinds of potential, certainly for the city I come from.

We are looking at putting a sewer and water program in place that will cost about $4 million. Whether it will be selected as one of the projects to be approved by the province will be a provincial decision. What will it do for our area?

• (1745)

I know very well that many people in southeast Saskatchewan, particularly in the riding I am from, are looking for jobs. They are looking for an opportunity to do some work and to develop some skills.

What will it do? It will give us people who will work on those jobs, in those places and as those improvements to our city come on stream we can hire those people as part of our infrastructure program within the city. Therefore, we also have the feature of being able to supplement and have these people right on the job in the city as a permanent possibility for the city of Estevan. I look forward to the infrastructure program. That is just in the south part.

Let us go to the north part of Saskatchewan. The infrastructure program, as we have it set for the native people, has tremendous possibilities. We have the possibility for head start education; the possibility for them to determine for themselves new inroads in the educational field. For job opportunities I think there is tremendous potential.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, how can the hon. member say that the budget is very good for farmers when, in the East, in just about every parish, there is a weekly auction, and he admitted that there was a 5 per cent budget cut. I am asking him to give me one benefit for Eastern farmers in this budget.

[*English*]

Mr. Collins: Mr. Speaker, there is a tremendous potential for everybody. We can sit here, put our heads in the sand and say nothing will be done. That is what some people would like to do. Some would say we have gone too far and others would say we have not gone far enough.

We have come to a point in time when we have to make an effort to make the best of what we have. The farmers in Quebec and Ontario will do just as well as the farmers in Saskatchewan. Maybe they will have to be a little more ingenious, but it is a fact there are going to be some cutbacks. They will provide that incentive.

The people in the dairy farming industry will become ingenious. They are going to be competing with the United States and I think they will do very well. Yes, they have had to take a bit of the cut. However, I think of hon. members farther to the east where some bases are being closed and 2,000 jobs may be lost. The impact there is great. The impact was spread across the country. It is no different for Quebec than it is for Saskatchewan or any other province.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I rise today on behalf of Canadians who were disappointed with the budget the government tabled in the House on Tuesday.

This disappointment is well–founded. Let us start by examining the words of the participants at pre–budget conferences, the words of government itself and the subsequent actions of the government in the 1994–95 budget.

One Calgarian participating in the pre–budget consultations stated: "Government cannot, in and of itself, create jobs. Government should get out of the way of private sector investment and employment". Many other Canadians share those views.

On page 7 of *Facing Choices Together*, one of the government's own booklets, the Minister of Finance acknowledged that the role of government should be:

> —establishing a positive economic climate for the private sector, and particularly small business; reducing the burden of regulation and taxation; and strengthening education.

I thank the minister for acknowledging what Reformers have been saying for years.

It is unfortunate, however, that in the budget the actions of the government do not follow its words. Not only did the government back off in terms of action, but on page 8 of the same booklet the finance minister inferred that the people at these consultations are not to be trusted. To demonstrate this I will quote the minister:

> —the government does not accept the view that there is no role for some immediate spending action.

The minister continues to ignore the views of the people by justifying a need for increased spending in programs like the infrastructure program. For the people to gain confidence in the integrity of a government there must be consistency between the words of the government and their actions. In this case there is not even consistency between the words of government on one page of their document and the words that follow on the next page.

• (1750)

Canadians used their common sense and said cut spending. In fact the government has increased spending. It is time for the government to start listening to the people.

I will illustrate how the figures in this budget affect the people in the Vegreville constituency and indeed across the country. At the end of next year, Canada's federal government debt will be approximately $550 billion. Approximately $40 billion will be added to this debt in the next fiscal year. Using my own family as

an example I will demonstrate the burden we are placing on the young people in Canada.

My wife, my five children, and myself owe about $140,000 as our share of the national debt. This year's deficit adds approximately another $1,700 to each person as their share of the debt. By the time my younger children reach their early twenties they will each owe a total of about $40,000 as their share of Canada's national debt if it keeps growing at the same rate.

I believe it is morally wrong for government to continue this wild overspending. If it continues Canada will reach a crisis situation, maybe as New Zealand did, within the next couple of years. If this happens, painfully drastic spending measures will have to be implemented. Some of this pain can be avoided if the necessary government cuts are made now.

I plead with the Minister of Finance to make these spending cuts or similar cuts in a mini budget in the early fall. Canadians cannot afford to wait another year for sanity to come.

Reform MPs have consistently presented positive, constructive alternatives to government proposals. In keeping with this I would like to offer some specific advice to the government.

Reform's specific proposals include: unemployment insurance should be made into a self–funding insurance plan where the benefits, the premiums and the funding are determined by employers and employees. If implemented this will save taxpayers about $3.5 billion per year. Eliminate business subsidies to the tune of about $3.4 billion per year. Stop funding special interest groups rather than just reviewing the matter, saving $500 million per year. Reduce foreign government aid by $700 million instead of the $400 million proposed in this budget. Decrease subsidies to crown corporations by 25 per cent saving approximately $1.25 billion per year. Cut non–salary federal government overhead by 15 per cent, saving about $1.8 billion per year. Target the Canada assistance plan to help poor Canadians for savings of about $1.5 billion per year. Reduce old age security for households making over $54,000 per year, saving $3.5 billion per year.

Excluding the unemployment insurance reform, the total savings I have just outlined amount to over $12 billion per year. The government should have made these, or similar, changes in this budget. They are the measures that were presented by Canadians at the pre–budget consultation meetings.

Will the minister and the government listen to Canadians this time? Will they present a new budget in the early fall putting their own words into action?

I will use the rest of my time to discuss agriculture in the budget. My greatest concern is that the government has made and will continue to make cuts in spending to agriculture before they have released farmers from the burden of over–regulation. For example, the government followed through on the 10 per cent cuts to the Crow benefit which were implemented by the former government in the 1993–94 budget. This eliminated funding of over $60 million to farmers. My concern is that while the funding is being reduced, the problems which plague the grain transportation system and further processing of agricultural commodities have not been dealt with.

• (1755)

Furthermore, the Crow benefit is still being paid to the railways. Grain cars are still controlled by at least three separate agencies and the Canadian Wheat Board restricts farmers from seeking out markets on their own and shipping to these markets.

Funding is being cut to farmers, but farmers' hands are tied so they cannot improve the situation for themselves. It is critical that over–regulation is eliminated before cuts are made.

At a conference I attended last weekend farmers made it very clear they do not want farm subsidies to continue indefinitely. They called for a massive reduction in government regulations to be followed by spending cuts. I hope the parliamentary secretary to the Minister of Agriculture, who also attended this conference, was listening carefully.

During the campaign, Reform presented a budget for agriculture for the next three years. This budget outlined our plan to target over $2 billion in support to producers and save taxpayers between $400 million and $500 million per year. Reformers promised to present positive alternatives and we have certainly done this in the area of agriculture.

Once again I must emphasize that before cuts can be made, regulations that prevents farmers from achieving open access to free markets must be eliminated. Federal–provincial government overlap must be reduced, and high administrative costs in delivering the various programs that are in place must be substantially trimmed.

Some of the specific recommendations that Reformers support are: first, consolidate over a dozen unco–ordinated safety net programs into three; a trade distortion adjustment program, an income stabilization program and an improved crop insurance program.

Second, reform the transportation system so that products may be moved by any route, any mode, and in any state of processing.

Third, improve private sector participation in research, education and job training.

Fourth, better target research funds to meet the goals that are set out by farmers and agribusiness.

Fifth, improve regulations relating to safety, fair competition, and dispute settlement so the marketplace can work better.

As well, we propose these changes to the Canadian Wheat Board: first, make the Wheat Board accountable to the people who pay the bills, that is western Canadian grain farmers. Second, allow the board to handle any crop, but permit farmers and grain companies the right to compete with the board. Third, continue Canada's loan guarantees as long as other countries offer them. Fourth, give farmers the right to choose between a pool price and a daily cash price.

I believe these changes to the Canadian Wheat Board will increase the price that farmers get from the marketplace. This increase in market revenue will reduce payments to safety net programs, a reduction that is not included in the Reform budget on agriculture.

In conclusion, the government made few changes in the area of agriculture in this budget, nor should they have without a comprehensive review of agriculture policy. However, studies similar to the one being conducted in the dairy, egg and poultry industries are virtually worthless because the scope of these studies is limited from the start. In this study, supply management is retained as a fundamental principle rather than allowing farmers and others affected to discuss this principle and decide if supply management is needed at all.

While a study of agriculture—

The Deputy Speaker: Order. I very much regret interrupting the hon. member. Is it his maiden speech? I do not think it is. Would the member indicate whether it is his maiden speech. It is not; then I am afraid his time is up. I am sure he will get a chance to make the point he was just going to finish with prior to all these questions that are waiting to be asked.

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, the hon. member has touched on rail line transportation. In Alberta there has been some experimentation with privatization of abandoned rail lines, where they have been taken over by private entrepreneurs who have been successful in the operation of these lines.

• (1800)

Could the hon. member tell us whether his party favours the privatization of rail lines in Canada?

Mr. Benoit: Mr. Speaker, on the question of the privatization of railroads and the question of the privatization of rolling stock, the answer is that we would certainly consider privatizing both.

There has to be a bit more study on the issue, but I believe there must be more competition allowed for the railways than there is now. Privatizing rail lines or nationalizing rail lines and allowing competition is important. How it can be done is up for debate still.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I thank my colleague for his address. He made a number of potentially very useful suggestions with respect to cost cutting.

It would be very helpful if my hon. colleague could indicate to us what impact if implemented the list of suggestions would have on unemployment. In other words how many more unemployed Canadians would there be?

My second question is with respect to the self–funded unemployment insurance program. Does the member know whether or not that would increase or decrease the premiums, whether or not it would increase or decrease the payouts to unemployed Canadians?

Mr. Benoit: Mr. Speaker, I appreciate those questions. They are both excellent questions.

In terms of the last question first on whether unemployment insurance will increase or decrease premiums, we are saying that as a self–directed plan the decisions will be made by employers and employees on whether premiums are raised, benefits are reduced, or who in fact is eligible under the plan. It is up to the employers and employees to make the decisions on the plan, as they should, because they are the ones who are funding the plan and we say it should be strictly them funding the plan.

On the question respecting how much the cuts would affect unemployment, I believe the cuts we have laid out may affect unemployment over a very short term. I believe very strongly that as these cuts are made and as Canadians see that the government is finally dealing with its overspending problem, unemployment will be reduced within a year and a half to two years. Economics is not an exact science but that is my belief.

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs): Mr. Speaker, I too welcome the suggestions made by the hon. member, but I recall that during the debate on the GATT we talked about subsidization of grain exports in many countries including Canada, United States and the European Community.

In the case of those countries we recalled that Canadian subsidization of grain exports amounted roughly to somewhere between 30 and 35 per cent; less than the Europeans and probably a little less than the Americans but considerably more than the Australians and the Argentinians. In the case of the Australians it is almost nil. In the case of the Argentinians it costs them to export because they subsidize their manufacturers.

Having said that, what would the hon. member think would be an appropriate figure for our subsidization agreement?

Mr. Benoit: Mr. Speaker, the member is specifically asking about what level subsidies should be at in terms of grain exports. Talking about grain exports specifically, the level has to be reduced over time. My goal and the goal farmers have told me they would like achieved some time down the road—and I cannot say exactly whether it might be six years or ten years—would be as close to zero as possible.

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, I heard the Minister of Finance during the budget presentation say that he was looking for $400 million to be cut from operating budgets of government departments in the next year and a further $1.5 billion in the subsequent three years. I have a suggestion for where the minister could find that amount of money.

• (1805)

His budget speech was very impressive. I was really caught up in it. He said: "The budget being tabled today follows an unprecedented process of consultation with Canadians. We have gained a great deal from listening to Canadians but one thing stands above all others: Canadians are fed up with government inertia. They seek determined fundamental change. Canadians know the kind of Canada they want".

I was really impressed with those words. I was therefore a little surprised to find that the minister and the government had not been doing the consulting they pretended to do. They came up with nothing, for example, in the way of cuts to official languages. I hear from my constituents in Nanaimo—Cowichan that it is one place where cuts should surely be made.

I wonder too if the hon. Minister of Finance was consulting with his own colleagues. The hon. member for Ottawa—Vanier across the way said on January 27: "A serious study should be undertaken by an individual to determine whether the Official Languages Act is working as intended". I agree with the hon. member. A serious study should be undertaken. My impression and that of my constituents is that it is not working and it is costing far too much.

Before I go further I would like to correct an impression of the Bloc Quebecois on what the Reform Party policy is on official languages.

[*Translation*]

The hon. member for Richmond—Wolfe said, "If they think that English should be the only official language of the federal government, they should say so clearly". I would like to say clearly that we do not think that English should be the only official language. There must be two official languages, English and French, everywhere. But it must here in Parliament, in the courts and in government offices.

[*English*]

The Reform Party's official policy on bilingualism is that we support individual bilingualism. We support territorial bilingualism as far as the federal government is concerned, that is to say—and let us take Quebec as a specific example—services must be given in the French language throughout the province of Quebec because obviously the numbers warrant it. Within the city of Montreal it is evident that services in the English language should be given in the regions of Notre–Dame–de–Grâce, Saint–Luc, Beaconsfield, et cetera.

[*Translation*]

Services must be provided in the appropriate languages wherever there is a need.

[*English*]

Let us now move to another phase of why I am tackling official bilingualism. I underline again that we are in favour of bilingualism, personal bilingualism. Let us have more of it, but official bilingualism is divisive in the country and is wasteful. It is a terrible waste of money.

• (1810)

How wasteful is it? I quote from Diane Francis in the *Financial Post*: "Translating technical documents involves the 500,000–page technical manuals for two new frigates currently under construction. A full translation of these manuals would cost $100 million".

In their defence National Defence and Supply and Services shot back that the real cost could reach $43.5 million. Unfortunately the real cost of translating those manuals will likely never be known since it will be buried in the overall cost of the frigates. That is one of the big problems we have not only with government but with estimates and everything else. Costs are buried and it is very hard to find them.

Another problem I have with the official languages policy in the country is that it is a product of the Ottawa elite. The elite in Ottawa says and has said for a number of years that this is what we should be pushing, that it will be wonderful for the whole country and it will certainly help keep Quebec in. I do not believe that is true and I do not believe the people of Quebec believe it is true either; not official bilingualism as it is practised here.

Typical of the attitude embraced by the Ottawa elite is the official languages commissioner who was recently quoted as saying: "We must not be deterred by the opposition which there is in public opinion. They are great adversaries with whom we have to attend". That was in spite of or perhaps because of a March 1992 Gallup poll which showed that 64 per cent of Canadians believe official bilingualism has been a failure.

How expensive is it? I do not know. It is almost impossible to find the real cost, but let us look at one example. National Defence admits official languages program activities cost nearly $48 million in fiscal 1992–93. Yet nowhere in the 1992–93 public accounts for National Defence is that figure recorded. It is buried somewhere.

In fact the person who prepared the report on official languages cost in National Defence to send to my office said in his covering letter: "The true costs of official languages activities for DND are higher than those given in the enclosed fax sheet. Unfortunately Treasury Board reporting guidelines do not permit us to report, among other things, salaries of military personnel attending continuous language training and the bilingualism bonus for civilian employees". That is part of the problem of identifying costs.

Let me conclude by saying that the budget should be tackling the deficit. One way of attacking the deficit is to cut expenditures, especially in areas where it is creating division in the country. One such area is the Official Languages Act. I say to the government: "Please look at it and cut".

• (1815)

[*Translation*]

Mr. Dan McTeague (Ontario): Mr. Speaker, I must point out as a Franco–Ontarian that during the 1960s and 1970s, I had a chance to learn a second language. I learned another language, and I want to make this clear to the hon. member for Nanaimo—Cowichan, thanks to the institution of bilingualism. During my school years and when I was employed in the private sector—

[*English*]

I had an opportunity to work with several large firms in this country which acknowledge readily that official bilingualism is a lot easier when you put, for instance, English on one side of the Kellogg's box and French on the same side. It is far more efficient to try to communicate to the seven, eight or nine million people in this nation who do speak French and who are not confined to one single region of the country.

[*Translation*]

I am living testimony to a system that works, a system that helped me learn a second language. I hope the hon. member for Nanaimo—Cowichan will agree that having two official languages was one of the great things that happened to this country, and that it gives us, as Canadians, an edge in our business dealings.

Mr. Ringma: Mr. Speaker, I am delighted the hon. member learned to speak English and French. It is a good thing for this country, and I certainly agree with him. However, I maintain what I said in my speech, that a tremendous amount of money is being wasted in this country. You are an example of someone who learned both languages, and that is wonderful. However, I can assure you that, although they agree with the principle of learning both official languages and other languages as well, most people in Western Canada feel that money is being wasted, and I repeat what I said in my speech in this respect.

The Deputy Speaker: I would ask hon. members, whether they speak English or French, to address the Chair.

[*English*]

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, if the hon. member wants to know about costs for the official languages policy of this country, there is no policy on official bilingualism. I would be delighted to share with him an article that I published on that very subject matter which outlines those costs. No one has ever challenged them.

With respect to the comments that he has made about costs, it is those kinds of things that are said that exaggerate the fears that are found throughout the nation. We do not know what they are but they are big.

What about this comment about the Ottawa elite?

[*Translation*]

What about the French language communities—like St. Boniface, St. Albert in Alberta and other francophone communities across Canada. Those are the elite, those are the people who are asking for services in French.

Does he realize we have unilingual senators and members of the House of Commons here, some unilingual French and others unilingual English, Canadian soldiers who speak only French or only English? Are these people not supposed to talk to each other? What does he really want? Does he want to scare Canadians? If there is any waste, let us identify it. Waste can be eliminated, but removing a policy that makes it possible to talk to each other is ridiculous.

Mr. Ringma: Mr. Speaker, as I said before, I have nothing against bilingualism and neither does the Reform Party, and when I say the elite, I am not referring to the people of Gravelbourg, Saskatchewan, or Grande–Prairie or St. Boniface. The elite are here in Ottawa, where they force the issue by saying: We will have this legislation enforced by inspectors who will monitor its implementation, and we can spend any amount of money on this. That is what I object to.

• (1820)

[*English*]

Mrs. Rose-Marie Ur (Lambton—Middlesex): Mr. Speaker, I am pleased today to stand in the House to present my maiden speech.

I would like to take this opportunity to congratulate you, Mr. Speaker, on your appointment to the chair.

I will begin in recognition of the International Year of the Family by thanking my own family for their encouragement and the support they have always given me.

I would also like to thank the most dedicated campaign team for all their hard work and the constituents of Lambton—Middlesex for the trust and confidence they have put in me by electing me as their representative in the 35th Parliament and may I also add as the first female representative for the riding since Confederation.

Prior to my being elected, I also had the privilege to work with the former member for Lambton—Middlesex, the Hon. Ralph Ferguson, who was the agriculture minister in the Turner government.

Hon. members may be interested to know that Lambton—Middlesex has a pivotal role in Canada's history. The historic Battle of the Longwoods took place in Middlesex country during the War of 1812. In fact the great Indian Chief Tecumseh was killed during the Battle of the Longwoods. No doubt were it not for the role of Tecumseh in repelling the Americans, we would probably be a part of the United States today.

On the Lambton side of the riding oil was discovered in the mid–1800s in Enniskillen Township, the first oil discovery in all of North America. In fact some of these oil wells have been producing for over 100 years and are still producing today.

Lambton—Middlesex is one of the largest ridings in southwestern Ontario. It is predominantly rural in nature, containing 18 municipalities, several towns and villages, one urban centre, Strathroy, and four native reserves.

The single largest industry in Lambton—Middlesex is agriculture, producing fruits, vegetables, corn, soybeans, raising poultry, dairy, pork, and beef, just to name a few.

I am proud to say that a number of very prominent Canadian leaders in the field of agriculture reside in my riding.

I would also be remiss if I did not mention that Cuddy's turkey farms, one of the largest turkey breeding farms in North America, is located in Lambton—Middlesex. It exports turkey parts all over the world.

As co–chair of the ethanol task force and ad hoc committee exploring the viability of a Canadian ethanol industry, I am pleased to see that the Minister of Finance is willing to review the necessity for greater assurance of federal excise tax exemptions for ethanol. I would urge the minister to make this his next top priority.

We have a window of opportunity that we must not ignore. We must encourage the greater use of ethanol blended fuels. It is good for the environment. It is a renewable resource and will create huge new markets for corn and grain.

This budget sets in motion some of the most fundamental far–reaching reforms in government policy in decades in such crucial areas as social security and defence.

Canadians have told us they are fed up with government inertia. They want a government to have a game plan and stick to it. We have a game plan, our election platform, Creating Opportunity, the red book.

In this budget we are funding every key initiative in the red book. We are delivering on our commitment.

What pleases me the most is that this budget offers a balanced approach because of its three main goals: economic renewal, deficit reduction, and social reform. These are all foundations for our top priorities, jobs and growth.

By focusing on these three goals this budget directly answers the concerns and priorities expressed by Canadians during a first–ever series of consultation conferences. The budget takes action through funding for infrastructure programs, a commitment to rolling back unemployment insurance premiums to the 1993 levels, and through new strategies to promote small business, the engine that drives the new economy.

The recession has taken its toll, as it has all over Canada, on some of the small businesses in my riding. However, a number of enterprising factories producing footwear, auto parts, frozen foods, mobile homes, to name just a few, have bravely weathered the economic storm through their own diligence, creativity and hard work.

• (1825)

I am especially gratified and relieved that the $500,000 exemption for small business and farm property will remain.

I am also very pleased that the home buyers plan which allows first time home buyers to use RRSP funds as a down payment is now a permanent program. The use of RRSPs has grown by leaps and bounds in Canada as more and more Canadians make use of them as a retirement supplement.

In agriculture areas such as my riding of Lambton—Middlesex RRSPs are often the only means of ensuring retirement security. Small and medium sized businesses do not want handouts. What they require is an environment characterized by improved access to capital, the encouragement of innovative leading edge technology, a commitment to better management training, a reduction of the regulatory and paper burden and the adoption of an aggressive trading mentality to take advantage of new export markets.

I am delighted that this budget addresses all these areas. In fact this budget is a winner I believe for small business. The following programs are being initiated: the Canada investment

fund to provide venture capital for companies, improving access to capital for small businesses by establishing a task force to work with Canada's banks to develop a code of conduct for small business lending, establishing a Canada business service centre in every province to provide one–stop shopping for government services, and rolling back the unemployment insurance rate to the level of 1993 for 1995 and 1996. This is going to save businesses $300 million a year, money that can be invested in new jobs. Our small businesses need a break and this budget provides it.

If I had to use one word to describe the message contained in the 1994 budget, then I would use the word hope.

Canadians have also said they want changes in our social security system to ensure it is fair, compassionate and affordable, a reform that delivers incentives for work and creates jobs and opportunities.

That commitment to change has already been launched by the Minister of Human Resources Development. The budget highlights important steps in meeting this challenge. The link between the length of time a person works and the UI benefits is being recalculated.

Assistance is being enhanced for those with dependants to increase benefits to 60 per cent of their wages. Other individuals will receive 55 per cent of their original wages.

This government is committed to deficit reduction. Our program of net spending reduction over the next three years is the most significant of any budget in a decade. A major goal of this budget is to take concerted action to bring government finances under control, action that is essential in Canada's economic revitalization.

In planning this budget the finance minister has relied on cautious, prudent projections of economic growth for this year and next. These projections based on consensus of private sector forecasts are in stark contrast to the overly optimistic expectations of those presented in some previous budgets, expectations that resulted in deficit forecasts that were wrong by millions of dollars.

Obviously the Canadian people will not stand for any more of these rude surprises. The 1994 budget actions, coupled with moderate economic growth we are projecting, will reduce the deficit from $45.7 billion in 1993–94 to $39.7 billion in the coming fiscal year. A further drop to $32.7 billion is expected in 1995–96. For every $1 of revenue increase there are $5 of spending cuts.

Finally, I think it is fair to say that the 1994 budget was developed following unprecedented public consultations that brought together a wide spectrum of Canadians to discuss the economic and fiscal challenges confronting the country. I salute the finance minister in his pledge to continue to consult openly and widely with Canadians.

May I conclude, by saying that I am proud to be a part of this government, a government that has pledged to restore honesty, integrity and accountability to all its operations.

• (1830)

If we continue to honour this pledge then we will have won back the public trust, enabling us to fight to rebuild Canada as a strong, independent sovereign nation, a nation that makes its own decisions, a nation that is caring and compassionate, a nation that will be united from the Atlantic to the Pacific.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my congratulations to the hon. member on her maiden speech.

I assume that she is a new member as I am. I know one feels after one gets that first speech done. It feels great. Thank goodness it is over.

Although the hon. member did not mention specifically about getting our own house in order I know she alluded to responsible spending and the accountability of politicians, the importance of it, being careful with the money, being very cautious in our spending so that we do not get carried away. I would like to know how the member feels on some issues and I will pick on three because the list is quite extensive.

There are a couple of things that are happening in this country that I find disturbing. One of them was mentioned by the Minister of Human Resources Development when he said that over a million children were living in poverty in this country. It is really a shame to hear that kind of news.

I have here on the top of my list that the Challenger jets cost us in excess of $3 million a year, the little blue cars that the cabinet ministers drive around in cost us in the neighbourhood of $1.3 million a year, the outrageous tax funded pensions for MPs are over $2 million a year. We are coming up to about $10 million.

Does the member agree with me that cutting that kind of fat out of the spending from the government and transferring those funds to help the poverty stricken children in this country would make a lot more sense?

Mrs. Ur: Mr. Speaker, I thank the hon. member for his kind remarks and for his questions also.

I too believe that one of our first priorities, one of the issues I ran on when I was campaigning last fall, is that we should certainly take a look at the funding and the way government spends its money.

As to the examples the hon. member has given me, pensions for instance, that question came up quite often when I was at all–candidates meetings. I certainly appreciate the member's question on that.

I felt that with the Canada pension plan I always referred to pensions for members. Perhaps we could look at it in that fashion. I am sure it is going to be reviewed in the near future and work it on the same basic principle as Canada pensions.

I know several people came up to me after these meetings thinking that was a genuine way of looking at Canada pensions, making them more fair to the general public's pension plan.

I certainly agree that governments have to address spending but as to the Challenger jets and so on, there is security. The Prime Minister has said at different times that he would prefer to be one of the regular folks on economy class but he cannot travel in that fashion. When one is elected to that office, there are standards one has to live by. We have to certainly respect his security and the security of whomever is Prime Minister.

Mr. Ken Epp (Elk Island): Mr. Speaker, I too would congratulate the member for that first speech.

I am really hesitant to put her on the spot but I would like to at least give notice of a question. This is a really genuine and serious question.

She quoted from the budget speech that for every $1 raised in new revenues, we will cut $5 in government expenditures. That is a worthy goal. I may be putting a new member on the spot here but sometime I would like the answer to where is this being cut? How does it then occur that our government expenditures keep rising every year in the plan, the debt keeps going up and the deficit each year is also going up? How can we then have a ratio of five to one in cuts?

• (1835)

Mrs. Ur: Mr. Speaker, I thank the hon. member for his question. It certainly is a good question and I do not pretend to be the finance minister here. I thought the finance minister had given time and time again during question period really good answers to this question. There have been several cuts made, whether they were the helicopter cuts, the defence cuts. We have heard those questions asked and answered during question period. Really, the issues are all outlined. All one has to do is read the budget papers that we have presented and the answers are there.

I thank the hon. member for his question.

[*Translation*]

Mr. Robichaud: Mr. Speaker, the next speaker will not have time to finish his speech. I wonder if there would be unanimous consent to allow him to finish his 10–minute speech before the question is put to a vote.

The Deputy Speaker: Does the House agree to give 10 minutes to the next speaker so that he can finish his speech.

Some hon. members: Agreed.

[*English*]

Mr. Alex Shepherd (Durham): Mr. Speaker, I would like to speak in favour of the budget as presented by the hon. Minister of Finance.

My hon. colleague has spoken of the five and one plan. Tonight I only want to deal with a two and one plan, that is, two expenditure cuts with one expenditure increase.

First, I would like to discuss the actions the hon. Minister of Finance has taken with regard to the federal civil service. I am sure that our civil service across this country is basically hard working and shares the commitment of the government toward a prosperous Canada. There are those who feel that the continued freeze of $500 million in 1994–95 fiscal period and the further $620 million in the 1995–96 fiscal period is a great hardship.

I would like to point out that this only represents a reduction in the federal civil service payroll of 2.2 per cent.

I know that many of us are all too well aware of reductions much more significant than this by national and international companies based in our own ridings. I would like to refer to a study done by the Canadian Federation of Independent Businesses which undertook an analysis of the 1991 Canada census data.

It discovered in all sectors of employment that the federal civil service had the highest paid workers in all classification for all sectors studied in all urban areas across this country. On average, the federal civil service is paid 13.9 per cent higher than similar classifications of the private sector.

What sort of a message does this send our workers and taxpayers?

I have been unable to find similar parallels in any other country in the world. At a time when we are negotiating international trade agreements such as NAFTA and GATT with the objective of making our private sectors more competitive, we discover that the federal government is over burdened by an inequitable wage system.

I note that the finance minister has attempted to deal with this very serious situation by proposing payroll freezes in the hopes of curtailing layoffs. Having said that, I acknowledge the planned layoffs which are to occur in the military, being well over 17,000 jobs.

Not only is the civil service pay structure out of step with the private sector, many of my constituents inform me of great difficulties in dealing with the personnel of the civil service who often do not return phone calls, often have work hours which are inconsistent with the concept of service. I know that there are many individual conscientious civil servants but it would appear

that there is much that we have to do in improving service in the federal civil service.

• (1840)

I would now like to address the second of my points dealing with the expenditure support of the budget. This is the area of social programs.

The Minister of Human Resources has often stated Canada's social programs were designed for another time and another place. There is a tremendous structural change sweeping our country. This change means that my generation, a generation that thought our career paths were set for life, now finds itself without jobs and uncertain of the future.

We have to reach out to these people and give them hope but also give them the tools to find alternate employment. It is not good enough to talk about retraining and train people for jobs that either do not exist or will not exist in the near future.

The government has to show leadership in planning the training needs of the future. This is why the federal government must retain its discretionary spending power in this area across this nation to set national training standards.

What does this say about our present social welfare system? It says that it is no longer sustainable. It says that we are creating social ghettos in which we subsidize people to do nothing, fostering a loss of self–respect and dignity. We must do better.

Our benefits under the unemployment insurance system in this country are in excess of 20 per cent of the average of the United States and indeed all G–7 countries. I have always believed that money restored energy. It is a human's way of taking work and converting it into a liquid commodity.

For instance, if I pay someone at the front door of this place $25 he or she will use their car and expend natural resources and time to drive me to the train station. To take money and give it to people to have them simply subsist is an insult to human intelligence. We must use unemployment insurance and other forms of transfers to individuals to assist them to rise up and take control of their lives. I am talking about using these funds to send them to learn new skills so that everyone can benefit from the new challenges of an evolving economy.

I now want to talk about the final point in my support of the budget and that deals with the area of small and medium size businesses. Much talk has been made around this place on this issue and much discussion has been made about the relation of these businesses with the banking community.

I would like to draw the attention of the House to the fact that these institutions account for less than 6 per cent of all deposits in this country. As a consequence, castigating this sector, the banking sector, is much like trying to fix a leaky row boat to cross the Great Lakes. It will not do the job even if we do fix it.

I note that the minister has elected to study pension funds and how they can be used to more effectively finance small and medium size businesses. Clearly, this is the right direction.

The minister has also pointed to a number of government initiatives in the budget. These include Canadian investment fund, business network strategies and the establishment of business service centres for one stop shopping for government services. One feature of these initiatives is the electronic highway.

The railway bounded this country in our history, then roads made it easier for people to communicate. Finally, the telephone first operated in Canada so that we could even more effectively deal with each other. Our diversity and the fact that we are spread fairly thin across this great nation turned us into the world's expert in the field of communication.

While we have squabbled about our internal problems, as my colleagues to the left of me continue to do, the real world is passing us by. We need to get on with the fourth stage of our nation building. The ability to link each individual in the country by means of an electronic highway, regardless of language or culture is our challenge.

• (1845)

I am proud to note that the government has provided funding for this worthwhile project, recognizing that it, together with the initiatives for the small and medium sized business sector, will set the agenda for a new tomorrow for all Canadians.

[*Translation*]

The Deputy Speaker: I think the hon. members understand that we will not have five minutes for questions and answers because it is already very late. Is there unanimous consent?

Some hon. members: Agreed.

The Deputy Speaker: Pursuant to Standing Order 84(4), it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the amendment to the amendment now before the House.

The vote is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to order made Tuesday, February 22, 1994, a recorded division stands deferred until 6.30 p.m. Tuesday, March 8, 1994.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

INDIAN AFFAIRS

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, on Tuesday of this week I rose in the House to ask the Minister of Indian Affairs and Northern Development a question of great importance to me, to my colleagues and particularly to the members of the Slave Lake bands.

The hon. member chose to blatantly ignore the question which showed disrespect to me and to the grand chiefs and chiefs who brought this issue to our attention.

I did not simply ask the question of my own accord. We had contacted members who were present at the meeting between the minister and the Slave Lake bands. I was told that they felt the minister's conduct at the meeting was insulting and shocking. They said his comments, as they pertained to the Reform Party, were indeed racist.

My colleague, the hon. member for Nanaimo—Cowichan, who was upset by the lack of response by the minister to my question, was prompted to pose the same one later in the question period.

The minister, when asked to provide a direct, clear answer, once again avoided the question. He said: "I am sure, Mr. Speaker, that the Reform Party does not hate Indians", but he did not deny or admit saying to a group of aboriginal people that the Reform Party hates Indians and they want to be seen as the defender of the white man. I believe the hon. member has a duty and responsibility as a minister of the crown to answer this question.

• (1850)

I and other members of the Reform Party have established close ties with many First Nations people and leaders over the years. This kind of comment, if made by the minister, amounts to a racist and slanderous attack on members of the Reform Party by a minister of the crown and defames us in the eyes of the aboriginal people and all Canadians. Nothing short of an honest and straightforward answer will suffice in a matter of this importance.

I was present in the House today when the question was posed in almost identical words to the minister for the third time. I also have the "blues" that indicate his answer. Again he does not clearly indicate whether he had made this statement. He only deals with a portion of the statement that has to do with the hate of the Reform Party for Indian people and does not cover the other part of the question, that we want to represent the white man, in effect against the Indian people.

Although it appeared to me that the minister had come a certain way in resolving this issue, it has not been resolved in my mind nor in the minds of my colleagues within the Reform Party.

We have also received a joint affidavit from people who were present at that meeting when this incident occurred. Eight of the leaders have signed a document and sworn before a notary public what actually happened at that meeting. I am prepared to table a copy of that here today.

I feel the minister should resolve this matter so that we can get on with our business and he can get on with the affairs of his ministry.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

[*Member spoke in Inuktitut*]

[*English*]

Mr. Speaker, as you know this question concerns an alleged comment by the Minister of Indian Affairs and Northern Development that Reform Party members hate Indians. As the member said, it was raised earlier in the House this week. At that time the minister answered the charge, clearly stating that he does not believe he said any such thing.

Again today the minister told members of the House categorically that he does not believe Reform members or any other members of the House for that matter hate Indians. I think it is quite understandable that he would not believe any such thing. The minister took the opportunity to encourage all members to look beyond their partisan interests so that we might all work together in building a new relationship with us, the aboriginal people of Canada.

Aboriginal people have told us that implementing the inherent right to aboriginal self-government should be the cornerstone of this new relationship. To that end the minister has had an opportunity to meet with many leaders across the country, discussing various issues, one of which is the inherent right to self-government.

The member would like the minister to respond to one particular community or meeting that he attended and at that point the minister answered clearly, again restated today that he does not believe any such thing. He said he has checked with

other members who attended the same meeting and they do not remember such a statement being made.

• (1855)

BOOK PUBLISHING

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, on February 22 I asked the Minister of Canadian Heritage why his government did not follow the requirements of the Investment Canada Act and in fact allowed Paramount to obtain the book publishing company's Maxwell Macmillan and Ginn Publishing.

The act prevents a non–Canadian from acquiring a Canadian controlled book publishing business.

Ginn Publishing was 51 per cent owned by the government through CDIC. In the case of a non–Canadian wishing to sell an existing Canadian business like Maxwell Macmillan the act requires that the vendor must prove that the potential Canadian investors have had a full and thorough opportunity to purchase. In both cases the government simply ignored the act.

In the case of Ginn Publishing the government claims it was obliged to sell its 51 per cent share to Paramount because of a legal obligation.

Canadians would like to see that contract made public in order to determine what that obligation is, who incurred it, when and where. Even if that obligation is there this government has renegotiated commitments made by the past Tory government, i.e. Pearson airport and the helicopter deal.

The Minister of Industry also claimed there was not "a substantial indication of interest".

Let me quote from the *Toronto Star* of February 22:

> One of Canada's top publishers, Canada Publishing Corporation, insists that its repeated expressions of interest in the company were constantly spurned.
>
> The firm's chairman, Ron Besse, says that the government kept promising a prospectus on Ginn but never issued one.
>
> After the Liberals assumed power, Besse sent his lawyers to Ottawa to again explore the possibility of purchasing Ginn. The next day, he received a call from Paramount asking what he wanted.

In other words, it is Paramount that is speaking on behalf of the minister and the government and not the department.

In the case of Maxwell Macmillan this is a direct acquisition and the act requires that Canadians have a full and fair opportunity to bid.

What effort was made to find Canadian buyers? Why was the acquisition of Maxwell Macmillan not reviewed by Investment Canada as part of the larger review that the act requires because Paramount in turn has been bought by Viacom?

The government could have had significant leverage in negotiating with Paramount but again it failed to do so.

This government could have acted to prevent the book publishing business of especially high school and university texts being dominated by American controlled companies. The fact the government did not has sent shock waves through the cultural community.

As Keith Kelly, national director of the Canadian Conference of the Arts stated, " What is stopping other transactions from acquiring other Canadian cultural industries?"

One wonders if the ministers involved in this decision really knew what they were doing. Were they misinformed by their advisers? If not, is this going to be the Liberal government's policy, the same as the previous Conservative policy.

I quote from the Liberal red book:

> At a time when globalization and the information and communications revolution are erasing national borders, Canada needs more than ever to commit itself to cultural development. Instead, the Conservative regime has deliberately undermined our national cultural institutions.

The purchase by Paramount of Maxwell Macmillan and Ginn is an undermining of our national cultural institutions.

I ask this government, is this what it means when it talks about cultural development? Is this a harbinger of things to come?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this is my first opportunity to congratulate you in your new job. I wish you well. I remember working in caucus with you. I very much appreciate the contribution you made as a member of our caucus and I look forward to working with you in the House.

I am pleased to have the opportunity to speak to the questions raised by the hon. member for Regina Qu'Appelle. Also, I would like to elaborate on the information that was already distributed to all members so that the hon. member can better understand the series of events that led up to this transaction.

Further to a directive from the previous government CDIC acquired 51 per cent of Ginn from Paramount in 1989. In consideration of the book publishing policy then in effect known as the Baie Comeau policy, Paramount, then Gulf & Western Industries Inc., had acquired Ginn as part of a larger takeover of a U.S.–based parent. It was subsequently required to divest a controlling interest in Ginn to Canadians.

Following Paramount's unsuccessful efforts to find a Canadian buyer, the government through CDIC bought a 51 per cent interest in Ginn for $10.3 million. At the same time CDIC was directed to sell its interest to Canadians as soon as practical.

In negotiating the forced divestiture of Paramount the previous government agreed that if its policy respecting indirect acquisitions in the Canadian book publishing industry changed while CDIC continued to hold its interest in Ginn, Paramount would have the right to repurchase the holdings by CDIC at the same price.

Furthermore, while CDIC technically purchased the Ginn holding in 1989, there remained a number of legal and commercial issues to resolve with Paramount before the interest could be offered for sale to Canadians. CDIC succeeded in resolving some but not all those issues.

In the meantime CDIC received inquiries from Canadians interested in purchasing the Ginn holding and a list of potential purchasers was compiled. However, contrary to the statement made by the hon. member, no potential purchaser was turned away. In reality, CDIC was at no time in a position to market its interest in Ginn actively until the resolution of certain outstanding issues, one of which was a complicated distribution arrangement to be settled.

In January 1992, when the former government announced its new book publishing policy, Paramount's legal right to repurchase CDIC's holding in Ginn was triggered. From that time forward CDIC's hands were tied as it was not able to consider a sale to a Canadian purchaser until Paramount declined to exercise its right to repurchase the 51 per cent interest in Ginn.

To have proceeded otherwise could have exposed CDIC and the government to possible legal action. Paramount decided to exercise its right to repurchase the Ginn holding for the original price paid by CDIC of $10.3 million. The government was required to complete a transaction that was set in motion by its predecessors.

[*Translation*]

The Deputy Speaker: Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7 p.m.)

HOUSE OF COMMONS

Friday, February 25, 1994

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1994–95

Hon. Sergio Marchi (for the Minister of Finance) moved that Bill C–14, an act to provide borrowing authority for the fiscal year beginning on April 1, 1994, be read the second time and referred to a committee.

The Speaker: The hon. Parliamentary Secretary to the Minister of Finance and a brand new father, I might add.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, because of the birth of my second child, I have not had an opportunity to speak in the House at length, so I would like to congratulate you on your election as Speaker. I am probably the last member of the House to do this formally, sir, but I would like to congratulate you on your new position. I also congratulate your colleague, who has now taken the chair, and thank you for making things go so smoothly in the first weeks of this House. Thank you again.

I welcome the opportunity to speak at second reading of Bill C–14, the borrowing authority bill. I urge the House to proceed with this legislation as quickly as possible so that new borrowing authority will be in place at the beginning of the new fiscal year.

• (1005)

Before speaking directly to the measures in the bill, I would like to put this legislation in its proper context. The amount of borrowing authority requested in the bill is directly connected to the financial requirements set out in the budget presented earlier this week by the Minister of Finance. The information required to deal with the financial aspects of the bill is set out in the budget.

It is extremely important that this bill be passed as quickly as possible. Without borrowing authority early in the new fiscal year, there will be severe constraints placed on the government's financing program. Essentially the government would be limited to using section 47 of the Financial Administration Act which restricts funding to short–term funds.

No bond issuance will be permitted except to funding maturing issues of which there are very few in the first quarter of 1994 and 1995. Any delay in the passage of this important bill beyond the end of the current fiscal year therefore could prove costly to the government and Canadian taxpayers, and would expose the government to the additional interest rate risk implied by higher short–term funding.

With the large financing program, delaying bond financing will also be potentially disruptive of the capital market which could result in higher debt servicing charges. It is critical that borrowing authority be secured as soon as possible after the budget.

In granting the borrowing authority requested in this bill, hon. members should keep in mind that the budget takes strong action to bring government finances under control. The measures announced in the budget are an essential part of this government's action plan to revitalize Canada's economy.

We do not put forward this request to borrow money lightly. We know there are real costs involved in adding to the country's debt burden. That is why we have taken real action by proposing the most substantial spending reductions by a government in the last 10 years.

As well, in charting Canada's fiscal course in this budget we have relied on cautious, prudent projections of economic growth for this year and next. Consequently the deficit projections are much higher than those given to the House last April.

The economic projections presented in the budget are based on a consensus of private sector forecasts and are in stark contrast to the overly optimistic, some might say unrealistic, expectations of growth presented in some previous budgets, expectations that have resulted in deficit forecasts that were wrong by tens of millions of dollars.

For our part we have served notice that we are committed to changing the way government does business. One aspect of this is the use of prudent projections of economic growth to generate budget numbers that Canadians can trust.

The 1994 budget actions, coupled with the moderate economic growth we are projecting, will reduce the deficit from $45.7

billion in 1993–94 to $39.7 billion in the coming fiscal year. A further drop to $32.7 billion is expected in 1995–96. As a percentage of Canada's economy, the deficit will fall from 6.4 per cent of gross domestic product for this year to 4.2 per cent of gross domestic product in 1995–96. Looking further ahead, the budget sets the deficit on a path to meeting the government's interim deficit target for 1996–97: 3 per cent of GDP or some $25 billion.

In setting this course of responsible deficit control, the government has put the emphasis on actions that will support economic renewal and confidence. Most important, we have emphasized reductions in government spending. Net expenditure cuts will total $17 billion over the next three years and while we have proposed some measures to increase revenues there are $5 in spending cuts for every $1 in new revenues.

The 1994 budget sets in motion the most comprehensive fundamental change in decades. However, change is not always comfortable. It is not always easy and is tempting to attack. This change is vitally needed because it focuses on three essential goals that directly answer the priorities expressed by Canadians during our first ever series of public budget consultation conferences.

Canadians said they wanted action to restore our country's economic vitality and to create the jobs so many people desperately need. This budget addresses those needs.

We are accelerating regulatory reform and GST reform because Canadians told us they want government to get off their backs and relieve them of the dead weight of over–regulation and red tape. Canadians also told us they want a government committed to lowering taxes that stand in the way of hiring and growth. Therefore, we will roll back UI premium rates in 1995 to their 1993 levels. This will save industry almost $300 million a year. Due to this action there should be some 40,000 more jobs in the economy than could otherwise be expected if premiums were allowed to rise.

• (1010)

The budget also funds new strategies to promote small business and technological innovation, key engines of a successful economy in today's global arena.

We are acting to get the banks working better to provide finances for small businesses. We are also reforming the way government approaches science and technology. We are taking steps to give small business access to technology and to allow it to afford dedicated engineering support. We will be developing a strategy for the information highway and we will be issuing a policy paper on science and technology so that we can work with Canadians to develop a clear statement of government priorities in this crucial sector.

During our consultations, Canadians also said they want reform of our social security system to ensure it is fair, compassionate and affordable, a reform that delivers incentives for work and creates jobs and opportunities.

That reform has been launched by the Minister of Human Resources Development. The budget takes important steps to begin meeting this challenge. The link between the length of time a person works and UI benefits is being strengthened. Assistance is being enhanced for those with dependents. These and other actions will reduce the costs of the program by $2.4 billion next year. This will allow us to bring UI premiums down.

The consultations also delivered a third blunt message. People told us to get government finances under control and make government more effective, cost conscious, and less of a burden that undercuts job creation and entrepreneurship.

The government understands that these are obligations we must accept, not options. The budget reduces the deficit with this in mind. Using prudent economic assumptions, the actions in the budget set the deficit on a clear path to bring it down to the target we set out in the red book of 3 per cent of Canada's economy in three years.

The budget also includes freezing both public service and parliamentary salaries for a further two years. I must say as a personal aside that this is the first announcement I have given to my family, including my wife who is in the hospital and watching this, that in fact my salary has been frozen for another two years. I hope she takes it in good spirit.

Defence spending will be cut by nearly $2 billion more. That is in addition to the $1.7 billion saved by cancelling the EH–101 helicopters over the next three years. Subsidies for businesses and grants and contributions to interest groups will also be reduced.

The government will reduce the operating budget of the government departments by $400 million in the next fiscal year with savings rising to $620 million annually in 1995–96 and beyond. Total savings and cuts in government operations will rise from $468 million in 1994 to $1.6 billion in 1996–1055 97.

[*Translation*]

Grants and contributions paid by the government, including international assistance and grants to small businesses, will also be reduced to achieve $253 million savings during the fiscal year starting next April. These savings will reach $409 million the following year.

The government also undertook a vast restructuring of our social security system in order to improve it and make it better suited to the needs of the time, while making sure it remains affordable.

Within this framework, we have major objectives in two areas: unemployment insurance reform and social security transfers to the provinces.

[*English*]

The new rules will strengthen the link between work history and the ability to collect benefits, and will enhance benefits to those with lower incomes and those who are supporting dependents.

Federal transfers to provinces currently total some $40 billion annually with some $14 billion of that related to social security programs. The budget calls for a two–year period of predictability and modest growth in these transfers.

During this period the federal government will co–operate with the provinces in setting reforms and testing new approaches with extensive public consultations and input along the way.

• (1015)

However, the budget makes it clear that social security transfers will be no higher in 1996–97 after reform than they are this year. This will save the federal government at least $1.5 billion in 1996–97.

The challenge of the deficit is not only one of spending, it is also one of revenues. The government knows that Canadians believe taxes are already too high and we agree with them. Our priority as a government is to stimulate the economy to create growth which will help curb the deficit and allow us to reduce taxes in the years ahead.

The tax and deficit relationship is a two–way street. A higher deficit will lead to higher taxes, while a lower deficit will lead to lower taxes. To reduce the deficit now some revenue increases are necessary. The government has decided that the fairest way to raise revenue is to broaden the tax base and to bring greater equity and fairness to the tax system.

The $100,000 lifetime capital gains exemption will no longer be available for gains realized after budget night. For individuals, the full value of employer paid life insurance premiums will be taxable. The income tax credit provided to persons over the age of 65 will be income tested. I should note that only one senior in four will be affected by this change.

A number of changes are also being proposed to the corporate tax system to make it fairer and to better target the tax assistance made available to certain businesses. They include: a reduction in the GST tax credit and the business income tax deduction for meals and entertainment expenses; the elimination of certain tax preferences aimed at small business that are enjoyed by some large private corporations; a change in the tax treatment of certain security transactions by financial institutions; and the elimination or reduction of certain regionally based investment tax credits that have not been cost effective in attracting new investment. The proposed changes will add $575 million to federal coffers in 1994 and almost $1.4 billion the following year.

In bringing down this budget the government is pursuing a balanced approach, weighing a number of concerns and targeting a number of goals: to create jobs; to stimulate economic growth; to reduce the deficit; and to encourage the long–term financial viability of the social programs that define this country.

There are some voices that might call for a different balance, some views which are focused on one issue or another instead of the complete picture. This government asks them to think again.

As the Minister of Finance put it during his address; for those who would have us spend more, Canadians deserve to know where the money would come from. And for those who demand we cut more, Canadians deserve to be told the extent to which that would hurt growth, hurt jobs, hurt the less fortunate. It is with this in mind that we have asked the House for authority to borrow the funds we require in Bill C–14.

I would now like to go into some detail as to the elements of this bill. Like borrowing bills in recent years, this bill contains three basic elements: authority to cover financial requirements for 1994–95; exchange fund account profits; and a contingency reserve. In total, the government is requesting authority to borrow $34.3 billion for the 1994–95 fiscal year.

In addition, there is a provision for an additional borrowing authority of $3 billion to provide for borrowings conducted in this fiscal year under section 47 of the Financial Administration Act.

I would now like to touch briefly on the main provisions of this bill. First, there is the provision for $30.2 billion of authority to cover our anticipated requirements for borrowing to meet the net financial requirements set out in the budget.

Second, there is provision in the bill to cover $1.1 billion of exchange fund account earnings which give rise to additional Canadian dollar borrowing requirements. This is because these earnings, although reported as budgetary revenues, are retained in the exchange fund account. They are not available to finance ongoing operations of the government.

Third, there is a $3 billion reserve, the same amount requested in borrowing authority bills in the last six years. This reserve provides for unforeseen contingencies such as foreign exchange transactions, seasonal swings in borrowing requirements and delays in passing the future year Borrowing Authority Act.

• (1020)

There is also a provision to cover the funding of bills issued in 1993–94 under section 47 of the Financial Administration Act, up to a cap of $3 billion. Without this clause these refundings

would be charged against regular 1994–95 borrowing authority, even though the money was raised in 1993–94 fiscal year.

Members should note that the provision cannot be used to generate additional borrowing authority for 1994–95. Next year's borrowing authority is only increased by the amount of section 47 borrowings actually transacted in 1993 up to a maximum of $3 billion.

There are some minor technical provisions in the bill that more clearly link fiscal year borrowing authority with fiscal year borrowing requirements. One provision provides that 1994–95 borrowing authority may only be used after the 1994–95 fiscal year begins. Another provision stipulates that the borrowing authority covers the full fiscal year beginning April 1, thereby ensuring refunding authority for the securities maturing in fiscal year 1994–95.

Until this bill is passed we may continue to use any amount of the non–lapsing reserve provided for in the Borrowing Authority Act, 1993–94. This bill when passed will cancel all borrowing authority remaining from fiscal year 1993–94. Also, it will deduct from the basic amount of borrowing authority sought any borrowing authority for 1993–94 that is used in 1994–95. This prevents any use of the 1993–94 non–lapsing reserve effectively adding to borrowing authority in 1994–95.

As background information I would like to review the government's debt operation in the current fiscal year up to the end of January. At this point in the domestic debt program about $25 billion in new net market debt has been issued. Of this total, $21 billion was in the form of marketable bonds, $5.5 billion in treasury bills, and $925 million in real return bonds.

The real return bond program was first announced in October 1991 and is a modest and cost effective diversification of a debt program. The bonds offer investors a real rate plus an inflation compensation component.

I would like to report to the House on last fall's Canada savings bond campaign. That campaign with bonds bearing an interest of 4.25 per cent had total sales of $5.4 billion. After taking into account the Canada savings bonds that matured or were redeemed in that period, net purchases of new bonds amounted to $842 million.

Regarding foreign currency debt, outstanding Canadian bills increased by U.S. $2.7 billion to $4.7 billion at the end of January. These are short–term U.S. dollars denomination bills which are issued from time to time in the U.S. market to fund Canada's foreign exchange reserves. In addition, a yen 80 billion bond issued in 1986 matured in July 1993.

In January the government launched a U.S. $2 billion five–year floating rate note. This issue will be used to pay down outstanding Canada bills thereby diversifying the source of U.S. dollar funding of Canada's exchange reserve. It will not increase the level of reserves or Canada's overall indebtedness.

In summary, the bill is straightforward and contains no unusual provisions. All the information needed to deal with it is before the House in the budget, the main estimates, and related documents.

I therefore urge the House to proceed with this legislation as quickly as possible so that new borrowing authority will be in place at the beginning of the new fiscal year and the government's regular borrowing program can proceed as the fiscal year begins.

Borrowing authority is a normal part of the operations of the government. I urge all members to support this bill.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I suppose I should welcome this opportunity to speak to the Budget but I cannot say I approach this task with a lot of enthusiasm, because there is little to be satisfied with, especially when we have a situation whereby the end of the next fiscal year, we will have a deficit of at least $40 billion. I said at least, and I will get back to this later on.

• (1025)

We now have a bill before the House to provide borrowing authority. I would like to take a few moments to discuss this, because a substantial part of the debt or the interest on the debt is paid abroad. That is the most problematic aspect of the debt, and it is something that is not always clearly understood. Interest paid to Canadians is fed into the economy, so this is a lesser evil. Not so in the case of interest paid abroad.

Take, for instance, someone who borrows $1,000. Mr. Speaker, suppose you were to lend me $1,000. You can see my credit is good, and I pay back the loan as agreed, so you are satisfied. If I want to borrow another $1,000 next year, there will be no problem. However, if you notice I have trouble meeting my payments so that you are not sure you will be paid back, you will start having second thoughts about the matter.

If later on, I want to borrow money again, you will say: Fine, but I want a better return on my investment. Interest increases according to the risk involved, according to a basic financial principle.

That is what we are seeing today in the case of Canada, and that is why although interest rates on short–term loans are low, rates on long–term loans are not going down.

We must borrow to service the debt. The financial markets want a certain yield, and that is why our long–term interest rates are not going down as much as we would wish, which prevents us from investing in a vigorous economic recovery.

For all these reasons, the government will have to put its financial house in order, which is not the case in this budget. This year again, the government failed to act.

I remember how I reacted to last year's budget. It was a disaster. The government postponed many important decisions for another year. Under the circumstances, it was decided to let the future leader of the Progressive Conservative Party and the government make these decisions. This year, with a new government, a newly–elected government with wonderful objectives and nice campaign speeches, we expected a more vigorous approach. It did not happen, and I will give some more details later on.

I heard an analyst give a very good explanation of the situation this week on the Radio–Canada program *Le Point*. She said that the government must put its financial house in order as soon as it comes to power. During its first or second year. The government failed to do it the first year, and we can only hope it will not let us down next year. This is a serious matter.

The longer a government is in power, the harder it gets to make budget cuts. I remember talking to someone who had been a member of the Quebec cabinet, and he told me: Pierre, when you are elected, you have about six months to do some real house cleaning, because after that it becomes extremely difficult. I found that illuminating.

I hoped that in its first budget, the government would have done more. Spending cuts are not as significant as they would have us believe. The famous five–for–one rule, which says for each dollar of additional revenue, we cut five dollars in spending, should be changed to read: "We will cut five dollars in our spending estimates". This is not the same, because as we can see in the budget votes, expenditures are not going down. We are now at around $122 billion, and it will be like that for the next three years. Granted, in real terms—these figures are nominal values—there will be some reduction in real value.

I will also mention a few positive aspects of the budget. I looked around and found one I want to mention particularly, which is the decision to introduce a permanent program that will allow first–time homebuyers to use RRSP funds to purchase a home. It is a positive measure that was supported by our party and the Reform Party and by Liberal members as well. In fact many people wanted to see this become a permanent measure, and that is now the case. Bravo! That was a good decision.

Another good decision was to roll back unemployment insurance premium rates to $3, but not until 1995. It is a good decision for next year.

That was the good news.

I admire my Liberal colleagues who must spend 20 minutes discussing the positive aspects of the Budget. I admire them because personally, I could do it for only two or three minutes. That is quite an achievement, Mr. Speaker.

• (1030)

Now, on to the deficit. I looked up a number of figures, not to give you a personal history, but to give you a history of the state of our public finances since the year of my birth. In fiscal year 1971, the government recorded a deficit of $379 million.

Let me quickly give you some figures. In 1972, the deficit stood at $614 million; 1973 was a positive year; in 1974, the deficit stood at $672 million and this is when things started to snowball. In 1975, the deficit increased to $1 billion. By 1978, it had surpassed the $10 billion mark. The situation improved slightly in 1979 and 1980, when the deficit fell from $16.2 billion to $11.5 billion. One could have thought that we were on the right track, but no, the deficit continued to spiral upward.

The deficit in 1982 was $14.9 billion. By 1983, it had increased to $29 billion, with no relief in sight. The situation improved slightly during the mid 1980s, but the upward spiral continued in 1992 and 1993. The extremely high deficit, which stood at $34 billion for the 1992 fiscal year, increased to $40 billion for the 1993 fiscal year. This year, it will stand at $45 billion, while projections for next year put the deficit at $40 billion.

It should be noted that the projected deficit for this year was not $45 billion, but rather $32 billion. Talk about a forecasting error! If a person in the private sector were to make this kind of mistake, he would certainly be out of a job. Of course, you will say that the government was indeed defeated and turfed out of office. However, I sincerely hope that my Liberal friends will deliver on their promises.

I want to talk a little about this year's $45.7 billion deficit. After the elections, the Minister of Finance lost no time announcing to us that the deficit would be worse than anticipated. You may recall that during the election campaign, our leader, Mr. Bouchard, spoke of a $40 billion deficit for this year during a very lively debate on the CBC. His comments created quite a stir during the campaign.

Once in office, the Minister of Finance announced that the deficit was larger still, around the $46 billion mark, somewhere between $44 billion and $46 billion. One has to understand that of these $46 billion, close to $4 billion are non–recurring expenditures, that is expenditures which the government will not have to incur next year. Therefore, we are really talking about a deficit of $41.7 billion or $42 billion.

In addition, I have not taken into account the fact that the government will be making more prepayments this year, which will allow it to post more expenditures to this year's budget. Since they are blaming the deficit on the Conservative government, they might as well make it as large as possible, while they are at it. Then they can say next year: "See, we reduced the deficit from $45 or $46 billion to $39 billion". Reality and the facts prove that this is not quite the case. This budget takes the deficit, which is hovering at about $42 billion tops, and reduces it to a projected $40 billion. And what are the real facts? Well, it is highly likely that the real deficit will not be much lower than last year. Given that the economy is expected to grow this year, this is cause for some concern.

When I look 10, 15 or 20 years down the road, I try to imagine what the country's financial state will be and the outlook looks very gloomy. How much interest will we be paying on the debt? Will 50 cents of every tax dollar be going to pay the interest on the debt?

It should come as no surprise to you that young people are very cynical about the political process and about the future. How can they be confident? Their future is being mortgaged big time! They wonder how we are going to get out of this mess and puts things right. It should come as no surprise to you either that a growing number of Quebecers have expressed doubts about the federal system which has created this unresolvable debt crisis.

This year, in its budget, the government has shied away from making the hard choices, preferring to postpone matters for another year. It amazes me that budgets always seem to paint a rosier picture of the future.

• (1035)

With the Tories, forecasts were always for five years and invariably, the graphs showed the deficit miraculously dropping, by the fourth or fifth year, to very reasonable levels. I do not know how they managed to do that, but they did.

Now, the Liberals and their Minister of Finance are telling us that, for the sake of transparency, forecasts will be on a three–year basis. But again, things start to look up only in the second or the third year, never the first one.

This budget should be telling us what is going to happen during the first year. We will see. So much is unpredictable or very hard to predict. How can the Minister of Finance make reliable forecasts over three years when major consultations are ongoing in areas such as human resources and the GST for instance? If financial guidelines are not in place, how can he predict with any accuracy what is going to happen in terms of the economy? One can wonder.

Somehow I get the uneasy feeling that this alternative to or improvement on the GST could be used to generate additional revenues to even things up. As for consultations on human resources, financial criteria seem to have been clearly established already. What is the use of consulting then, if the goals of the reform have already been set? Take unemployment insurance for example. This budget provides criteria and guidelines in that area. Is all the work done by this committee, all its distinguished members and all the people who will be consulted be for nothing? I am afraid that they might work hard for nothing, that decisions have been made already.

About this year's deficit, I would like to add this: it is a record. Never in the history of this country has a higher deficit been forecasted, never. The past cannot vouch for the future and I certainly hope that it will be the case here because it would be catastrophic.

In the past, the Department of Finance has had some difficulty forecasting economic performance, and that is putting it mildly. Now, the Minister of Finance is telling us: "We are going to use much more realistic forecasts for a change". Let me say a few words on these forecasts.

In his financial forecast, he has announced more realistic growth rates and interest rates. One area where his forecast is questionable however is inflation. In that regard, he has failed to listen to all the economists who have provided him with forecasts. They were all around 2 per cent, but the Minister of Finance chose to use a rate of 0.8 because that was just what he needed. A 2 per cent rate is much more realistic, especially if slight economic growth is expected. Whether we like it or not, growth always causes some inflationary pressure, and 2 per cent inflation is not too terrible. But no, he chose to use 0.8 per cent. That particular figure is questionable.

But there is one which is even more questionable. You know, when you make forecasts, you use a long mathematical equation, one perhaps as complex as for equalization. You put numbers in, then say: "Let us change the figures to get more realistic results". But there is a major mistake, a major flaw in this equation. The government expects a 1 per cent growth in the economy or economic activity to generate a 1.2 per cent increase in public revenue during the first year. I find that hard to believe.

In the seventies, at a time when revenue did grow slightly, a 1 per cent growth in the economy could make public revenue increase by as much as 1.5 per cent. Things changed drastically in the eighties. Now, when the economy grows by 1 per cent, public revenue increases by a mere 0.5 per cent. Last year, it actually decreased. Why would there be an increase this year, as the minister is announcing? I am having a very hard time figuring how and why the Minister of Finance, who is so concerned with transparency, can keep such a parameter in his mathematical model.

He may have changed some figures, the figures for growth rates and interest rates and used more realistic figures in the model, but he did not change the basic figure.

• (1040)

That is why I can tell you right away that, if the Minister of Finance does not review this question, he will never achieve his objective of bringing the deficit down to 3 per cent of GDP within three years, because he overestimates revenue growth. We can see it in his approach, in the fact that there will be no major deficit reduction this year; he is banking on economic growth to do his job for him but it will not happen.

A very simple explanation is to look at the size of the underground economy. We do not need to go very far. We only have to walk around in our ridings and look around us to realize the extent of people's involvement in the underground economy and how much this economy represents. According to the most conservative estimates, it is at least 8 to 10 per cent. But it is probably a lot closer to 15 to 20 per cent. If we put it at between 8 and 20 per cent, Mr. Speaker, it is already enormous. The government loses billions of dollars to the underground economy every year.

The minister includes these billions of dollars in his revenue growth forecasts as though this phenomenon did not exist. The underground economy is very difficult to estimate and very complex. One must work with aggregates such as the money supply and that is very difficult.

It seems that the Department of Finance has done a study on the underground economy but it refuses to publish it. Why? Because it might have to include it in its forecasts, which would make this exercise much more difficult.

I heard the Minister of Finance say that if things did not go the way he wanted, he would make every effort next year to bring the deficit down to the level he wants. I told the people around me to get ready for a budget statement sometime this year, because the minister will have to take this phenomenon into account and he will then have to redo his calculations and make new choices.

The minister does not talk about it much but he did something that was rather wise. He kept much bigger reserves than his predecessors, about $2.5 billion, and that was wise. Last year, his predecessor kept reserves of only $300 million and he would have needed much more. The Minister of Finance is to be congratulated on that score, but even this reserve will not be enough to offset losses due to the underground economy, that he continues to include in his revenue growth forecasts.

When they say they will cut spending, they go all out, Mr. Speaker. They were saying two for one at the beginning. The Minister of Finance told us before the holidays that, for every additional tax dollar collected, he would cut $2. He was told that it was not enough, that it would not make a big enough impact in the budget. Now he says that, for every additional tax dollar, they will cut $5. How come next year's expenditures will be slighter higher at around $122 billion, when at least hundreds of millions of dollars in extra taxes will be collected?

I cannot figure out how they arrived at that figure. We should have been closer to $118 billion or $119 billion in expenditures. They did not make real cuts; they simply lowered the forecasts made by their predecessors. That is a rather complex but fascinating exercise. If we compare budgetary votes, which are the most significant measurement, with operating expenditures in nominal terms—even including inflation, which is hard to take out—, we can see that there are no major cuts.

I was reading an article by Claude Picher of *La Presse*, who wrote on budget day, "Tonight, when Mr. Martin will tell you that it is impossible to put government finances on a healthier footing without increasing taxes, you can quote some government expenditures," and he gave the following examples: National Capital Commission, $90 million; Canadian Intergovernmental Conference Secretariat, $7 million; Human Rights Commission, $18 million; Offices of the Information and Privacy Commissioners of Canada, $6 million; International Development Research Centre, $117 million, and so on. There is a whole bunch of them.

This government never agreed with our proposal to systematically review all government spending, let alone the whole tax system.

• (1045)

I feel like saying this to the Minister of Finance: It is funny, in the budget he said that he would refer the issue of family trusts to the Standing Committee on Finance, which is already overloaded, for consideration, at the suggestion of my colleague, the Official Opposition's finance critic. How come that is the only one of my colleague's suggestions that he took, and that he is trying to embarrass him by saying that it is his own suggestion?

My colleague suggested much more; he suggested setting up a committee to examine all public spending, item by item, and to deal quickly with the matter of family trusts. He said so many times. But no, instead they choose one small element, family trusts, to refer to a committee for study. That is not what we wanted; we wanted to look into the whole tax system, the government's tax expenditures and its uncollected tax revenue.

The minister had fun telling us that there was already a minimum corporate tax. I am eager to talk to him about it again so that he can explain to me how it works. I am not sure that his officials agree with him that it really exists, far from it. And then he listened to a suggestion from a fellow member. My colleague made several suggestions to him, and all have fallen into oblivion. He is trying to distort what he said by telling us that it is what the opposition wanted. We wanted much more than that, we wanted a lower deficit.

We wanted and expected—and that is my next point—the government to do much more for the economic recovery—much more. We expected more from a Liberal government which talked constantly about jobs, jobs, jobs during the election campaign. The Prime Minister repeated that everywhere he went.

Let us look at the predicted unemployment rate. Even with the infrastructure program next year, it will go down only 0.1 per cent. How come? This infrastructure program will generate many temporary jobs, Mr. Speaker. We must not think that the municipalities will be able to continue doing the work at the same rate forever after. And there is a maintenance cost associated with it. But it will not be enough. Those people will not stay on the labour market. We must take additional action so that after a year or two or three, we have a sounder economic support structure.

It is true that the government alone cannot create employment, but it must still at least create a more favorable climate and send a signal. Cutting its spending further would have been a clear signal and made people say, "The government is doing its part, so we can give it a little more credibility. We will do more too". But that is not the case, it is the status quo.

They talked to us a lot about small and medium–sized businesses and the Bank Act during the election campaign, and where is it in the Budget? A series of words: the government will consider, a parliamentary committee will review, the banks are considering, means will be developed, etc., etc. We will study, analyze, recommend, we will see, we will analyze and probably nothing will be done. Nothing will be done.

How is it that for unemployment insurance, they were able to put a reform on the table quickly and in other fields, they will have to analyze and consider? Clearly, the main point in the finance minister's budget is to get money from people on UI. It is very clear; that is the main point in his budget. He was not able to examine other spending more thoroughly, for lack of time and imagination. That is why many people have trouble distinguishing this government from its predecessor when it comes to their budgets. Except for the colour of the documents and of the book behind it, not much is different. It is very disappointing.

I will come back to another cut that could almost be called savage which they made. I will quote a sentence from the red book: "We will reduce public spending by abolishing unnecessary programs, tightening procedures and eliminating duplication, all in co–operation with the provincial governments". "Co–operation with the provincial governments": that is something we can read in many places in the speech from the throne and the budget and the red book and many other statements.

Where is the elimination of administrative overlap in this budget? We could even include inter–departmental overlap within the same level of government.

• (1050)

When I say overlapping, I am referring to two different types: interdepartmental and intergovernmental. Nothing was done about this. Studies presented to the Bélanger—Campeau Commission in Quebec estimated that these overlappings cost $2 to $3 billion annually. Over a ten–year period, they amount to somewhere between $20 and $30 billion. Yet nothing was done. The government cuts $400 million in the operating expenditures of the federal administration. This is a very minor cut. It is like doing surgery for terminal cancer. This is very disappointing.

Yet, this is what the red book said. Indeed, there is no mention of a timetable. But I doubt very much that the government will succeed. It should send a signal. Let us not forget that this government will probably soon have to deal with a referendum in Quebec. It will have to show that they can reduce this overlapping. They have not even started doing so. How very disappointing!

As regards jobs, aside from the infrastructure program, the other major initiative announced to promote job creation is simply unbelievable and beyond logic. Indeed, the government says that the $3.07 rate for UI premiums is bad for the economy and will therefore lower that rate to $3.00 at the beginning of 1995. But let us not forget one thing: who set the rate at $3.07 in the first place? The same government, last December, when it decided to take out $800 million to finance its infrastructure program. Now it is telling us that this rate is bad. The government is telling us that it will lower that rate and create 40,000 jobs in the process. But using the same logic, it means that 40,000 jobs were lost this year because of the government's initial decision. The infrastructure program may create 60,000 to 65,000 jobs, but there will only be a net gain of 20,000 to 25,000 jobs, and not 100,000 as seems to be implied in various government documents.

There is inflation. You do not hear much about it regarding the economy, but there is a lot of verbal inflation when it comes to quoting figures and numbers. So, this is the other major government initiative: next year it will correct this year's mistake. But the government will not admit its mistake. Rather, it says that the rate was bad for the economy, without ever taking the blame or even apologizing to Quebecers and Canadians by saying: Look, we made a major error in judgment when we decided to set that rate.

In terms of helping small and medium–size businesses and promoting research and development, Quebec is not getting its fair share, while in Canada as a whole, we do much less than our major competitors to promote R and D. I thought the government would send a clear message that, from now on, this would be one of its priorities; that it would start investing a lot this year in these programs and that it would do even more in the future. But this sector is not even defined as a priority. If it is not considered as such in theory, how can it possibly be perceived as a priority in reality? I heard someone say in this House that people should phone their bank managers and ask them to be

more co–operative with small and medium–size businesses. I am not sure that this approach will bring about very good results.

The government had said that it would amend the Bank Act to help those who have funds invested in small and medium–size businesses. But it did not do it. Instead, the joint committee on industry and finance will examine the issue. I do not feel lost here because I was studying before coming here and I feel I am still at school because we are always told that this or that issue will be looked at. In school, I sometimes felt that the work was useful, but I am not always convinced it is the case here. I feel that decisions are made before studies or reviews are undertaken.

I want to point out another important issue. In their red book, the Liberals talked about tax fairness. In their budget, they say that all classes will be affected: the rich, the poor as well as the middle class. Everyone will have to make sacrifices. But it would be an understatement to say that I am outraged by the measure affecting senior people. I find it very hard to accept that a senior is considered a rich person if his or her annual income is $26,000 or more.

• (1055)

Between $26,000 and $49,000, they gradually lose their age credit. These people are being told to contribute $490 million over the next three years, while during that time, according to a conservative estimate, we could get at least $350 million annually by taxing family trusts. That is one billion over three years, and twice the amount we will get from senior citizens.

As you know, and as you will see in the weeks to come, they are very sensitive about this. Senior citizens who depend on their pension cheque for their income have so little that they want to keep the age credit. They spent all their lives working hard, and now they are under the gun. Did this generation of senior citizens put us in the financial situation we are in now? I doubt it. Pitting one generation against the other is certainly not my intention, but the odds are it was probably the generation between theirs and mine that put us in the financial mess we are in today.

However, the generation that holds the reins of power, the so–called baby boomers, has decided to cut spending on senior citizens. I can only hope they will be just as eager to take these cuts when it is their turn. Quite frankly, I do not like this.

This reminds me of another measure in the budget, which is about abolishing the capital gains exemption on the first $100,000. Many Canadians have taken advantage of this exemption. At one time it was $500,000. Today, people in my generation are being given a signal that they will not have this tax incentive to become part of the upper middle–class or the wealthy class.

We are prepared to do our fair share to pay off the debt, in addition to whatever we will be asked to do in the future. However, it is just not true that today's wealthy Canadians are being affected by this measure. Many Canadians have already used the exemption, and in fact, capital gains that have accrued since 1985–86, for instance, will not be taxed. So this measure applies starting today or rather the day before yesterday. It will not produce a lot of revenue, and certainly not as much as the Minister of Finance indicated in his forecast, and we are going to monitor that very closely.

People already expected this to be retroactive and were doing their transactions before the budget, because of all the advanced publicity. These types of mesures do not always identify the groups that are affected. About the fiscal fairness that will be needed to fight the underground economy, I think there is a false perception among members opposite that we can deal with the underground economy by modifying the GST. They keep harping on the GST, but the GST was merely the last straw and not what created the underground economy in the first place. There is a whole set of measures that make people feel they are not getting their money's worth, and that is what drives people into the underground economy. They have the impression they are getting a fair deal this way.

The government keeps saying it will change the GST, and this may make matters even worse, depending on how they do it. We will watch this very closely, but they will have to take a much broader approach to this problem, an approach on tax reform that will cover the range of measures that provide the government with tax revenue.

There is nothing in this budget to restore fiscal fairness. The government will not meet the objective of the Minister of Finance to bring the deficit down to 3 per cent of GDP, because it is not sending a clear signal that the issue is fiscal fairness. I find that very disappointing.

In concluding, I want to evaluate the three objectives mentioned in the budget of the Minister of Finance. First: to build a framework for economic renewal to help business succeed and to turn innovation into a more effective engine of Canadian economic growth. That sounds wonderful, but I could find no indication of this in the budget. In the budget the government says it will evaluate, analyse, recommend, study, and so forth. That is it, Mr. Speaker. I am still looking. We may find it in future budgets. So that was the first objective in this year's budget.

The second objective. To put in place a responsible social security system that is fair, affordable and dapted to the needs of Canadians. I thought this was more or less the mandate of the Human Resources Committee, but we can see that the budget

defines the financial parameters. It says we must meet these objectives while working within current financial constraints. Here again we can wonder to what extent the objectives will be reached, given the cuts in unemployment insurance.

• (1100)

The third point, and this is a major one, is: improve public finances to allow the government to concentrate all its energies on helping Canadians adapt to a demanding and changing world. If improving public finances means ending the next fiscal year with a deficit of more than $40 billion, this is a failure. This point by itself deserves a zero mark.

To conclude, the government is boasting that it is bringing to life the commitments of the red book. it says that this budget is the red book. Now, people say that there is nothing in this budget, and that makes us realize that the content of the red book was in effect zilch, nothing and no hope.

I thank you for your patience, Mr. Speaker, and I will conclude by saying that I am deeply disappointed by this budget.

The Speaker: It being 11 o'clock a.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members, pursuant to Standing Order 31. The Chair recognizes the hon. member for St. Catharines.

STATEMENTS BY MEMBERS

[*English*]

BROCK UNIVERSITY

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, I rise in the House today to congratulate Brock University on its 30th anniversary. The university is central to the Niagara Peninsula and is an excellent centre of higher learning.

The theme for Brock University's 30th anniversary is: "Big enough to matter and small enough to care". The university certainly lives up to this theme. The business, the arts and teacher education programs have excellent national reputations. The new school of entrepreneurship is a unique, progressive, small business initiative. The university remains small enough to provide personal time and attention to students throughout their important education years.

I welcome all members of the House and all Canadians to visit Brock University for its open house on Sunday, March 6. Special mini workshops, demonstrations and other events will take place at the university that day.

Again I congratulate Brock University on its 30th anniversary.

[*Translation*]

FRANCOPHONES IN THE ARMED FORCES

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, yesterday the Prime Minister informed this House that the matter of the closure of the Collège militaire royal de Saint–Jean was not raised in the Liberal caucus. This college is the only francophone military college in North America. If in fact the matter was not raised in caucus, then I condemn all Liberal members from Quebec for not defending the interests of the province and for not defending the French fact in the armed forces.

The closure of the only French–language military college in Canada will mark the end of a 50–year–long struggle for francophone equality in the Canadian armed forces.

* * *

[*English*]

THE BUDGET

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I rise in the House today to share the concerns of my constituent, Betty Maxwell, of Neepawa, Manitoba, who comments: "The government has given us a middle of the road budget and with the economic traffic we have that is a very dangerous place to be. We have a budget that is long on rhetoric and short on substance".

Instead of attacking government spending with serious cuts it is actually increasing spending. If this increased spending only brings unemployment down one–tenth of 1 per cent in the first year, it confirms that previous governments by overspending $500 billion have put us at this rate of unemployment.

This budget is very reminiscent of those of previous governments with rosy predictions and miscalculations that Canadians have never been able to rely on. With optimistic forecasts for growth and lack of deficit reduction, it is back to the old philosophy of counting the chicks before they are hatched.

* * *

WINTER OLYMPIC GAMES

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, I take this opportunity to draw the attention of the House to the outstanding achievements of a constituent of the riding of Windsor—St. Clair.

Chris Lori is captain of both the two and four man Canadian bobsled teams and is representing Canada this weekend in Lillehammer in the four–man bobsled events. Chris has been a member of the national team since 1985 and was overall World Cup four–man champion in 1990. In the 1992 games in Albertville, France, he came within .04 seconds of a bronze medal in the four–man event.

• (1105)

The dedication of both Chris and his team mates, Sheridon Batiste, Chris Farstad, and rookie Glenroy Gilbert, will stand them in good stead this weekend as they face off against the best in the world.

On behalf of the people of Windsor—St. Clair I wish Chris, his team and all Canadian Olympians who will be competing in the final two days of the Olympics the best of luck. I congratulate them in advance for their outstanding achievements.

* * *

RAIL LINE ABANDONMENT

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, the Canadian National Railway has applied for abandonment of a rail line in my riding known as the Meaford subdivision, 33 miles of track between Collingwood and Barrie.

There are two private companies willing to purchase the line but will not because of an Ontario NDP labour law known as bill 40. The future of this rail line and the jobs that depend on it are being jeopardized by this regressive Ontario labour law.

When the tracks are torn up they are rarely put back down, and some more of Canada's heritage dies.

* * *

CRIME STOPPERS

Mr. Glen McKinnon (Brandon—Souris): Mr. Speaker, on January 22 I was arrested and released on bail by the Brandon Crime Stoppers Association. My charge was allegedly making the Progressive Conservative Party of Canada look like a luxurious outhouse known as a two–seater.

I am currently released, providing sufficient bail is raised. Money is raised by such fund raising events to rally the public, the police and the media in a collective campaign against crime. Anonymous tips lead to arrests of suspects and these cash payouts for valuable information are funded by volunteer contributions and fund raisers.

Crime Stoppers is an extremely cost effective organization. Since 1985 in Manitoba over $1 million in contraband has been recovered and $3.5 million in personal property.

I commend the volunteers associated with Crime Stoppers and encourage all members of the House to support, promote and contribute to their local Crime Stoppers program.

[*Translation*]

FRANCOPHONES

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Mr. Speaker, in addition to making disparaging remarks about the small region of Lac–Saint–Jean, the Prime Minister reminded us yesterday of how his education tour of Canada made him discover what Canada was really about.

What country is he talking about? Does the Prime Minister not realize that francophone communities outside Quebec are facing assimilation? These communities still have to fight to preserve their language and culture while often not even having access to post–secondary education in French.

The people of Quebec have no problem with going outside the province when they want to learn to speak English, but they know full well that true French education is only possible in a francophone environment.

What the Prime Minister is proposing for the students of the Collège militaire royal de Saint–Jean is a sprinkling of classes in French in a completely anglophone environment. That is the picture of Canada the Prime Minister is painting for francophones.

* * *

[*English*]

BILINGUALISM

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, the Reform Party has come under criticism for presenting petitions on behalf of constituents calling upon Parliament to hold a referendum on bilingualism.

I inform the House that a total of six Liberal members have also presented these petitions. They are the members for Dauphin—Swan River, Simcoe North, Winnipeg St. James, Leeds—Grenville, St. Catharines, and Moncton from whom two petitions were received.

I remind the House whether or not members agree with the petitions' subject matter, members of all parties are duty bound to present the petitions of their constituents. To use the tabling of these petitions to suggest that Reform is in any way anti–Quebec or anti–French is entirely incorrect. The practice leads to needless antagonism and public misunderstanding.

It is an unfortunate demonstration of traditional politics, the kind of politics that divides the House and the nation, the kind of politics that the Reform Party wants to change.

* * *

GUNS AND AMMUNITION

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, last week the Minister of Justice gave us excellent

briefings on the new gun control administration and in particular on the requirements for the safe storage of weapons and ammunition.

We were told that it is just as important to secure the storage of ammunition as it is to secure firearms. On the other hand, we also learned that approximately 3,000 firearms were stolen or lost in the last reported year.

• (1110)

In these circumstances I urge the minister to amend the law to require a firearms acquisition certificate for the purchase of ammunition. This would make it more difficult for those with stolen or illegally acquired weapons to use those weapons.

Experience shows us that the more we restrict the availability of guns and ammunition, the fewer crimes are committed with guns and ammunition.

Right now it is easier to buy a box of bullets than it is to buy a case of beer.

* * *

EUTHANASIA

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, the House is a place for discussion and debate of issues affecting all Canadians.

The government has agreed to allow a debate on euthanasia. Although there are various opposing views, I believe it is important for all members of the House to respect the current legislation governing euthanasia.

The House must set the standard of respect for law and order for our youth and for all citizens of our beloved Canada. I ask all members of the House to remember and to honour the current legislation respecting this issue.

* * *

[*Translation*]

FOREIGN AFFAIRS

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I found out that our Minister of Foreign Affairs is going to Washington to meet with his counterpart in the Clinton administration and that the Leader of the Opposition is also travelling to that city. I realized why when I read an article in the November 29, 1993 issue of *Maclean's* magazine. The Leader of the Opposition is quoted in this article as saying:

[*English*]

"I think Americans are very independent". He goes on to say:

> In economic terms, Americans believe in individualism, every man for himself. What I love about Americans is their sense of liberty.

When the Leader of the Opposition is in Washington will he be talking about sovereignty or the annexation of Quebec into the United States?

* * *

[*Translation*]

MYRIAM BÉDARD

Mrs. Maud Debien (Laval East): Mr. Speaker, it is now the Prime Minister's turn to take credit for Myriam Bédard's wins, and in a political debate no less. He says that the Canadian Forces made a positive contribution. Mr. Speaker, some contribution!

The large number of Canadian military personnel in Biathlon Canada were ready to do anything to control her, even if it meant destroying her, according to a journalist from the *Gazette* daily newspaper. These are the same people who draft her contracts in English only. That is the Prime Minister's brand of bilingualism!

These are the same people who put roadblocks in the path of this athlete from Quebec and damaged her skis in Albertville. Does the Prime Minister know about this?

Does the Prime Minister want other examples of this positive contribution? Why does he not consult with his minister before saying such things?

* * *

[*English*]

CHILD MOLESTERS

Mr. Randy White (Fraser Valley West): Mr. Speaker, a terrible injustice in my riding of Fraser Valley West has been brought to my attention by one of my constituents, Sandra Wingrove. Ms. Wingrove is publicizing her name so that others might avoid the pain she and her eight-year old daughter recently suffered.

A young offender who lives in the same federally subsidized housing complex has sexually assaulted Ms. Wingrove's daughter. This child molester has been convicted twice of sexual offences and yet is still allowed to live in the complex with his mother. One must have children to qualify to live in the complex and now it seems one must be willing to expose them to this continuing danger.

Convicted child molesters must not be allowed to access our children. Again we see another case in which the criminal justice system has let us down. Yet the government does nothing.

* * *

PARALYMPICS

Mr. Andy Mitchell (Parry Sound—Muskoka): Mr. Speaker, I rise in the House today on behalf of the constituents of Parry Sound—Muskoka to offer best wishes to 21-year old Sandra Lynes of Utterson.

Sandra, the daughter of Pat and Kelly Lynes, was one of two Ontario athletes chosen to represent Canada in alpine skiing at the Paralympics in Lillehammer, Norway, March 10 to March 19.

The 18–member Canadian team has been training hard in Alberta and British Columbia while preparing for the Lillehammer event. Sandra will be competing in the downhill, super giant slalom, giant slalom and slalom.

If Sandra's two silver medals at the 1992 Paralympics in Albertville, France are any indication, her international competitors are in serious trouble. Congratulations and best wishes, Sandra. We are proud of you.

* * *

• (1115)

DAY CARE

Mr. Paul Szabo (Mississauga South): Mr. Speaker, the economic reality in Canada today is such that in many cases both spouses of a family must work.

However, when a spouse decides to enter the workforce where day care service is necessary, the net earnings of that spouse are materially depleted due to the cost of day care. In fact, the net income generated is often not reflective of the value of the work done. As such, many working spouses would not require much incentive to leave their jobs to work in the home.

Today we need to address the acute shortage of affordable day care. We need to make it easier for a parent to personally care for young children. We need to create job opportunities. We need to provide opportunities for all Canadians to accumulate retirement income. We need to promote economic independence for all and we need to recognize the economic value of a spouse working in a home.

Accordingly, I will be introducing a private member's bill which will permit a working spouse to pay a salary to the other spouse for managing the family home and caring for dependent children. This would allow that spouse to pay into CPP and buy RRSPs. We need to recognize the value of the woman in the home.

* * *

THE BUDGET

Mrs. Elsie Wayne (Saint John): Mr. Speaker, where in the government's budget is there any hope for the people of Atlantic Canada, especially the unemployed? Where in the red book does it say seniors will have to pay more taxes?

The Liberals promised jobs, jobs, jobs. They promised to consult the communities that were possible targets for defence cuts. They promised to replace base jobs. What happened to the promises? They were not kept in my part of the country.

The Prime Minister is taking a tour of Atlantic Canada but he is leaving out New Brunswick. Is that because he is afraid to come to New Brunswick, Paul? I have to say to you, Paul, these were not the promises that you made to the people of New Brunswick.

This budget hurts those who can least afford it. The Minister of Finance got a new pair of boots I understand from the Prime Minister. I am awfully sorry that he has used them to kick the people of New Brunswick.

The Speaker: I know that the hon. member sort of slipped in the first name of one of our members here and of course I know that will not be done too often.

ORAL QUESTIONS

[*Translation*]

FRANCOPHONES IN THE ARMED FORCES

Mr. Michel Gauthier (Roberval): Mr. Speaker, "the cream of the crop of francophone officers in the armed forces will be assimilated if young francophones opt for RMC in Kingston". These words were spoken, not by a nasty Quebec separatist, but by Mr. Terry Liston, the former Commander of CFB Valcartier and the current Vice–President of MIL Davie.

How can the Minister of National Defence, who says he is sick of Quebecers, claim to be the great defender of the French fact within the Canadian armed forces when according to those in the know, those who have been there, his plan to shut down the Collège militaire de Saint–Jean will unquestionably lead to the outright assimilation of francophones?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, in the interview I gave to a Canadian Press reporter two days ago, I did not say that I was sick of Quebecers. What I said was that I was sick and tired of Quebecers like the Bloc Quebecois members sowing the seeds of dissension among Canadians during question period here in the House of Commons.

Mr. Speaker, in light of the cuts to our defence budget, we can either choose to keep all three colleges, even though we do not need this many institutions to train officers, or we can choose to centralize operations in one institution and Kingston's Royal Military College has the best facilities for this purpose.

[*English*]

I have been watching with some great alarm the remarks of people in Quebec, prodded by the members on the other side on this particular issue. They are not doing the people of Quebec and Canadians a great service by inflaming what is becoming an argument that is emotional and is not based in reality.

• (1120)

French is now taught at Kingston. Forty per cent of the students at Saint–Jean are in engineering. They have to finish their education in English and French at Kingston because it is too expensive to have two or three courses in engineering.

We already have in reality a bilingual college at Kingston. The facilities are much better. If the facilities had been better at CMR de Saint–Jean, we would have centralized everything there.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, I would like to inform the minister that if he is sick and tired now of Bloc Quebecois members, he is in for a rough ride. We have four years ahead of us to put questions to him and we will continue to do so until we get some answers from him. I am sorry, but we do not intend to stop.

How can the minister seriously think that we will believe him when he says the French fact will be protected in Kingston, when according to Mr. Liston, who has firsthand knowledge of these matters, people have been saying for ten, maybe even twenty years now, that RMC in Kingston will become a bilingual institution. This is impossible, given that Kingston is located in the heart of traditional loyalist country. Does the minister really expect us to believe him?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the hon. member is discounting the changes that have taken place in Canada outside Quebec since the passage of the Official Languages Act twenty–five years ago.

[*English*]

There has been a great change in the rest of the country as a result of the passage of the Official Languages Act put forward by a Liberal government 25 years ago.

When the hon. gentleman starts inciting those comments and starts talking about Kingston, I would ask when the last time was that he went to Kingston, Ontario. Kingston, Ontario is a very sophisticated urban centre that is very sensitive to the duality of languages in this country.

I would invite him to go to RMC and see the French language instructors, see the French language students and ask them if they feel that Kingston, Ontario is inappropriate.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, once again I feel I must reassure the minister. I did visit Kingston, Ontario, and the military college as well only three months ago.

How can the minister justify his own statements and those of the Prime Minister to the effect that the problem of the integration of francophones in the Canadian forces has now been resolved and everything is fine, when someone like Mr. Liston, who is in the know and has experienced the situation firsthand, states the following, in referring to former staff college colleagues: "In the armed forces, they prefer francophones whose allegiance lies elsewhere than with Quebec".

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the hon. member is quoting one former officer. Perhaps after this one–week recess, I will have found 20 or 30 former officers who disagree with the comments of the officer who was quoted yesterday and again today.

[*English*]

In other words, this is a typical case. I am not sick of the Bloc as individuals. Many of them are very nice. I am sick of their arguments. We have been listening for 25 years to these kinds of arguments. They can be selective. They can find one person to criticize this. I will find 30 who support us.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my question is for the Minister of National Defence. I will not quote an individual but an internal report of his department, National Defence.

This report of which we obtained a copy and which was quoted in *Le Devoir* this morning shows us that merging the military colleges into a single institution will attract fewer students from the nine provinces and the territories, reduce the intake of francophone officers and reduce the level of bilingualism in the officer corps.

How can the minister seriously believe that he can protect the French fact in the armed forces when a study by his own department shows the exact opposite?

• (1125)

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, first, this is a report of the former minister, Marcel Masse.

Some hon. members: Oh, oh!

Mr. Collenette: This is not a report of the Department of National Defence; it is a political report directed by the former minister.

Mr. Speaker, the hon. member forgot to quote one thing.

[*English*]

He forgot to quote, again selective quotes, from the report. I will quote the first section dealing with the question of one of three colleges. The committee states that it believes that the one college system is the most likely alternative to the three college system. Does the member know why? It is because it is the

cheapest, the most effective and because of the facilities we have at Kingston. He conveniently forgot that.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I would ask the Minister of National Defence how he can explain that between 1990 and 1994, the percentage of bilingual francophone officers rose from 60 to 67 per cent—these are not separatists' figures, figures are the same in French as in English—while among anglophones during the same period, the proportion of bilingual officers declined from 18 to 17 per cent.

Does the minister still agree with the Prime Minister, who said yesterday that the situation had changed a lot in recent years, while studies from his own department show the exact opposite once again?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, there has been some discrepancy in the last few years because of the massive downsizing of the military put in place by the former government. It took $14 billion out of the budget from 1989 right through to 1997. We have added an additional $7 billion worth of cuts. Obviously there will be variations of the nature that the hon. member mentioned.

I want to tell the member that by 1997 anybody aspiring to the lieutenant-colonel rank of the military will have to be bilingual. That means we are putting on notice anglophones who want to be generals or chiefs of staff that they have to be totally and absolutely bilingual.

We have been improving the situation in the last few years. The college was opened in 1952 for the simple reason that, yes, there was a disparity in terms of the language preference of officers. However, because of the events of the last 25 years, the Official Languages Act and the appreciation in the rest of the country of the duality of Canada with respect to the French and English language and culture, there has been a great improvement. That improvement will continue even with the centralization in Kingston.

As for the last comment, I certainly agree with the right hon. Prime Minister because he had it bang on yesterday with what he said. He embarrassed those members. They will find it tough to go home on the weekend and face the people of Quebec after the blow that he dealt them yesterday.

* * *

THE DEFICIT

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the Minister of Finance.

A *Globe and Mail* report today shows how the minister overstated the Tory deficit for 1993–94 and understated his deficit for 1994–95. This creates the illusion that the deficit is shrinking but in fact the real deficit is growing.

This seems to be a blind spot for successive finance ministers, both federal and provincial, who tend to blame their current deficit problems on a previous government. Canadians are growing tired of that.

Will the minister explain why he has misrepresented the facts again about the size of the deficit to the Canadian people?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, I am a little surprised at the question. I can understand perhaps why the *Globe and Mail* showed such a lamentable lack of understanding of the accounting principles by which the Government of Canada operates, but I would have thought that perhaps the hon. member opposite would have.

Let me just go through this. That editorial talks about destabilization claims: "$2.4 billion stabilization claims already received from the provinces". We are required to provide for those liabilities once they are known, which we have done. A $250 million provision for the helicopter cancellation is entirely in accordance with public sector accounting principles. The reductions in the defence budget will save $7 billion, thanks to the actions of the Minister of National Defence. The voluntary departure incentives are known, and when one knows of a liability one must record it. On the acceleration of the income tax refunds, surely the hon. member would not say that we should delay those refunds and give the money back to Canadians simply to not have that money come into this year's effort.

• (1130)

What we have done is exactly in accordance with the recommendations of the public accounts committee and exactly in accordance with the Auditor General's recommendations. I am sure the hon. member opposite would rather have us follow the dictates of the Auditor General than the dictates of the *Globe and Mail.*

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, if the minister follows all the dictates of the Auditor General we will all be much happier, I am sure.

However, we have another concern. The finance department largely with the same group of economic forecasters as with the previous government missed the mark last time by about $10 billion in the budget projections.

Can the minister assure Canadians that this group of economic forecasters will not be out by a similar amount in this upcoming budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, there are really two answers for the member.

First, as a partial answer to the hon. member, at the request of the deputy minister and senior members of the Department of Finance an outside accounting firm is essentially looking at the forecasting methods of the department.

However, there is something else. It really is not fair to blame the existing forecasters within the department. The department essentially takes a consensus of the economic forecasts within the country. What the previous government did was take the median line optimistic forecast to do its forecasting. In this budget we chose to take the median line pessimistic forecast of the consensus of economic forecasters.

* * *

[*Translation*]

REORGANIZATION OF THE COLLEGE IN KINGSTON

Mr. René Laurin (Joliette): Mr. Speaker, according to the information given by the Department of National Defence, a portion of the staff and students of Saint–Jean will be transferred to Kingston. These changes are over and above the relocation of teachers and several courses given in French in Saint–Jean.

Since the Minister talked about costs a few minutes ago, what will be the costs, first, of reorganizing the College in Kingston in order to increase its capacity and, second, of enabling it to fulfill its new role and new mandate as a bilingual teaching institution?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the transfer will not cost much more.

[*English*]

Simply, the facilities at RMC were built many years ago in the early part of this century and were designed for a much larger armed forces. There is all kinds of room to centralize the three colleges at Kingston. We may have a slight problem in terms of dormitories, but we feel that can be arranged with some of the other facilities in and around the Kingston area perhaps by moving some of the senior students out into apartments. However, that will not be a great cost.

Comparing that cost with trying to centralize everything at Collége militaire royal de Saint–Jean, that would be prohibitive. We are in the business of trying to save taxpayers money, not just for people in Ontario but for people in Quebec and for all Canadians because this government governs on behalf of all Canadians from coast to coast.

[*Translation*]

Mr. René Laurin (Joliette): Mr. Speaker, is the Minister telling us that the decision to close the Collège de Saint–Jean was taken hastily, without even knowing the financial implications of the reorganization of the College in Kingston?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, there have been studies in the department for a number of years on the need to consolidate a number of facilities. We have done this with other bases across the country. The colleges are no exception.

I said in French a few minutes ago that the report quoted is not a report of the department. It is a report which was commissioned by the former minister who had a fixation about Quebec getting its fair share of the pie. It is true there has been a lower proportion of expenditures on defence in Quebec as a result of historical trends. However, we tried. We admit that.

An hon. member: Not enough.

Mr. Collenette: It is in the budget documents. We are not lying. The fact is that after the changes we announced this week in the budget, the proportion of defence spending in Quebec goes up 3 per cent, more than many of the other provinces in the country.

* * *

• (1135)

GOVERNOR GENERAL

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the Acting Prime Minister.

In reference to the question I asked yesterday regarding a Canadian representative who vacations in Arizona, it is reported that the various Challenger flights back and forth from Arizona to accommodate this person's vacation schedule cost taxpayers $707,000 since the beginning of the year.

Will this government act to end this irresponsible use of government jets?

The Speaker: The question is set in fairly general terms. It was directed to the Deputy Prime Minister. I would presume that one of the ministers, perhaps the Minister of National Defence, would like to address himself to that.

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, if the hon. member had read the defence document in the budget he would have noted that we intend to look at ways we can divest ourselves of the Challenger aircraft to transport the Prime Minister and the Governor General for security reasons without

having these continual complaints from the opposition about using these aircraft.

If we can do it more efficiently, we will. I do not think it is appropriate and part of our parliamentary tradition to criticize the Governor General or Her Majesty the Queen in the House of Commons. I hope he will not be raising these questions this summer when Her Majesty the Queen visits Canada and we transport her around.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, I do not believe anyone is questioning any individual. As representatives of the Canadian people we have the right and should question the spending of tax dollars. That is what I am doing.

No one is questioning the need for security. The issue is that of the abuse and privilege demonstrated by the use of these government jets as a holiday shuttle service.

Will the Acting Prime Minister or this government rein in the flights of these snowbirds?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, again a member of the Reform Party from western Canada has taken a very indecent shot at the head of state, the Governor General. That is to whom he is referring.

It is well known that the Prime Minister and the Governor General have to take these flights for security reasons. To call the Governor General a snowbird, somebody should demand an apology on behalf of the Governor General.

The Speaker: The Chair of course is always prepared to entertain questions if they are of a broad enough nature, but when the inferences get a little bit too localized, hon. members should try to phrase their questions in such a way that they bring in a broader perspective. I would ask all hon. members to please do that.

* * *

[*Translation*]

THE BUDGET

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, this morning, under the headline "Cheap tricks for tawdry ends", the *Globe and Mail* made two allegations: First, the Minister of Finance has knowingly inflated the deficit of last fiscal year; second, a close analysis of government spending shows that the deficit for next year will not decrease, but will increase from $41.7 billion to $43.7 billion because of the measures announced in the most recent budget.

When will the Minister of Finance stop trying to delude the Canadian people? When will he stop covering up the fiasco in our public finances, which his budget is only making worse?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, I think the President of the Treasury Board answered this question yesterday when he said that the spending increase this year results from the debt increase left to us unfortunately by the previous government.

Now, let me answer the first question which is identical to a previous one, but I understand how these things work. I just want to add that the editorial in the *Globe and Mail* also talks about the $2.4 billion stabilization claims received from the provinces. Unfortunately, in accordance with accounting principles, we are required to pay those liabilities once they are known. The same thing goes for the $250 million provision for the cancellation of the helicopter contract, which we dealt with in accordance with private sector accounting principles. With regard to the significant savings arising from the defence cuts, which amount to $450 million, we now know that we have to include them in this year's figures.

• (1140)

On the issue of accelerating income tax refunds, the truth is that we have to include that money in this year's budget since we are in the process of accelerating the refunds. We have followed to the letter the measures recommended by the Auditor General. I know full well that the critic for the Bloc Quebecois wants us to follow the dictates of the Auditor General, because he is always quoting him, and that is exactly what we have done.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, how can the Minister of Finance, who travelled throughout Canada saying that he was going to reduce the deficit, explain that, according to the *Globe and Mail* experts, other specialists and our own figures, next year's deficit will be the highest ever recorded in Canada, at almost $44 billion?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, all I can do is acknowledge the fact that we will have a record deficit of $45.7 billion this year, thanks to the previous government so well represented by my colleague. As I just said, between the expertise of the *Globe and Mail* and that of the Auditor General, we will choose the expertise of the Auditor General.

* * *

[*English*]

ABORIGINAL AFFAIRS

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the hon. Secretary of State for Training and Youth.

On February 7 two hon. members asked questions regarding native self–government and policing on reserves. Later that day

the hon. secretary of state told CBC television: "Reformers are racist for asking such questions".

I want to know whether this is a policy of the government to label people who ask legitimate questions as racist, or merely a policy of the hon. secretary of state.

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth)): Mr. Speaker, it is not the policy of the government to label anyone racist, but it sure would be welcomed by the government to have members on the other side show full support for the inherent right to self–government and all other aspirations of aboriginal peoples.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, we do have policies on self–government for the native people.

The hon. Minister of Indian Affairs and Northern Development had the courtesy yesterday of offering an apology. Will the hon. secretary of state follow suit and offer the same to this House today?

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth)): Mr. Speaker, I will not offer my apology to members opposite because I believe that the questions I stated in my comments to the press were taken out of context by the hon. member.

* * *

• (1145)

[*Translation*]

SOCIAL HOUSING

Mrs. Monique Guay (Laurentides): Mr. Speaker, this morning, we learned that the Minister of Finance recognized yesterday at a meeting with representatives from the Front d'action populaire en réaménagement urbain that he had failed to keep his word by not providing any funds for social housing in the budget.

Would the Minister be willing to keep his word and reconsider his decision in order to restore the funds allocated to social housing?

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I would like to thank the member for her question. I think my colleague does not realize how serious a commitment this governement has towards social housing. We said repeatedly before this House that the governement had, for instance, committed $2 billion to maintain existing housing. I think that $2 billion is a substantial amount of money and so is the $2 million which is to be allocated to the Residential Rehabilitation Assistance Program. It is the same with other ongoing commitments which are going to be maintained. Therefore, there is nothing to reconsider. We have already made a serious commitment and we must go on from there. Of course, any positive comments and suggestions will be welcomed and carefully looked at in all fairness.

Mrs. Monique Guay (Laurentides): Mr. Speaker, to my great regret, I must admit that our friends opposite lost their social awareness when they left the Opposition benches.

How can the minister maintain that the budget meets social housing needs, when the mayor of Montreal stated yesterday that all the mayors of major Canadian cities agree that the federal government cannot withdraw from its commitment?

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, of course, each and every city and each and every mayor would like to have more. Of course, we will never be able to meet all existing needs. However, we must recognize that there is a commitment. We must admit that substantial amounts of money are allocated to social housing.

Your definition of social housing is probably different from ours because the commitment is there and the money is available.

* * *

[*English*]

IMMIGRATION

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Deep concern was expressed by constituents of mine about the presence in Canada of one Hussein Sheik Abdiraham, a former minister of defence of deposed Somali leader, Siad Barre. In 1991 soldiers massacred hundreds of protesters opposed to that regime in Somali.

I would like to ask the minister of immigration to tell the House whether he has new evidence of wrongdoing by Sheik Abdiraham and, if so, are there sufficient grounds for a removal order to deport him under the Immigration Act regarding persons who have committed serious offences prior to coming to Canada?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I would like to thank the hon. member for his question and the interest he and other members have shown.

In his question, he alluded to the fact that the Immigration Act has a section which permits the government to remove senior officials and persons of any government that were part of serious human rights violations and atrocities. The government has confirmed that the Barre regime was one of those governments.

When the story broke on this individual I instructed my officials to collect the information from Nairobi where the application originated. We have now compiled the necessary information and I have instructed my officials to immediately write a report which will trigger an immigration inquiry before

an independent adjudicator. As the member knows, anyone who is found to have violated the act or broken any laws will be the subject of a removal.

* * *

MEMBERS OF PARLIAMENT

Mr. Randy White (Fraser Valley West): Mr. Speaker, my question is for the Deputy Prime Minister.

In a previous Question Period I asked the Deputy Prime Minister what was the purpose of a $200,000 consultant study on parliamentarians' compensation since the government had announced its policy previous to that. The answer provided was that the government needed more information.

I was surprised to see a letter in my office yesterday on letterhead reading "Commission to Review Allowances of Members of Parliament".

When the Deputy Prime Minister stood in the House to defend the need for a $200,000 consultant study, was she aware that the commission was going to be studying the very same topic?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the commission the hon. member spoke about is required to be set up after each election.

The government met the requirements of the law in setting up the commission. I am sure the study that the hon. member refers to will be a very useful input into the work of the commission.

Mr. Randy White (Fraser Valley West): Mr. Speaker, it seems to me that the government's talk about jobs, jobs, jobs is more about perks, perks, perks. We have been spending $200,000 to date.

I would like the Deputy Prime Minister to advise the House what the cost is of studying the study, that is the cost of this commission to be put in place. I would also like to know if there is any limit to the number of studies the government plans to conduct on the same issue.

• (1150)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, in the first place, the consultant study that he spoke about was commissioned and started by the previous government.

Second, the commission which my hon. friend is complaining about is one that has to be set up after each election, according to a law passed by Parliament. The government cannot ignore a decision of Parliament to set up such a commission after each election.

My hon. friend asked for the cost of this. This is a detailed technical question which he probably should have put on the Order Paper. In order to respond to him in a full and courteous way, I will take his question as notice and get him the information as soon as possible. In future I suggest that he check on the requirements of the law before asking that type of questionable question.

* * *

[*Translation*]

ILLEGAL WEAPONS SEIZURES ON MOHAWK TERRITORY

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, my question is for the Solicitor General. Based on documents tabled by the federal prosecutor for the Rutland district, in Vermont, the CBC alleged yesterday that, in 1992, arms dealers, two of them from Kahnawake, supplied 700 to 900 automatic weapons to organized crime in Canada. These guns were used to commit major crimes in Montreal, Toronto, and Vancouver.

Can the Solicitor General tell us whether he plans to intervene in Mohawk territory and seize all the illegal weapons located there, and which are used by organized crime in Montreal, Toronto and Vancouver?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, according to the same report, police forces, including the RCMP, have already seized about one hundred weapons which had been supplied by that same network presently standing trial in the United States.

It is because this government is quite aware of the problems connected with major smuggling networks, dealing not only in cigarettes but also in firearms, that it launched an anti-smuggling action plan only three months after it came to power. We intend to enforce the law everywhere in Canada and I am confident that the RCMP took all appropriate measures in this instance.

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, I appreciate the Solicitor General's answer. In support of his comments, and in view of the numerous crimes which were committed lately, could he give us at least one recent example of an arrest and prosecution case for possession of illegal arms on Mohawk territory?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I wonder why the hon. member keeps on raising the Mohawk issue instead of asking questions on criminal activity in this country. If he were really interested in fighting crime across the nation, he would use different wordings in his questions.

[*English*]

IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the Minister of Citizenship and Immigration. I ask this question believing that Canadians deserve to know on what the government bases its policies.

On the 14th of this month the minister of immigration said I was incorrect in concluding that the Economic Council of Canada report argues for a 1994 immigration level of approximately 180,000 immigrants, 70,000 fewer than the government intends to accept.

Could the minister please cite for me the exact number of immigrants the Economic Council of Canada study recommends be accepted into Canada in 1994?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Quite gladly, Mr. Speaker. The Economic Council of Canada suggested the approximate 1 per cent figure. It also advocates a gradual approach toward that 1 per cent, and that is what I had cited before and is what I cite today.

Mr. Art Hanger (Calgary Northeast): A supplementary question, Mr. Speaker. Certainly the Economic Council of Canada report cites a 1 per cent figure, I believe over a 25–year span. Perhaps the minister should dedicate more time to studying his portfolio and less time to just talking about it.

• (1155)

Will the minister agree to stop misleading the people by suggesting that he has specific evidence on which he bases immigration policy? Will he agree to cede to the will of the overwhelming majority of Canadians instead of the desires of a few special interests?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I try to study as much as I can. I do not claim perfection nor does this side claim a monopoly on virtue.

Mr. Gauthier (Ottawa—Vanier): Speak for yourself.

Mr. Marchi: I have been asked to speak for myself.

Some hon. members: Oh, oh.

The Speaker: I am sure that is precisely what the hon. minister is going to do.

Mr. Marchi: Mr. Speaker, we do not speak for a few, select numbers of special interest groups. I find that statement offensive. We speak and we decide and we make policy based on the national interest. We did not hide our immigration policies anywhere. They are found in the red book; the red book was distributed across the country and we got a tremendous national majority government as a result.

Consequently we proceed in the national interest. I have cited a number of reports. The member continues to cite the C.D. Howe report, or used to, and it was quite specific in saying that at the very worst, net immigration is neutral to the economy. We are not misleading, we are simply using the facts and evidence before us to build a case.

* * *

BRISTOL AEROSPACE

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is for the Minister of National Defence.

Bristol Aerospace is one of the largest employers in my riding. It employs hundreds of well trained men and women. After this week's budget, however, fears were raised that severe job losses would occur at Bristol as a result of possible changes to the CF–5 repair program for the military. This is of great concern to Bristol employees, it is of concern to me and I know it is of great concern to the minister of defence.

Can the minister tell the House what discussions he has had concerning this matter and can he offer some encouraging news for Bristol employees this morning?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, it is well known that we have had to cut back in a number of areas. As a result we do not need the original number of CF–5s to be refurbished. Most of them have either been completed or are in the workshops at Bristol in Winnipeg. We have had some discussions with Bristol Aerospace to see what our future requirements would be, to see what kind of arrangement we could make. We do not anticipate any immediate job losses.

However, I do have to underscore to the hon. member and the people of Winnipeg that our needs will not be as high as before the cuts in the budget last week.

* * *

[*Translation*]

GOVERNMENT AGENCIES

Mr. François Langlois (Bellechasse): Mr. Speaker, my question is for the Minister of Canadian Heritage.

The Professional Institute of the Public Service of Canada recently made public a report detailing the shameless waste of public funds in the management of the Canadian Museum of Nature. Glaring cases of contract antedating and contract splitting as well as many other irregularities, especially with regard to management salaries, were reported. This has prompted the Institute to ask the minister to intervene.

Can the minister indicate whether he intends to intervene to put a stop to this case of mismanagement and how exactly he plans to do that?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I have spoken to the Auditor General of Canada who, as far as I am concerned, is the best–informed source. He assured me that this museum would be undergoing a special audit in a matter of months. So, when we have all the facts, as audited by the Auditor General of Canada, we will be in a position to judge.

• (1200)

Mr. François Langlois (Bellechasse): Mr. Speaker, I think that the hon. minister should also maintain a direct, open and honest dialogue with the officials of the agencies involved.

In light of this new example of mismanagement, does the minister still contend to have clean hands? Will he do the responsible thing and intervene to force another agency, namely the National Capital Commission, to stop meeting behind closed doors and show more transparency?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am not sure this is a genuine supplemental, as we are moving to another subject, the National Capital Commission.

I am well aware of what is going on in the agencies in my jurisdiction. I am in constant contact with them and I frequently meet with the heads of these agencies to ensure that public funds are well spent and that programming is both serious and useful.

I have had the opportunity to talk about public consultations with the Chairman of the National Capital Commission. I was pleased to hear him assure me that, in the coming months, consultations would intensify to make sure that all the concerns of the people in the National Capital Region are taken into consideration when the Commission makes a decision.

* * *

EMPLOYMENT

Hon. Jean J. Charest (Sherbrooke): Mr. Speaker—

Some hon. members: Hear, hear.

Mr. Charest: Mr. Speaker, I am not deluding myself, it will not last.

My question is for the Minister of Finance who, I notice, tends to systematically blame the previous government, whereas the Prime Minister promised during the election campaign not to do so.

We heard today that he artificially inflated the deficit for partisan purposes. However, since he seems to be saying in his answers that he follows departmental rules, I would be curious to see if the Minister of Finance would share with this House the analyses done by his department on the impact of his budget on employment.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, when Reform members asked me practically the same question, I offered to sit down with them and, of course, with Bloc members to share all our analyses and all our information, so that we can work together on solving our financial problems.

I would be pleased to share with the hon. member our information on the impact of our measures on employment because we are very proud of them; they will really have a significant impact on employment, in comparison with the previous government's record.

[*English*]

I would like to say one thing in closing. All members of the House must be very happy to finally see the Conservative caucus united.

The Speaker: I am sure all hon. members would want this exchange to continue, but you have instructed your Speaker to terminate questions. We will now go to the next order of business.

* * *

[*Translation*]

POINT OF ORDER

QUESTION PERIOD

Mr. Ronald J. Duhamel: Mr. Speaker, I was so eager today to reply to the question I was asked that I made a mistake. Instead of $2 million, I should have said $100 million over two years. I am sorry for the mistake. And I should also have mentioned the $120 million that will be spent on other social housing programs.

[*English*]

The Speaker: I am not sure that was a point of order.

HOUSE OF COMMONS

Mr. Myron Thompson (Wild Rose): Mr. Speaker, earlier in Question Period I attempted to question the expenditures of the highest office in the land. I would like to know if I could be provided with the standing order that does not permit that. If there is a proper way of doing it I would like to know because I wish to do it in the proper manner.

The Speaker: The hon. member will have the information at his disposal. My clerks will get the information that is needed for him.

ORAL QUESTION PERIOD

Hon. Jean J. Charest (Sherbrooke): Mr. Speaker, I want to raise a point of order in relation to question period.

You and other members of the House will have noticed that twice I rose in my place to try to get your attention to put a supplementary question to two questions asked of the Minister of Finance.

• (1205)

I know members of the House would want to remember it has been a practice during question period that if there is a supplementary question to a main question and another supplementary asked by another member, the Speaker recognizes that.

Given the circumstances of the particular role in the House where there are independent members who may want to pursue a matter further, Mr. Speaker, you and the House may want to consider the practice of allowing members to ask a further supplementary question so that Parliament and question period can fulfil their true role of getting to the bottom of a matter and drawing from the government the basic information Canadians are seeking on a specific issue.

I wanted to raise that matter on one specific point of order. I will stop here, but I do have another point of order I want to raise in relation to an answer the Minister of Finance gave to my question.

The Speaker: With regard to the point of order the member raised, I am sure all hon. members would realize the Chair is always guided by the House. I would imagine on every question posed the Chair could recognize a member saying: "supplementary".

The Chair is trying to be as fair as possible in the distribution of questions. I am sure the hon. member, who is a veteran of the House, will realize where it is possible for the Speaker to accommodate members I will do my utmost to do so and see that they are recognized.

[*Translation*]

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, as regards the point of order raised by the hon. member for Sherbrooke, I want to say that I have been here for close to ten years and it was never the custom to recognize a second or a third supplementary question. A question is asked and then followed by one supplementary.

Also, if the hon. member reads the January 18 issue of *Hansard*, he will see that not only members from the three recognized parties asked questions during Question Period, but also independent members.

I suggest that hon. member for Sherbrooke come here frequently. I am sure he will get his share of opportunities to rise.

[*English*]

The Speaker: A point of order was raised about the questions as we have them. We now have a committee on House affairs; it is presently meeting. I am sure all hon. members would want to avail themselves of appearing before the committee if they have changes that could be inaugurated.

I would also ask hon. members to refrain from making any comments about attendance in the House. I know that many times it is inadvertent. I would hope all hon. members would take that into consideration.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, in the past—I have been here for three of four years now—, I did not notice that such practice was in effect. As regards the plight of the hon. members sitting close to the curtains, we also had to live with this situation in the past. It is hard on the legs, but good for the health.

[*English*]

The Speaker: I would like to terminate this particular point of order. Does the hon. member for Sherbrooke have another point of order that he would like to raise?

COMMENTS DURING QUESTION PERIOD

Hon. Jean J. Charest (Sherbrooke): Yes, Mr. Speaker, I have another point of order. While I am on my feet I notice my friend from the Bloc rose for a second time to reiterate his point. I find interesting all this talk of a new Parliament and the previous government being defeated because of the way things were. All I hear from them in terms of our practices in the House is that what is being applied to us was the old system.

So much for the change, the new Parliament and the will to do things differently.

• (1210)

My point of order relates to the Minister of Finance who in his reply offered to make information available to me. His reply was unclear in terms of what he exactly was committed to do. I was asking a specific question.

The Speaker: Order, please. I do not think that is strictly a point of order. I am sure the hon. member could get this information simply by—

Mr. Boudria: That is not a point of order.

The Speaker: Order. The hon. member will realize it is not a point of order. I am sure this information can be elicited in other ways.

There being no other points of order, we will proceed to the next order of the day.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORTATION

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speak-

er, pursuant to Standing Order 32(2), I have the honour to present the report of the Canadian Transportation Accident Investigation and Safety Board Act Review Commission.

[*English*]

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COMMITTEES OF THE HOUSE

CANADA'S DEFENCE POLICY

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, I have the honour to present the first report of the Special Joint Committee on Canada's Defence Policy.

This report requests the additional powers for the committee concerning the televising of its proceedings and the power to create subcommittees.

The Senate adopted the report at its sitting yesterday afternoon. If the House gives its consent I intend to move concurrence in the report later this day.

Mr. Charest: There is no consent, Mr. Speaker.

The Speaker: There is no consent but the report can be tabled.

Mr. Riis: Mr. Speaker, there have been discussions among the parties. Considering that our Olympic hockey team is to start playing its semifinals in about 90 minutes from now, I think you would find unanimous consent for the following motion:

That, notwithstanding any standing order and the usual practices of the House, the order for second reading of Bill C–212, an act to recognize hockey as a national sport, be called immediately after routine proceedings; and

That the House proceed to dispose of the bill immediately at all stages, including consideration by committee of the whole, without debate or amendment.

The Speaker: Is there unanimous consent?

• (1215)

[*Translation*]

Mr. Robichaud: Mr. Speaker, consultations are under way and we are not ready to give consent before we hear the result of these consultations.

[*English*]

The Speaker: There is not unanimous consent at this time.

* * *

PETITIONS

SERIAL KILLER BOARD GAME

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour and privilege to present, pursuant to Standing Order 36, petitions with regard to the serial killer board game.

The petitions I am tabling today, along with others tabled previously, total some 105,552 signatures, all of them calling for a ban on the importation of this product into Canada.

[*Translation*]

Allow me to salute the particular contribution of one of my constituents, Mrs. Lina Cléroux, who collected on her own several thousand signatures in order to ban the serial killer board game. Today, I have the honour and the privilege to table those petitions. The grand total of signatures to date is 105,552.

[*English*]

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, it is a privilege for me today to present a petition from Brenda Smith of Wasaga Beach in my riding requesting our action on the distribution of killer cards. I am pleased to add it to the petition which has just previously been endorsed.

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, I rise today to place before this House a petition co–ordinated by Holy Cross High School in St. Catharines and signed by almost 3,000 of my constituents in the surrounding areas.

As you know, Mr. Speaker, I have spoken in the House before about the harm to society of serial killer cards. The petitioners state that they support the efforts of Mrs. Debbie Mahaffy in her quest to have the importation of killer cards seized at the Canada–U.S. border to stop their distribution in Canada.

The cards published by Eclipse Comic Books, the True Crime Trading Cards and other publishers feature the crimes of serial killers, mass murderers and gangsters. We do not want these cards in our communities.

The petition continues: We abhor crimes of violence against persons and we believe that killer trading cards offer nothing positive for children or adults to admire or emulate but rather contribute to violence. Therefore the undersigned, your petitioners, humbly pray and call upon this Parliament of Canada to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards in law and to advise producers of killer cards that their product if destined for Canada will be seized and destroyed.

May I reiterate my support for this petition which I table in the House today and thank the member for Glengarry—Prescott—Russell for his assistance and support.

OFFICIAL LANGUAGES ACT

Mr. Andy Mitchell (Parry Sound—Muskoka): Mr. Speaker, as is my duty as member of Parliament for Parry Sound—Muskoka, I am tabling a petition in relation to the Official Languages Act signed by several of my constituents. My tabling of this petition in no way is an indication of my position on this issue.

[*Translation*]

Mr. Plamondon: Hypocrite. You are a hypocrite.

The Acting Speaker (Mr. Kilger): Order, please.

Mr. Plamondon: You too are a francophone.

The Acting Speaker (Mr. Kilger): Order, please.

Mr. Boudria: Be quiet.

The Acting Speaker (Mr. Kilger): Order, please.

Mr. Plamondon: Get up and go talk to your caucus.

The Acting Speaker (Mr. Kilger): Order! Order.

Mr. Plamondon: I have had enough of this.

The Acting Speaker (Mr. Kilger): Order, please.

• (1220)

Having clearly heard what a member told another, and recognizing the Chair's responsibility to maintain mutual respect among members, I would invite the member for Richelieu to withdraw the word "hypocrite" he used against one of his colleagues.

The member for Richelieu.

Mr. Plamondon: Mr. Speaker, I agree with you, the word "hypocrite" should be banned from this House. But while I am willing to withdraw it, I would like to remind—

Mr. Boudria: No way. Without any conditions.

Mr. Plamondon: There are no conditions, Sir, I withdraw it entirely. But I would like to remind the members that the Prime Minister, not the present one, but Mr. Mulroney, used that word, you can check the Chair's records, against the member for Shefford, Mr. Lapierre, who was then the Bloc Quebecois House leader. At that time, the Chair judged it to be acceptable. The Prime Minister had called Jean Lapierre "hypocrite" and "insignifiant". It appears that these words were found acceptable in the context they were used.

Personally, I find it unacceptable and I want to retract and apologize to the member for using it. But I want him to understand that what prompted me to do so, is that we do not accept that petitions dealing with official languages be tabled while saying: "I am tabling them but I do not support them". He should either agree or disagree. I like people who tell the truth.

The Acting Speaker (Mr. Kilger): I appreciate that and we respectfully accept the fact that the member for Richelieu has withdrawn the comment he made regarding the member for Parry Sound—Muskoka. I do not care to hold a debate on this issue.

[*English*]

Mr. Mitchell: On a point of order, Mr. Speaker.

I do not think it is totally fair that the member, although I do appreciate the fact that he withdrew his inappropriate statement, in his additional comments is still leaving an impression in the House that is not accurate for a number of reasons. I want to make this—

The Acting Speaker (Mr. Kilger): Order. As I stated previously, I will not allow the House to engage in debate on this matter. The Chair asked the member for Richelieu to withdraw his comment. He has. It has been accepted. We will now move on. Were there any other petitions?

Mr. Mitchell: Point of privilege. The hon. member who made some comments and withdrew certain of them made reference to the contents of a petition and a comment that I made. In neither case was he aware of its contents nor were they accurate. His statements about something that he had not read, nor did he repeat it accurately—

The Acting Speaker (Mr. Kilger): Order. That is a matter of debate.

[*Translation*]

Mr. Peterson: Mr. Speaker, this may not be the best time to ask for the unanimous consent of the House, but since I was not here earlier to present the report of the Committee of Finance, I would like to ask for the unanimous consent of the House to present the Committee's third report.

[*English*]

The Acting Speaker (Mr. Kilger): Members have heard the hon. member for Willowdale. Is there unanimous consent?

Some hon. members: Agreed.

* * *

• (1225)

COMMITTEES OF THE HOUSE

FINANCE

Mr. Jim Peterson (Willowdale): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Finance. In accordance with the order of reference of Monday, February 14, 1994, your committee has considered Bill C–9, an act to amend the Income Tax Act, and has agreed to report it without amendments.

May I say, as the chair of this committee, that I am very grateful to all members, including the opposition members, for the hard work and the co–operative spirit they have brought to these very difficult chores.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I would ask that all questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall all the questions be allowed to stand?

Some hon. members: Agreed.

[*English*]

Mr. Riis: Mr. Speaker, we are seeking unanimous consent today and it is going very well. When I sought unanimous consent I know the Bloc gave unanimous consent, as did the Reform Party and the representatives of the Conservative Party, but my friend, the secretary of state, indicated that consultations were ongoing.

Could he explain what he meant by that as to whether or not those consultations will take forever, a few weeks or a few hours?

The Acting Speaker (Mr. Kilger): I do not think that is a point of order. The secretary of state has already addressed that question. If people want to continue that debate behind the curtains or elsewhere in those negotiations I would encourage that. At this time we will proceed to orders of the day.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1994–95

The House resumed consideration of the motion that Bill C–14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994, be read the second time and referred to a committee.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I am rising today to address Bill C–14, an act to extend to the government borrowing authority for the next fiscal year, borrowing authority in the order of $34.3 billion with a contingency for an additional $3 billion.

For those who have trouble grasping some of these numbers, and I think that is probably most Canadians, I will just spell it out. We are talking here initially, to put it in number terms, 34,300,000,000.00 dollars and cents. That kind of money, to give it some practical significance, would be enough to eliminate the GST and then pay it back twice to all Canadians. It would be enough to halve the income tax. It would be enough to pay old age security for an entire year without any additional revenue sources.

This is the highest planned borrowing. As far as I know, it is certainly the highest planned deficit on which this is borrowing based in Canadian history. We have had higher deficits in the end, but this is the highest we have ever had to begin with.

I will not waste a lot of time in telling the Chair that I will be opposing this bill on that ground. It is safe to say that every member of the Reform caucus and I will be opposing it for like reasons.

In my speech and in the speeches of other members of my party who will follow today and subsequently, we will not restrict our comments merely to the borrowing aspect, but we will comment on and evaluate the general budgetary policies of the government from which are flowing these tremendous borrowing requirements.

This of course all comes from the red book which I think is widely becoming known now, upon presentation of the budget, as the red ink book.

• (1230)

[*Translation*]

The Liberal Party talked about its red book throughout the election campaign. But now we see what a red ink book is all about. With this bill, we will be increasing the national debt of our country by more than $34 billion. Over the next three years, we are talking about an increase of at least $100 billion.

[*English*]

That is a lot of money.

I want to make my remarks on four particular categories. I will start by evaluating the stated targets in the budget and give an evaluation of those. Second, I want to look very carefully at the economic assumptions and the projections behind the targets. Third, I want to look at where we are headed financially and economically, particularly on the issue of this bill, the borrowing authority, the debt. Finally, I would like to summarize in some detail by looking at what the market is saying and where the government may be going.

In his budget speech the minister spoke about achieving targets rather than having illusions and falling short. I want to evaluate some of those targets and the data used to obtain them. Let me make a general comment. The government, unlike the previous government, has provided some measurable targets. It has also provided in the short term more realistic data than were provided by the previous government. It is better data that are much easier to evaluate.

However, to summarize, the targets are very soft; the action is somewhat overstated; the achievement is not at all clear. The minister has spoken of a two–part budget and of course we have no long term or even medium term financial projections in this budget. We have only an empty third year column in which we are told we will reach the target. That is a general comment.

Let me go back to previous experience on this matter. In April 1993 the former Progressive Conservative Party and government brought down its final budget. In that budget it promised to balance the books in six years. This would mainly be achieved through spectacular economic growth.

The House will recall that at the time the budget only laid out projections for five years. It showed that by fiscal year 1997–98

we would have a deficit of about $8 billion and extrapolating the economic projections we reached a budget balance in fiscal year 1998–99.

In the specific projections that were made we had this tremendous prediction of an average rate of growth of almost 4.5 per cent per year until the end of the century. We had rapidly declining unemployment rates which would fall to about 7.5 per cent by the end of the century. We had spectacular falls in interest rates, both nominal and real, and of course we had an income tax system that would generate all the spectacular revenue increases that these assumptions implied.

The former Conservative budget of 1993 called for a deficit in fiscal year 1994–95 of $29 billion. In the election campaign our party said, and I want to give a realistic evaluation of this situation, that the Conservatives were grossly underestimating the seriousness of the problem. We said that the Tory plan would not reduce the deficit. In fact we said that the Tory and the Liberal plans were pretty much identical in macroeconomic terms.

This is not the first time when one political party, the Conservative Party, talked like born again right wingers about the seriousness of the deficit and how this had to be stomped out at all costs and the Liberal Party talked about jobs and social democratic priorities.

• (1235)

Of course in reality the numbers that they were proposing were very close. When one extracted out of the Conservative projections the unrealistic assumptions, one found that one reached a target of about 3 per cent of GDP by the end of the century. That was the real Conservative target in that budget although they did not say that. The Liberals said this was excessively harsh and that they would do things differently. We Reformers said this was not good enough, the deficit was more serious than either of these parties was saying.

Interestingly, if I look back at some of our own studies, and I can take some credit and blame for this, I see that the trend we had established in our evaluation of the likely deficit for fiscal year 1994–95 was $31.2 billion. We were told that we were excessively pessimistic, that we had grossly overstated the problem.

Now we have the revelations of the past few months about the doctoring of the books that occurred in the later days of the last Parliament. We are now admitting, and the government is admitting, that we are looking at a trend deficit figure, with no policy adjustments, of $41.2 billion or exactly $10 billion above the Reform Party's estimate of how serious this problem was only a year ago; $10 billion above what we thought one year ago, we who were most concerned about this and were labelled hysterical about our evaluation of the situation.

This is one of many signs of the very serious and rapid deterioration we are now about to enter upon if we do not get a handle on this problem.

Just as an aside, why did the Reform Party so underestimate the deficit for 1994–95? I would like to comment on that as the finance minister has made some reference to it in the House. He has said that we had unrealistic growth assumptions. In fact we did not have unrealistic growth assumptions. Our growth assumptions for last year were modestly above what transpired. Our growth assumptions in the longer run were not over estimates. In fact they are lower than the growth assumptions that the government is presenting today.

What happened was that we had overestimated the ability of the tax system in general to extract revenues from economic growth. Last year we had a dramatic collapse in the revenue GDP ratio which indicates a significantly lower revenue potential that is now recognized. We had a collapse of over 1.5 per cent of the ability of the tax system to extract revenue from growth in the gross domestic product.

That is something I will be talking about more. It is now a recognized problem. It was not at the time. It is indicative once again of the underground economy, smuggling, tax avoidance and the impact of sustained recession are problems we are beginning to understand better.

Let me move on to the second issue I wanted to address. We talked about the targets the government set. Let us now talk about the specific economic assumptions and projections that the government has made in saying it will reach these targets by the end of the third year.

This government, and I want to be fair here, unlike the previous government has not spectacularly exaggerated its estimates. Its record is mixed. It is better than the previous government but there is still a lot to be desired.

I am going to talk about some subjects: economic growth projections, unemployment projections, interest rate projections, revenue projections and the efficiency of the tax system. I wrote most of what I have to say today prior to reading the *Globe and Mail* article this morning.

• (1240)

Economists all over the country are in the process of studying the budget, of examining these tables and estimates very carefully. I should say that in the last two or three days it is increasingly obvious that some of the deficiencies in the assumptions of this budget are being exposed.

Let me mention a few, not all, because there is going to be more debate about this in the upcoming days. First, the government's most positive feature in its planning, job creation, is definitely not exaggerated in the budget. Unemployment is projected to fall to only 10.8 per cent in 1995, with modest job recovery thereafter.

I think it is probably accurate. It is a very interesting projection coming from a government that says that creating jobs is the major priority of the budget, and continues to insist there is

somehow a link between jobs and debt. That somehow, if the government spends money, if we continue to run these deficits, we will create jobs. The budget indicates what we in the Reform Party are saying is correct. The longer these deficits stay high the longer job creation will stay low.

I can be a little more critical when it comes to its projections for economic growth. The government has forecast 3.0 per cent economic growth for 1994 and 3.8 per cent economic growth for 1995. It has avoided making explicit projections for the period after that but its documents as well as the minister's responses earlier this week would indicate that it expects growth in the order of 3.8 per cent to continue in years 1996 and after.

The basis of these growth projections is said to be in median or even below median assessment of the forecasts of private sector economists and forecasters. This is said to be a brand new approach to budget planning. This is not the case. This is not a brand new approach. The previous government also cited private sector forecasters in making its own more exaggerated and unrealistic growth projections.

What is similar here and what needs to be pointed out, if we are going to rely on the projections of private sector forecasters is that it would be useful to have some additional information, such as who are the private sector forecasters that are being sampled in these kinds of growth projections, precisely what kind of adjustments have they made to their own economic models in light of recent evidence, and most important, if that is your only basis of forecasting, what is in fact the record of some of these private sector forecasters in terms of their own evaluation of economic growth and other economic variables.

I would like to mention that in a recent article in the *Financial Post* entitled "Deficit and Jobs Cloud Optimism" private sector forecasters were quoted as saying that their projections for the next fiscal year were the following: for 1994 the median projection was 3.5 per cent, but for the years thereafter the average median forecast was 3.2 per cent which is considerably below the government's forecast.

Our position has been that budgetary planning should be based on very firm conservative budgeting principles. Those principles are the following: That we should select the lesser of two different pieces of information, the lesser of the forecasts that are out there among evaluators and recent economic history and experience. It would ensure a very conservative planning path over an entire economic cycle and is the approach we have used to estimate growth paths and recessionary deficits.

Using this, let me convey to the House the planning forecast that we have been using. As I say the Minister of Finance has inadvertently misrepresented this.

The planning forecast we have been using for the past several months, since the minister's statement in November, has been a forecast of 3.0 per cent for 1994. That is in agreement with the government. However, we suggest that the second and subsequent year forecasts are optimistic rather than conservative. We have projected those growths to range in the area of about 3.2 per cent on average as predicted by private sector forecasters.

• (1245)

The third issue I want to look at is the interest rate issue where the statistical games being played are much more serious. They certainly involve more distortion and potentially much more danger for the government. That is the assumption on interest rates.

Using the rate on 90–day commercial paper as its benchmark, the government is saying that short–term rates will be about 4.5 per cent in 1994, rising modestly to 5.0 per cent in 1995. Longer term interest rates, with the 10–year rate on government bonds as the benchmark, will fall from 1993–94 to 6.4 per cent and will continue to fall in 1995 to 6.1 per cent and staying thereabout thereafter.

In our view once again we should be using a conservative approach that would look at some of the forecasts out there—I suggest that these are exaggerations of the forecasts—as well as the clear market data which exist on interest rate expectations. There is in the marketplace an elaborate term structure for interest rates and an elaborate set of variables on which the market forecasts present and future interest rates.

Looking at that data we can see they reflect the government's short term forecasts. We see that interest rates are expected to rise gradually in the short end over the next few years. The reason for that is quite straightforward.

There is general concern about inflation, particularly if we are going to have recovery. That is reflected in interest rate projections. More significantly, there is no clear sign in the marketplace that long term interest rates are going to fall dramatically. Long term interest rates have had a pattern of falling and rising in recent years with the inflation pattern we have had.

At present the 10–year rate on government bonds has been ranging between 6.8 and 6.9 per cent. There is no sign of a decline in real medium term and long term interest rates. Maybe there will be but certainly for an organization that is experiencing the kind of debt levels we have here, we would not want to underestimate the possible debt charges as a way of balancing the budget.

This is the most serious deficiency. Other speakers particularly from the Bloc Quebecois have commented on the overestimation of the revenue forecasts. That is something serious. For a government that finds itself with a half a trillion dollar debt which will rise rapidly even under its own projections, to underestimate the potential debt charge on that is a very serious

and imprudent planning assumption, particularly when that deficit on average has a term of about two and a half years. It is now a very short term debt.

To concentrate that debt on the front end, while we face referendums and other economic and political uncertainties in this country, makes us vulnerable to rises in interest burdens. In our own case, as I have said, in our forecast of interest rates we have suggested we should look at the term structure.

We can take factors such as the overestimation of growth rates into the second and third year and the underestimation of interest rates at the long end into account. These factors alone would have an effect of adding half a billion dollars to the planning assumption for 1994–95 and at least $1.5 billion to the planning assumption for 1995–96. Because these imprudent assumptions are concentrated in the area of interest and debt charge, we can assume that any such understatement will compound rapidly into the future.

• (1250)

While these assumptions are somewhat of an improvement over the previous government, once we get into the second year in particular—and the government says those can be extended indefinitely into the third year—the overall pattern is not that different.

We have growth forecasts below those of the Conservatives but well above market forecasts and well above recent historical experience. We have interest rate forecasts that are identical to what the Conservatives proposed. And we have the most dubious of all assumptions which is the tremendous revenue generating capacity of the tax system, even though we continue to have one of the highest tax burdens in the industrialized world.

Where are we headed if we take all of these things into account? Our assessment is that we are probably headed for a very modest deficit reduction this year. It will be lucky to come under $40 billion. Our assessment is we will certainly not be achieving a 3 per cent debt to GDP ratio in 1996–97.

Based on this budget we will not achieve all the things the government wants: rapidly falling deficits, modest to high economic growth, extraordinarily low inflation, nominal and lower interest rates, et cetera. It is a very optimistic pattern by the time we get to the second and third year and there is very little to suggest it will be achieved.

In all honesty I would suggest to government members that if the government felt this were achievable, it would have published the figures. The fact it has decided to leave the third year column out of most of the tables is no accident.

The minister says he does not want to be hoisted with his own petard. Those were not his exact words but in other words, he does not want to repeat the mistakes of the Conservatives. He does not want to repeat the mistakes of making these forecasts, putting them on paper and then having them not come true. Therefore, rather than provide us with conservative or prudent forecasts he provides us with no forecast whatsoever and says that way he will not be held up on this.

On top of this another good question which should come out of all this is why is there a second stage to this budget if it will already achieve its objectives?

That is another reason I asked the minister to admit that the projections show the deficit will not fall below $30 billion. If he could achieve this objective and if it was based on realistic assumptions, there would obviously be no need to hide them. Furthermore, there would be no need to announce a second stage in the 1995 budget. Clearly, some of these excuses are wearing thin.

My personal view is that the government would be advised to provide the House with realistic information and to suggest that perhaps these targets are not going to be achieved. That is a far better way to do it than to play a shell game with the numbers.

I will comment a little more particularly on some of the critical ratios that are going to be affected by this borrowing bill. I recommend to the House once again chapter 5 of the 1993 Auditor General's report. It identifies five critical ratios in terms of evaluating federal fiscal policy. These are a set of operating ratios: Overall spending to revenue; program spending to revenue; deficit financing to revenue; as well as some more macro–ratios: the deficit to GDP target; and the debt to GDP target.

Commenting briefly on the operating revenues the former government was so fond of using, under this budget the operating ratios are forecast by the government to improve very modestly on the way they have been trending. With adjusted projections based on more realistic assumptions those ratios will be flat at best and they are at very high levels.

In terms of the deficit–GDP ratio, in spite of what the government says, with the actions strictly contained in this budget that ratio will be around 4 per cent of GDP by the time we hit 1996–97.

• (1255)

The debt–GDP ratio is a very critical one. It is the level of our debt relative to our ability to pay. The debt–GDP ratio is forecast at about 75 per cent for 1995–96 and flattening. Our calculations suggest this debt–GDP ratio will be closer to 76 per cent in the subsequent fiscal year and will be rising. This is the most critical ratio of all because ultimately this is the ratio on which the long run ability of the federal government to sustain its spending and financial policies is based.

Let me repeat for the benefit of all members the criteria on some of these variables contained in the Maastricht treaty in the negotiations for the European Community. The government is fond of quoting 3 per cent. Where did this 3 per cent concept come from? We are told that 3 per cent of GDP is a reasonable interim target. Why? We are told it is because that was the target used by the European Community in the Maastricht treaty. By the way, the European Community targets were not achieved but those targets were a 3 per cent deficit to GDP ratio and a 60 per cent debt to GDP ratio, 60 per cent of all national debt to gross domestic product. It was gross, 60 per cent gross.

Excluding the provinces and the municipalities, under this budget the federal government alone will have a public debt ratio of 75 per cent. It will be a net ratio, not a gross ratio. The government is well short. If it were to meet the Maastricht targets it would be expected to run a significant surplus in the upcoming financial years, not move toward a mere 3 per cent target.

Let me also talk about the size of the borrowing because it is important as well. The deficit is projected by the government to be in the order of $39.7 billion. Government members and others fondly point out that this borrowing bill is only asking for $34.3 billion more or less. They say our borrowing requirement is less than the actual deficit and therefore is not as serious and we should not worry about it. We have these non–budgetary transactions that are generating surpluses and if we take those into account we are in much better shape.

I caution government members very carefully against using that logic. I would call it Kim Campbell logic. Kim Campbell made some reference to this in her leadership campaign.

The surpluses on the non–budgetary transactions mainly concern pension and superannuation accounts. In spite of their cash surpluses in recent years these accounts have had very serious actuarial liabilities. Far from there being a solution in these non–budgetary accounts, they are a completely separate problem in addition to the deficit and debt problems we face and will have to be addressed in the future.

There are significant actuarial liability problems. To suggest for a minute we can borrow from the non–budgetary accounts in order to finance or reduce our deficit and thereby solve the problem is completely false. It is an extremely dangerous suggestion for anyone to send out to financial markets.

I want to give a blunt summary of my reading of this budget, not just an economic one but a political one. The government has provided small cuts in this budget. It has provided smaller taxation measures. It has provided a very, very modest fiscal stimulus program. Most important, it has deferred major decisions about the budget and fiscal policy to subsequent years. Let me comment generally on some of those points.

The government talks about having reduced expenditures much more than it has increased taxes. There are $5 of spending cuts for every $1 of revenue increase. There are five cents of spending cuts for every one cent of revenue increase. The budget has effected very small magnitudes. They are measured against planned expenditure levels. We all know that can be a highly distorted pattern because we then say we are not going to spend something we never really spent.

• (1300)

On top of that, if we actually look at the figures, at the end product and not these ridiculous cumulative measures, and take into account that a large portion of these measures was actually Conservative policy, the government will have reduced its planned spending by less than $6.5 billion by the end of the third year. The actual discretionary increases of revenue are less than $1 billion. These are very small magnitudes. We can compare that with an expected $25 billion gain in revenue from economic turnaround. The measures in the budget are absolutely dwarfed by what is expected to occur in the economy.

Then there is the fiscal stimulus program. I do not know how the government categorizes these, but there are 15 or so new spending initiatives in the budget, the major one of which is the infrastructure program. It is also a small package by any standards. I do not have to comment at length on the deferring of major decisions to subsequent years. We have had 18 studies.

I am sometimes amused by the rhetoric used by politicians. The minister said that we were taking action directly, that we were constituting a study or a committee or a commission. This is a very interesting concept of immediate action. The bottom line is that the deferral of decisions will cost $100 billion in new debt and associated service charges over the planning period.

In doing these things, particularly the small cuts, the smaller taxation measures and the fiscal stimulus, the budget is actually very close to the concept President Clinton had in mind though his magnitudes were much bolder. There is not an identical problem in the United States but a similar and serious problem.

The congressional process in that country caused a much more sensible budget package to emerge. It included some of the expenditure reduction measures and, in the case of the United States in which there is more tax room, some tax increases. The congressional process eliminated the stimulus program which was, as it will be here, an absolutely ineffective use of additional money to convince people the government is doing something.

What has happened in the United States has been a relatively high success. Growth in the United States is beginning and has been in the past several quarters to significantly outflank Canada's growth. On top of that its job rate is improving. Its unemployment rate is falling. Its budgetary deficits although still serious are dropping very dramatically. I point to the

congressional process which listened to opposition parties, the Republicans, and which produced a much better policy.

On that last point let me just make another summary of the budget, a political summary. As deficient as the budget is there are some improvements. The improvements are not in the dollars. They are the improvements in the philosophy embedded in the budget.

The finance minister may have spoken like a New Democrat, but many of the measures are in the direction of Reform Party policy. I look at what the government has done to old age programs, the direction in which it is moving. I look at the direction on unemployment insurance which I think is very sound. I look at the direction on industrial subsidies, the direction on social programs and transfers to the provinces. The fact of the matter is that these are just directions and with one or two exceptions the dollars involved are not significant.

The government is laying the groundwork in the budget—and that is what the market expects—to shedding its election campaign pledge and moving toward adopting real budgetary measures in the subsequent year. That is what the market hopes. The market hopes that these UI cuts are a sign from the government of a much more serious attitude toward the big spending programs. The government is hoping that it will get some breathing room.

I would suggest that buying time is a very dangerous way to proceed. We know what buying time has done to us in the past. I was with the Conservative Party in the mid–eighties when its members decided to buy time. We know what happened both to the their budget as well as to their party.

• (1305)

In summary, the budget has weak goals. The goals are not clearly attainable. There is some exaggeration in the expectations. It is somewhat better than before but still exaggeration. More than anything the government is taking a big gamble with everybody's future by putting off these decisions.

I would suggest that politically this gamble is not likely to work. It will probably benefit the opposition in political terms. Let me also point out that if it does not work out it is going to benefit members of the Official Opposition more than anybody. It is going to benefit their ultimate goals which will be hinged on the economic performance of the country much more than they will be hinged on the religion of official bilingualism.

I hope the government remembers that. I hope it takes very seriously the concerns expressed in this debate and in the debates in the months to follow, not only as we complete this budgetary process but as we begin the next one.

The Acting Speaker (Mr. Kilger): Could the hon. member for London West indicate to the Chair whether she will be sharing her time or in fact using the full 20 minutes?

Mrs. Sue Barnes (London West): Mr. Speaker, I will be sharing my time. I consider myself privileged. I am deeply grateful to those in the urban riding of London West who put their trust in me. I pledge to do my utmost to justify this trust.

I wish to acknowledge and thank warmly my family and all those colleagues and friends who support me in these exciting days. As the mother of three young children it would be impossible to carry out my responsibilities without their encouragement and assistance.

In this Chamber I feel the privilege of serving Canada and my constituents, and to serve truly I pray for humility and decry arrogance, for humility leads to wisdom, the wisdom to listen and appreciate, to try and understand as well as to be understood.

This is the start of my journey, a journey that may not be easy. It will certainly be bewildering and sometimes treacherous. I will strive for the courage, faith and courtesy to face squarely these unusual times of changing conditions and share a vision of a strong Canada with Canadians across our country.

Let there be no doubt that together with all members of the House I will not shrink from responsibility so that one day I can look back and take pride in my modest contribution to this chosen homeland of mine.

I came to this country at the age of 5, having been born on the beautiful Mediterranean island of Malta. I am the first Maltese born Canadian to sit as a member in the House. I am very proud and thankful to be a Canadian.

At the commencement of the 35th Parliament each of us brings along an agenda that embodies a vision of Canada. Mine is a vision of freedom and opportunity based on tolerance and equality, a vision that rejects discrimination and extremism and every shade of injustice, a vision that gives us the assurance of a glorious Canada with all its democratic institutions at our disposal. We are fortunate in this land to have progressed well in many of these goals but our work is yet unfinished.

The primary concern of my constituents is the rebuilding of our Canadian economy and jobs for the present and jobs for the future. I am heartened that the government, true to its commitments, has already taken the initiative to translate our promises into action and charted its direction for choices in co–operation with the provincial governments. I hope the entire range of economic institutions and groups will co–operate in this great venture for the realization of our pressing objectives of deficit reduction and growth.

What we need for our deficit reduction and for facing the economic challenges of the nineties is a simultaneous commitment to increase economic growth and to regain control of our finances. Our budget addresses squarely these requirements.

In tackling the issue of growth one of our main thrusts will be where the backbone of job creation is: the area of small business. Small and medium sized businesses have accounted for 85 per cent of all new jobs created in Canada since 1979. In my riding of London West there are over 1,000 small businesses and many are struggling.

• (1310)

The government through the Minister of Finance introduced a plan for growing small businesses. It is evident the government will take the necessary measures to address the basic problems facing the small business industry.

The Minister of Finance has announced the establishment of a Canada investment fund to provide venture capital for innovative companies. There will be a Canadian technology network to help small businesses gain access to new technologies. A task force will be established to work with banks to develop a code of conduct for small business lending.

Another booster for small business will be the replacement of the GST, a program that in addition to dampening growth by fuelling the underground economy has been an expensive administrative nightmare. I also believe it is time to harmonize our provincial and federal taxation.

The industrial competitiveness of the nation today more than ever before is influenced by its capabilities in science and technology and by its research and development efforts.

OECD comparisons of science and technology expenditures as a percentage of GDP find that countries with a positive balance of trade in high growth industries are those that make substantial investments in research and development.

The budget has now strengthened R and D in Canada. We must encourage technology partnerships among Canadian universities, research institutions and the private sector which emphasize the commercial application of research and development.

The Drake–Siebens Research Institute, the John P. Robarts Research Institute, the University of Western Ontario, University Hospital and an industrial research park in my riding all are eager to share in the value added jobs that can result from these linkages.

It is especially important to tap the talent and energy of the young minds of a generation that is now facing over 17 per cent unemployment. We must ensure that there is a relevant transition of these young minds from their schooling to their workplace. New youth internship and apprenticeship programs are being launched under the budget.

Our world has undergone tremendous changes and the time has now come for a re–examination of a whole basis of social and economic policy. The world has become highly unpredictable both politically and economically. Nevertheless there is one common feature, a growing interdependence between countries, an interdependence that is unavoidable and is strengthened by a process of world economic globalization.

The conclusion of the Uruguay round of the GATT further reduced tariff barriers. The political obstacles formerly imposed by the cold war are no more. Market based economies unconstrained by ideological divisions between east and west are gaining wide acceptance, all of which reinforce the globalization process and present us with a tremendous potential for new markets and ventures with east European countries, the new republics of the former Soviet Union, China and the Pacific Rim.

Our jobs and future prosperity will depend upon our ability to get access to these new markets and to sell our products and services abroad. Let us start establishing the links to the future. It is important to remember that one in five jobs comes from trade.

As a developed society we have to realize that in shaping our domestic economic policies we must consider the inevitable changing international economic order fuelled by the process of globalization. We must focus on the agents of this globalization process and deepen our understanding of the implications on domestic economic policies in general and trade policies in particular.

At the same time we must ensure that Canadians affected by these changes are supported by the government in coping with a different economic order. Let there be no doubt that for Canadians this will be a challenge but should not be seen as an obstacle to our economic evolution.

I would not be true to myself if I end my maiden speech without touching the subject which has been lingering in the minds and hearts of many Canadians. Much has been said and written about unity.

[*Translation*]

In 1867, the English and the French communities decided to join together to form a confederation whose existence is now firmly established and which must be perpetuated. The other communities also contributed in an essential way to the development of our country and allowed Canada to become what it is now: a country admired by the entire world. For the nations that it welcomes, cultural diversity is a source of wealth and renewal.

Canadian unity is an established fact and must not be questioned.

It is our strength, our pride and a guarantee of stability and better future for all Canadians.

Preserving that unity is absolutely crucial to all Canadians being able to meet together the challenges of the next century.

• (1315)

[*English*]

As the member from a progressive English speaking riding in the heart of southwest Ontario, I want to say that my Canada includes Quebec.

[*Translation*]

Quebec is a part of Canada.

[*English*]

I know in my heart that we are one. I know in my mind that we should stay one. Let there be no doubt that whatever tomorrow brings I will stand for a strong and united Canada.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I would like to make a brief comment because I liked the speech of the hon. member very much. First, she sounded very sincere, and second, she is the first member of Maltese descent. I congratulate her.

Despite the ring of truth and sincerity in her speech, as well as her enthusiasm—something all new parliamentarians have in common—she will certainly agree with me that Canada is a country in which Quebec will democratically choose to stay or will decide to leave. The guarantee we must have from that side of the House or the other side is that as democrats—and there can be only one type, no doubt—the result of the referendum and the choice of Quebec will be respected.

Personally, I can tell you that should Quebec decide to remain within the Canadian federation I would respect that decision, but I am committed to working democratically for the other choice.

I thank the hon. member for her speech, which was really from the heart.

[*English*]

Mrs. Barnes: Mr. Speaker, I thank the hon. member for his comments. I would always support the hon. member's right to be an elected member of this House and to give his viewpoint.

I am speaking from my riding and as one who did vote in favour of the Charlottetown accord and also from my heart when I say that I believe Canada is a nation that is for all of us.

I was very fortunate as a young girl to have lived in the province of Quebec for a short time. I regard Quebec as part of my country. I want the silent majority across this land to know that we are inclusive. We are not two solitudes. It is my wish that we are one. I think it is very important economically that we grow more together, help each other and provide the necessary cohesiveness across this land so that we can go beyond.

This is a country that has told us clearly that it does not want to involve itself in constitutional debate. They need this country to get back to work. That is why I am here. I do have a very heartfelt wish for unity in this country and I will express it but I will also respect other members to deliver their messages.

I am hopeful, though, that my message as an English speaking Canadian will go out to members who represent constituents in Quebec and that they hear my message as an anglophone in Ontario. I am studying French and these were very difficult words for me to say in French. I do not understand everything but I want members to know that I am trying.

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, I commend the hon. member on her maiden speech. I thought it was very well delivered and from experience, once done, it gets a little easier every time.

I would like to focus on trade and the hon. member's comments in relation to world markets, globalization, and bringing that down to an interprovincial trade concept. There is a tendency to think that our east–west linkage across Canada is deteriorating economically, that it is becoming more a north–south kind of thing, and that social issues are the binding factor from an east–west point of view.

Would the hon. member address a few comments from a trade point of view in relation to the interprovincial trade barriers.

Mrs. Barnes: Mr. Speaker, I thank the hon. member for her questions.

I think it is very important to realize that this government is working toward breaking down interprovincial barriers because it is very important that we trade with each other as well as with the rest of the world. In my riding I am most concerned that the small businesses that have the expertise and the talent access these new markets, not only outside of our country but across our country. We are working toward that very rapidly. I hope these barriers come down so we can have better employment and better mobility for jobs across this land.

• (1320)

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, I commend the previous speaker from London West for her fine maiden speech. I enjoyed it thoroughly.

Today I ask my fellow Canadians, one and all, to think calmly and clearly upon the budget that has been placed before this House. We are indeed fortunate to have such a well thought–out

and balanced financial plan presented to us as the basis of our operations the next fiscal year.

This balanced approach will lead to a fundamental reform of our system, create jobs, continue to care for those in need, and begin the process of reducing the debt to the target of 3 per cent of gross domestic product.

As the finance minister said in his speech, now is not the time to move away from our values but is the time to return to them. I see it. We have kept our commitment to the Canadian people as outlined in our campaign platform entitled *Creating Opportunities*, now simply known as the red book.

This budget is about jobs. It takes action to support the job creation now, while at the same time it builds the foundation for solid growth and quality, lasting jobs for the future.

This will be achieved through working toward three major goals.

First, building a framework for economic renewal to help Canadian business succeed and to turn innovation into a more effective engine for economic growth.

Second, ensuring a responsible social security system that is fair, compassionate and affordable, a reform that will create jobs and opportunities for all Canadians.

Third, restoring fiscal balance to government so that it can devote its full energy to helping Canadians adapt to a world of challenge and change.

This government is dedicated to restoring fiscal responsibility. This budget exemplifies that commitment by planning deficit reduction from $47.7 billion in 1993–94 to $39.7 billion in 1994–95 and down to $32.7 billion in the 1995–96 fiscal year.

Over the three–year period outlined in the budget the government will implement $5 of spending cuts for every $1 in revenue increase. This is the only path to successful deficit reduction. Canadians can no longer afford to shoulder an ever–increasing tax burden. This budget acknowledges that fact that while also recognizing the increase in spending today is simply increased taxes for tomorrow.

In terms of these spending cuts, this is the most significant budget in years. Measures in the budget result in gross savings of $3.7 billion in 1994–95, rising quickly to $13.6 billion in the 1996–97 fiscal year. During the entire three–year period gross savings total $28.6 billion.

These cuts are not illusions. For instance, defence spending will be 7 per cent lower in the 1995–96 year compared to this year. Business subsidies will be almost 9 per cent lower in the 1995–96 fiscal year. The cost to government will decline. The cost of the unemployment insurance program will be reduced by more than 10 per cent. In the end, total program spending will be virtually frozen over the next two years and will decline as a percentage of our economy.

As I mentioned earlier, by applying prudence in making economic assumptions the actions set in this budget set the deficit on target of achieving our stated goal of a 3 per cent GDP of deficit by the year 1996–97. The response I have received from constituents regarding this budget has been most positive. Business persons were pleased with the rollback of the unemployment insurance premium rates to the $3 level. This initiative will save business nearly $300 million a year. This money can be reinvested in business to stimulate employment and create much needed consumer demand.

• (1325)

They also like the support for small business that came from the formation of the Canada investment fund to provide venture capital for small business and the Canadian technology network which will provide access to new technologies.

I have talked to small business. These operators were pleased to hear that a task force would be established to work with the banks for which at this moment they have great mistrust. We hope that the banks by working with our task force will allow small business people to regain faith in the national banking system, because they seem to be shut out by the great banks of this country, and to develop a code of conduct for lending to small businesses.

Farmers and small business people alike were happy that the $500,000 capital gains exemption was retained, and for good reason. Over the past month I had the good fortune to meet with many farmers in my riding about this issue. I agreed with their thoughts on this matter and I am pleased that when they decide to retire, they will be provided with the security for which they have worked so hard.

Many patients and dentists were pleased that the speculated tax on the employer health paid insurance program was not on the budget. Constituents entering the housing market for the first time and the realtors who assist them were overjoyed with the news that the home owners plan would be made permanent.

As well, local charities in my constituency were delighted with the opportunity to raise more funds through the lowering of the threshold of the 29 per cent tax credit from $250 to $200.

What about the many constituents without vested interests in any particular area? Were they covered in this budget? Simply put, they were in full agreement with the manner in which the deficit was reduced and handled. Canadians concerned about the deficit told me, and these are the facts, that the finance minister and his pre–budget consultations were the most important thing that has happened as far as they were concerned. That the government was ready to act to swiftly cut the deficit was another big point that my constituents reported to me by phone.

However, they specified they were glad it was done through cuts and not taxes. Simply put, that is the kind of budget they got.

As I outlined earlier, the 1994 budget works to cut the federal deficit while holding the line on taxes. It also works to increase job opportunities and provides capital for business. At the same time it is a budget that is becoming widely accepted by Canadians as a fair and honest approach to dealing with the challenges facing this country.

How did the government manage to do this? Actually, it was quite easy. It listened to Canadians and for the first time in Canadian history the federal budget was developed through public consultations. From the feedback I have received the end result of these consultations was quite clear. The 1994 federal budget is good for the people of Perth—Wellington—Waterloo and I strongly believe it is good for Canada.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I felt I had to put a question to the previous speaker, who is a fellow member of the National Defence Committee, because I share his concerns.

I would appreciate his views on the following. If you asked me the difference between the economies of the 21st century and the economies with which the hon. member probably grew up, considering the slight chronological gap between us, I would say that a few years ago, it was possible for countries to attract investment, which meant that people would invest $200,000, $200 million or $50,000 in a region, and this would create jobs.

• (1330)

Today, we have the kind of economies where that is not the case. Take, for instance, the hon. member's riding, where companies like Alcan can invest 50 or 100 million without creating a single job. In today's economic context, massive investments do not help create jobs. I think there is a fundamental difference between the economies of the 1960s and 1970s, and what will happen between now and the end of this century.

The difference between government members and the opposition is that, try as we may, we find it hard to accept that. Hon. members on all sides of the House agree that we must reduce the deficit. Where we disagree is on how to get Canadians back to work. This is crucial.

The infrastructure program has its merits, although we should not forget that Prime Minister Bennett proposed more or less the same program in the thirties during the Depression, when for the first time, the government was asked to intervene on a large scale in public works.

All the analysts who looked at this proposal agree that at best it would create between 40,000 and 45,000 jobs, which makes this a very modest and conservative program.

Since I know this is a very real concern, and I realize the hon. member represents a riding where there is a lot of unemployment, I would like to ask him whether he sees any reasons to be optimistic and whether he could share these with me and perhaps make me share his optimism, since I have an open mind. What reasons do we have to believe that with this kind of budget, Canadians will be able to get back into the labour market?

[*English*]

Mr. Richardson: Mr. Speaker, I thank my hon. colleague with whom I work on the committee. He has placed on the table many very fruitful ideas for our discussions. I welcome further discussion on those items.

Anyone in a professional business knows we like to talk in exact terms. Everyone knows that a budget is just an estimate of income and an estimate of revenues. Other areas impact on that.

In the political realm we are dealing with moving a large institution, dans ce pays le Canada. Our country is so large it has this inertia to overcome because we have had so many years of bad employment and slow growth.

The budget created a sense of stability for the people and gave small nudges to the economy. We were hoping that once the inertia could be moved—it is a big boulder, a big thing to move—we can break it and find ways to make it move slowly.

I believe that we are in a stage, as the hon. member mentioned, where many dollars invested do not create the same kind of man hours that they did in the past. We would be foolhardy to think that would be the case.

Simply with enough effort we will probably work at getting job creation going. That is the idea behind this. There was stimulus. We were stimulating the patient, hoping to see some revival, some reactivation within the body of our country that would get the country moving again; that the growth rates would reach the targets and exceed them.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, today, I want to tell the Minister of Finance how disappointed and concerned the government's budget has left my constituents.

I can still picture the finance minister putting on the workboots he was given by the Prime Minister. What a show! What cynicism on the part of the Liberals! The 30 per cent of workers who do not have a job in my riding will not put their workboots on today, nor tomorrow, for that matter.

The members opposite had promised job creation measures.

• (1335)

They went on and on, saying that it was their number one priority. Where are those measures? Where is this plan for economic renewal they have been touting around?

People in Laurentides can now judge for themselves the Liberals' lack of action in the job creation field. The government is falling back on its infrastructure program, totally inadequate as it is to put the unemployed back to work. What lack of realism!

With the number of jobs which will be created in my riding, hardly a few hundred according to a quick calculation, it is obvious that workboots dealers in the Laurentians will not be raking it in.

For workers, it is discouraging to see the government do so little against unemployment. The federal government invests peanuts, and then sits down, hoping for this supposed economic recovery to happen. However, economists agree that this recovery, if there is one, will not bring about the creation of a high number of jobs.

The people opposite are quite aware of this. But they prefer to wait, to stand by, instead of taking action. This new government must not have anything new or original to offer to the 1.6 million unemployed in our country, but a lot of talk and no action.

To people in my riding, the Liberals are not much different from the Conservative government, a government which was rejected, or I should say ejected, because of its inaction and its unacceptable decisions. The message given on October 25 does not seem to be working, unless members opposite have chosen to ignore it. You promised jobs to the unemployed. But what have you done in that area? Do you really believe that your are fully and truly honouring the commitments you made before October 25? I do not think so, and neither do my unemployed constituents. They are asking for positive action that will give them hope and let them see light at the end of the tunnel. They just want this government to resolutely show its will to help them and put them back to work. We cannot say that the finance minister's budget is very convincing in that regard.

The government's attitude toward the unemployed follows a strange sort of logic, one that these people will have trouble swallowing. The Liberals are saying: "We are creating or will be creating jobs". But, in actual fact, they are doing very little in the short term. As for the long term, nothing is planned at the federal level. There is no vision in this budget.

First, there are no jobs, and this directly affects the people who want to work. Second, the government turns around and makes a 2 per cent cut in UI benefit rates on the backs of the unemployed, victims of the incapacity of the people opposite. Third, labour is told: "From now on, you will have to work longer to qualify for these lower benefits". Low and middle–income workers in my riding, several of whom are seasonal or contract workers, have just been dealt three stiff blows by the Liberals.

My fellow citizens who were working hard and were always looking for long–term employment instead of makeshift jobs are going to have to work magic and pray God or providence to get the additional unemployment insurance stamps they need.

Regarding the benefit rate which is being increased to 60 per cent for individuals with modest incomes who support children, an aged parent or other dependants, all those concerned are anxious to know how the federal government will determine who should belong to that category of recipients.

I can see from here UI officers asking applicants whether their children are really dependants and requesting written proof. I can see them conducting enquiries to determine whether there is a common–law spouse or another income–earner in the applicant's household. In Quebec, we have had our "boubous macoutes". Are we about to witness the emergence of a new breed of macoutes, the federal Liberal macoutes?

• (1340)

These measures will affect many single–parent families, often headed by women. I sincerely believe that, by establishing classes of beneficiaries, the government is fostering a climate of distrust that will lead to significant social tensions. It can be concluded that, as far as unemployment insurance is concerned, the Liberal budget is far from brilliant.

Another aspect of this budget a lot of people from my riding contact me about is the tax credit available to people aged 65 and over. Seniors do not accept this unfair decision. The minister tells us that this reduction will affect only 25 per cent of senior citizens, who built this country. It is outrageous to hear from the members opposite that our seniors with a $25,000 net income are rich people. This decision affects once again middle–income taxpayers and 800,000 seniors in my riding, in Quebec and in Canada.

The minister appears to have picked a target that was easier and especially less influential that the family trust lobby. What an unfair and irresponsible choice on the part of the Liberals! True, these seniors do not contribute to the Liberal Party coffers to the tune of $45,000 a year.

An hon. member: That is it.

An hon. member: The cat is out of the bag.

Mrs. Guay: I would now like to address the issue of social and co–op housing that the government has just washed its hands of. In this regard, they are following in their predecessors'

footsteps. The Tories have been kicked out but their policies are still here in this House.

An hon. member: Right on.

Mrs. Guay: We, in the Bloc Quebecois, have been demanding social housing since the beginning of this session. Local organizations also put a lot of pressure on the Liberals. Alas, the government has remained insensitive to the needs of the poorly housed. This refusal to improve housing conditions for the poorest is unacceptable.

What happened to the nice promises made to the poorly housed and to local organizations during the election campaign?

Why did the Minister of Finance write this last September to a coalition of organizations advocating co–operative and social housing: "No doubt a Liberal government will help finance co–operative and non–profit housing"? In the same letter, the minister added that it was up to the federal government to ensure that over a million Canadian households are housed decently and affordably. Does the minister remember what he said? It was a smoke screen. It was a lie!

Other members opposite engaged in pre–election opportunism. The present Minister of Foreign Affairs was an ardent defender of social housing. He loudly proclaimed that the real power was in Cabinet. Where is this famous power today? Did he try to influence the government in favour of social housing? Looking at the budget, we must conclude that the Minister of Foreign Affairs has no clout or that social housing is no longer worth it, or maybe both conclusions are true.

The Deputy Prime Minister and the Minister of Human Resources Development were also fervent defenders of social housing. What happened to them? They have disappeared into the luxury of limousines, Challenger jets and ministerial pomp. That makes you quickly forget about the poorly housed.

What is the other advocate of the poorly housed, the member for London East, doing now to get his government moving on this issue? After such trickery, there is no need to look very far to see why the people are disillusioned with politicians.

• (1345)

The government made a choice. It chose to say no to social and co–operative housing. In saying no to the 1,200,000 people who are poorly housed, the Liberals are also saying no to many positive aspects associated with multiple–dwelling units.

The social and co–operative housing industry creates jobs in the construction industry and generates spinoffs for construction companies and suppliers of building materials and residential fixtures. It stimulates consumption at neighbourhood stores.

From a social standpoint, the construction of social and co–operative housing generates enormous benefits. Clean, well–heated and well–lit units have a positive effect on the health of the occupants. Health care costs are therefore reduced. People who live in co–operative housing are not isolated. In the long run, social housing helps to lower the cost of social services.

Social housing provides senior citizens with the sense of security they have a right to expect. The Liberals have turned their backs on these positive effects. However, the Minister of Finance has forgotten that there will be a price to pay for this rejection and all of us will be paying it, directly and indirectly. I call this governing without vision and without a sense of humanity. And this is completely unacceptable to me.

I wonder what response the Prime Minister will get in Shawinigan where nearly 41 per cent of households spend over 30 per cent of their income on housing. The situation has grown desperate. Poverty is gaining a toehold in Quebec and in Canada. A total of 1,200,000 Canadians live in substandard housing conditions. In Quebec, the housing crisis is even worst, with 44.3 per cent of rental household, compared to 37.1 per cent in Canada. In Quebec and in Ontario, 194,000 households spend more than 50 per cent of their income just on rent. In Canada, 583,000 households are in the same situation.

In some cities, the problem is even more dramatic. In Montreal, one in five rental households, 19.1 per cent, must spend 50 per cent of its income on rent. Twelve thousand households in Ottawa, 26,645 in Toronto, 22,095 in Vancouver, and 4,940 in Halifax set aside more than half of their income for rent.

Behind these figures are single individuals and lone–parent families, which are increasing in numbers in our society. The people living in the worst conditions are young Canadians between the age of 15 and 24, pre–retired individuals 55 to 64 years old and individuals over 65 years old. The Liberals have abandoned these people. There are children in these households, members of the next generation, living in poverty. In Canada, child poverty affected 1,210,000 children in 1991. The Liberals have abandoned these children too. I strongly believe that we all have to take stock and ask ourselves if children must be left destitute in unhealthy housing.

I would be remiss in not mentioning the homeless. Homelessness has reached unbelievable proportions. More and more people find themselves without shelter, mostly women but also an increasing number of young kids. Natives living in urban areas, of which there are 15,000 in Montreal, are among the worst hit people. To all you poverty–stricken people, the federal government says: no! It is telling you that you can keep living in substantial housing or in the streets. It is telling you that you must continue to cut on food, clothing, and basic care. The government is telling you that you do not exist. Such contempt is unbelievable!

• (1350)

By opting out of new public housing programs, the federal government has badly damaged the social fabric of our country. With the federal contribution decreasing from $113 million in 1989 to zero dollar nowadays, it is obvious that Ottawa has willingly and voluntarily decommitted itself from such programs. The Minister of Finance is well aware of the situation and is depriving people of their fundamental right to a decent and adequate housing.

What is even more upsetting is to see that because the members opposite are so insensitive to the needs of people who have inadequate housing, Canada Mortgage and Housing Corporation is considering a rent increase of 25 to 30 per cent for social housing. What a shameful idea.

The government is saying to the less privileged: Give us more money and we will use it to provide housing for other destitute people. That is how mean this government is. I firmly believe that the minister could have eliminated the waste and trimmed the fat of the government in order to find some money for the people who have inadequate housing, instead of making the underprivileged pay for the housing needs of other underprivileged people. The minister should be ashamed of himself.

Quebecers and Canadians of all backgrounds, the underprivileged, the poor who live in awful conditions and the elderly all feel betrayed by this Liberal budget. While they do everything they can to stay in the black, to make ends meet, the government does not do its homework, does not take its social responsibilities, and lets the poor live in substandard housing.

In conclusion, we now see the real face of this government which, before October 25, was talking about a better and a fair society, where individuals would regain their dignity and their pride. The government has shown its true colours. The members opposite are acting like robots, like cold and uncaring people.

The government has betrayed those who longed for a better future. This budget is a shame.

[*English*]

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Mr. Speaker, I would like to acknowledge the eloquence with which the hon. member put forward her comments. I believe she is speaking from her heart when she outlines the problems of the people in her riding, the people of the province of Quebec and to some extent in other parts of Canada. However, I would like to tell the hon. member that the concerns she has are shared by people throughout the country in terms of the need for social programs and so on.

I come from the province of Saskatchewan which has a population smaller than the city of Montreal. We have farmers who are struggling and small businesses that are closing down. The Liberal government is more than aware of these concerns. We had this kind of national perspective in mind when the budget was so closely designed in conjunction with the human resources development plan. It is a plan that links the monetary means to put into practice solutions to the problems that the hon. member raises.

It is very easy to criticize a strategy, especially in the early days. It has not even been a week since we have heard the budget plan. I would ask the hon. member to at least give it some time before she starts tearing down what I see as very positive steps on the road to recovery.

I see a certain inconsistency. One of the criticisms made was the laughing at—perhaps that is too strong a word—or at least not having total faith in having criteria for getting a UI benefit based on whether one has so many children, whose children they are and so on. I also find inconsistency in the cries I hear from the Bloc for fiscal responsibility. I would say it is only realistic in this world that before one gives out money one finds criteria according to which that money ought to be allocated.

I would hesitate to add that this inconsistency is not dissimilar from a party that can sit as the opposition with a clearly separatist agenda. It is the same kind of thing that makes some of the arguments a bit fragmented.

• (1355)

Our vision on the other hand is a national vision that offers goals for all parts of Canada. Part of being in a confederation is to give from one part to another part where the needs can best be met. Sometimes that means one part of the family ends up with a little less than the other.

Coming from Saskatchewan I can assure the hon. member that the only way the people in our province have survived is by putting our shoulders to the wheel and helping our neighbours when they need the help most. I would encourage the hon. member and her party to use the same strategy when looking at this country.

Finally, I would ask the hon. member to use her talents, her abilities, her eloquence to work with the government to address the very legitimate concerns she has raised. There is no question there are people in the country who are suffering and I feel that the budget and the plan put forward by the minister of human resources to re–examine the social programs addresses that squarely. Any assistance that the hon. member can give the government in putting those matters forward would be more than welcomed.

[*Translation*]

Mrs. Guay: Mr. Speaker, as you know, for three months now, I have been using every opportunity to promote social housing. Poor people need a place to live and cannot wait for the government to some day decide to act. They need help now, not in a year or two. There are already 1.2 million people in Canada

who live in inadequate dwellings. This is unacceptable. Something must be done to help these people.

Exactly two weeks ago, I participated in a demonstration organized by FRAPRU, a group which supports and helps people living in inadequate dwellings find social housing units. FRAPRU includes all kinds of non–profit associations. Four hundred people participated in the demonstration.

An hon. member: And there were no Liberals.

Mrs. Guay: Of course not. Did you know that not even one member of the Liberal party was present at this event, which was an important one for all these people.

I guess I will have to keep using every opportunity to raise this issue. I also want to thank the hon. member. I do hope that she will be able to convince the Liberal Party to take positive and concrete action, instead of only using rhetoric as has been the case so far. The government will spend $2 billion, but not on social housing. Nothing is provided for cooperative housing. This is merely a residential rehabilitation plan for owners. It is impossible for a poor person who lives in an inadequate dwelling to own a property.

Therefore, I ask that representations be made by everybody on behalf of these poor people, so that the government will provide funding to help those living in inadequate dwellings and to really promote social housing.

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, I want to thank the hon. member for her comments. I represent a riding which badly needs social housing. I must say that I have been very active in this area and I believe the government has done a lot. I had the opportunity to meet many foreign visitors who came to see what we had done, including in terms of social housing units, and to be among those who were able to make a difference in this area, in Vancouver.

I certainly understand the hon. member, but we must not forget that Canada is a vast country with a small population. The money has to come from somewhere.

As you know, a consultation exercise on all social programs will take place, and social housing will of course be included in that consultation. I think that work in this area started a while ago.

• (1400)

As you know, housing is very costly and the federal and provincial governments both help pay housing costs for those who live in social housing units.

I hope that once the study and the consultation process is completed, we will be able to pursue these programs. In the meantime, the $2 billion provided in the budget are strictly to help those who already live in social housing units.

I will continue to fight for social housing, because it is something very important. I am told that there are 8,000 people in my constituency who do not live in decent dwellings. I know that there is a need, but I also understand that funds and opportunities are limited.

Again, I will keep fighting and I hope that the hon. member will do the same, so that together we can do something and hopefully get additional money.

Mrs. Guay: I thank the hon. member. I am well aware of her constituency's problem because I have been studying the situation in all constituencies for the last three months.

However, I think that we could take immediate action when it comes to public housing. Cuts could be made in family trusts, for example, but that is something we do not want to talk about and especially do not hear about. The slush fund, of course! That is the reason. It would take courage to proceed with those cuts and I hope the hon. member has enough influence on his caucus and on his party to make sure that the cuts are made in the right places and not where the money is badly needed.

Hon. Marcel Massé (President of the Queen Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, it is with great pleasure that I rise today to participate in the debate on the borrwing bill to impliment the budgetary masures announced at the beginning of the week.

[*English*]

It is not only a pleasure for me to have this opportunity, but it is a great honour because officially this is my maiden speech in the House and my first formal opportunity to address my constituents from this place.

[*Translation*]

That, Mr. Speaker, is why I would ask you and my colleagues to allow me, briefly, to thank the voters of Hull—Aylmer, who supported me in my campaign and did me the honour of electing me to represent them in the House of Commons and speak on their behalf. I thank them sincerely for their support, and assure them that I will do my very best to live up to the confidence they placed in me.

I would like to take this opportunity to tell them that, as a member of Parliament, I intend to act in the best interests of all the voters in my riding, and not only of those who voted for me.

As we all know, the historic riding of Hull—Aylmer is on the Quebec side of the Ottawa River, just across from the nation's capital. It has a population of 87,700; this number can be broken down as follows: 76,2 per cent are francophone, and 14,1 per cent are anglophone. Portuguese is the mother tongue of 2 per cent of the people in my riding.

I may add that 60 per cent of the people speak both official languages fluently.

[*English*]

Over 25 per cent of the workforce is composed of civil servants. Although I am a newcomer to active politics, I am no stranger to government and the workings of our democratic institutions.

As a career public servant I have had the opportunity to work closely with many governments of different political stripes. I have indeed been fortunate to have had the opportunity to observe up close how governments function. It is in large part because of this knowledge of government that I started to feel increasingly uneasy in the last few years about the way in which the country was being managed. I felt that the hackneyed, disjointed and visionless approach of the previous Conservative government was no longer working.

• (1405)

[*Translation*]

Canada and its public institutions are now at crossroads. It is urgent that our institutions, especially government ones, change radically and quickly if we do not want our country to be left behind by others. What is at stake here is that we do not become a small marginalized country with rigid structures, while other countries enthusiastically embrace the future.

In the Liberal Party, I found people who think the same way I do and who are determined, as I am, to be part of a government that is aware of its primary responsibility of fundamentally restructuring the state machinery in order to put it back in the service of the people so that they can regain both confidence and hope in their government.

Like other countries' governments, the government of Canada must tackle head–on the need to change fundamentally, because of the many forces that are in play in the world: a diminishing role for the state in modern societies, an expansion of international institutions, an increase in international competitiveness, developments in communication and information technologies, and an increase in the education level of people, who demand, rightly so, a greater participation in the decision–making process.

However, the need for reform also stems from a deep dissatisfaction by a good portion of the electorate regarding the effectiveness of government authorities. This dissatisfaction leads to a gradual loss of confidence in political leaders and the institutions. And this loss of effectiveness is obvious in a number of areas of the government apparatus. We occasionally see it as well in politicians who, once elected, forget their commitments to their constituents, and in elected representatives when they start acting mainly for narrow partisan reasons or showing favouritism.

We sense it also in our government institutions, tied by their own red tape, in organizations designed more to help those they employ than those they are supposed to serve. We can see it in outdated or inefficient government programs which might duplicate the work of other levels of government. Finally, we see it in the power struggles between levels of government seeking to protect their authority, their bureaucratic interests or their administrative preserves, regardless of the superior interests of their citizens.

[*English*]

The resolution of problems such as these requires us to set truly farsighted goals for ourselves. This is what our party has done.

At the heart of everything is a need to restore confidence in both the people and the institutions of government. We have to do this in the context of the imperative of the fiscal crisis which has given rise to some of the tough medicine contained in the budget and which will continue to condition the policies of this government throughout its mandate.

However, the goal of getting government right is not simply to save money. This initiative is animated by a much wider vision of the need to rethink and redesign government in response to profound forces, both external and internal, of which expenditure restraint is only one. Our intention is that the process of reform will be shaped by an evolving vision of the role of the federal government in society, of its relationships with its key partners and the part which its public service should play within that framework.

To reach these results we must proceed in a coherent way. Other governments have tried to deal with some of the problems I just mentioned with a random hacking at programs and services and costs of government. Problems of this breadth cannot be solved through an approach such as that.

Therefore one of our first objectives must be to try to define more clearly where each level of government can make its best contribution. If we can do this we should be able to improve the climate of federal–provincial relations in this country.

• (1410)

In addressing this matter we will be forced to ask some basic questions. Is government doing too much? Can government truly be asked to take on every issue and attempt to arbitrate, compensate or replace? Should government pull back and do less, leaving more scope to the individual, the private sector, communities and the voluntary sector?

A second objective must be to ensure that our programs are targeted as much as possible to the highest priority needs of our citizens and our country. We have to set priorities and we have to transfer resources from less productive to more productive uses. We have to make choices. In doing so we must see that as far as

possible we place the needs of the most disadvantaged groups in our society first.

Our third objective must be to refashion the programs of the federal government in a way that makes them more responsive to clients and more service oriented. We have to see that clients are substantively involved in the exercise to ensure that we look at the programs from their perspective, not just from that of administrative convenience.

Where federal programs touch those of other levels of government we have to achieve greater harmony and eliminate instances of duplication or waste of other kinds. Clearly an ongoing quest for greater efficiency and higher levels of productivity and performance must go hand in hand with these other goals.

Our fiscal situation is such that we simply cannot afford to see taxpayer funds misused or wasted. In all of this we have to bear in mind that the impact of the federal government depends enormously upon the public service. We need to preserve the best features of that service, encourage change where it is necessary, help the loyal people who work within it to adapt, and support them in the transitions that will be required. We must maintain Canada's reputation for having one of the best public services in the world.

The task of reforming government extends beyond the world of programs and public servants. It also imposes responsibilities upon those of us at the political level. Thus another objective must be to reassert some old–fashioned values such as integrity, reliability and accountability.

Our government has taken a number of steps already to reinforce these values. We have staked out a policy position in the red book. We have stuck to it in our throne speech and in this budget. We have encouraged Canadians to watch our performance and hold us to account for what we do. We intend to be consistent, accountable and honest in our dealings with Canadians. Old virtues and values need to be restored to public life.

The final objective associated with getting government right is to see what measures can be taken to encourage citizens more effectively to participate in decision making and to place relationships between citizens and government on a more positive footing.

Both at the political level and within the public service we hear continuous rhetoric about the need to consult more, to participate, to build a greater sense of partnership with the electorate, and so on. Most reform initiatives never get beyond that rhetoric. We have to do better. What practical steps can be taken by both politicians and public servants to achieve this goal?

I would like Canada to be seen as a leader among other countries in this sphere, open to new ideas and willing to experiment with new approaches.

[*Translation*]

So, it is obvious that the budget that was just tabled in this House is only a piece, but certainly a major piece, of a much bigger puzzle. It is only a step in the huge reform process that seems essential to us, and I would like to briefly remind you of some of these proposals.

• (1415)

[*English*]

The budgetary provisions will strengthen both the economic and the social union of the country. The deficit reduction plan laid out in the budget calls for a reduction in spending of $17 billion over the next three years. There is $5 of net expenditure restraint for every dollar of net revenue enhancement, a measure that will contribute dramatically to getting the deficit under control and allow us to reach our deficit target of 3 per cent of gross domestic product.

[*Translation*]

This budget fulfils our promise to tell the provinces what they can expect of the federal government for the next few years. They had told us that in order to plan their services they needed to know what the transfers would be. We listened to them.

Unemployment insurance premiums are really employment taxes. Their high cost is often a deterrent to job creation. We have therefore decided to solve this problem by lowering these premiums to create jobs now. This measure will translate into $300 million savings for industry; $300 millions which they will be able to invest in job creation.

Various measures are geared to helping small businesses, a sector crucial for our economy, specifically we will create a Canada Investment Fund to provide venture capital, set up a Canadian Technology Network to help small businesses gains access to new technologies, and expand the network of Canada Business Services Centres to concentrate access to government services in a single point.

Our national infrastructure program supports job creation. We have negotiated agreements with all 10 provinces and this means that the way is now clear. The projects can start to create real and productive jobs in all parts of the country. We will also set up apprenticeship training programs for young people to give them the opportunity to get a first an crucial work experience.

[*English*]

Measures in the budget also address important social issues. Full funding for the national literacy program is being restored. A centre of excellence for women's health is being created. The Canadian race relations foundation will finally be established. A prenatal nutrition program for low income pregnant women is being launched, as is the aboriginal head start program.

The budget also reinstates the law reform commission and the court challenges program.

I will not at this time, unfortunately, dwell on every single initiative outlined in this budget. The Minister of Finance on Tuesday, hon. members will agree, did an excellent job of that. Let me, however, mention that as part of our re–examination of the role of government I have been asked by the Prime Minister to review all federal boards, agencies, commissions and advisory councils. Once again, this is not an exercise simply to reduce expenditures. There are no predetermined targets for savings. The objective is to determine whether their raison d'être is still valid and whether they are consistent with current needs and priorities.

I would like to emphasize this point. The purpose of this review and all others that will be undertaken is not like it was under the previous Conservative government, a scorched earth approach to public policy. Any cuts, rationalizing or streamlining that results from reviews are intended to ensure that all of our activities and programs are delivered with maximum efficiency and meet the real needs of real people.

Likewise, it is in the same spirit and in the same context that the Prime Minister has asked me to proceed with the program review to assess the continued relevance and effectiveness of federal programs and services. In this review, we will identify options and resources for future programming geared to our changing society and the changing expectations and needs of Canadians.

• (1420)

It is my intention to see that as result of this program review our resources, both human and financial, are directed to the highest priority requirements and to those areas where the federal government is best placed to deliver services.

I spoke earlier about the need for governments to co–operate and co–ordinate their activities. With this in mind, the Prime Minister has also asked me to work with the provinces to achieve a better alignment of roles and responsibilities and, as a result, a more efficient and affordable federation. This should allow governments to reduce overlap and duplication while improving the delivery of critical services.

[*Translation*]

Of all the measures announced in the budget, I am particularly interested in those concerning the renewal of the public service. I know the federal public service and I can assure you that it is a credit to our country.

[*English*]

The government naturally needs and relies on the public service to help make the government's objectives and plans a reality. All Canadians must realize how fortunate this country is in having a world respected non–partisan public service, made up of dedicated men and women, which daily in hundreds of communities right across the country ensures the essential services to all of us.

To be the best and to maintain a position as the best, it is necessary for any institution to continually renew itself. Renewal includes questioning some of the basic assumptions which have guided our operations for years, even decades. It means constantly seeking better, faster, more effective and more efficient ways of delivering services. It means creating and recreating an organization that is sensitive to and responds appropriately to the needs of clients, in this case the Canadian taxpayer.

[*Translation*]

The public service is well aware of this requirement. We have to recognize the fact that it was able, over the last five years, to make difficult and comprehensive changes to its operations and methods. It is obvious that a transition period like the one it is going through right now is not only stimulating and motivating, but also a source of great tension.

I want to emphasize that the salary freeze announced in the budget will allow us to avoid massive lay–offs. The President of the Treasury Board has indicated that the government is determined to guarantee a high level of job security to federal public servants.

[*English*]

It is also important to view our decision to freeze wages in this context. First, it is evident from the other provisions of the budget that the public service is not being singled out for different or harsh treatment. In fact, in 1993 close to two–thirds of all employees under major wage settlements in Canada were subject to either a wage freeze or a decrease in their wages.

Second, the Prime Minister, the President of Treasury Board and I have been very clear about our determination to form a real partnership with civil servants. Everyone will agree that the climate has changed, that we have made genuine attempts to change our relation with the public service. This is not a replay of 1984 when the previous Prime Minister talked gleefully about giving public servants pink slips and running shoes.

The process of renewal of the public service has begun and will continue as all of us co–operate on forging a new definition of government, its role and purposes.

We are calling on all the members of this House, other levels of government and particularly on Canadians in every walk of life to join with us in finding new, innovative and more effective approaches to program and service delivery. United in our determination, we can steer this country toward horizons of harmony, social justice, tolerance and prosperity.

[*Translation*]

I say it again, these budgetary measures are only the first step in redefining the social and economic union that makes Canada an example for the world to follow, an example where differences are respected and the most vulnerable in our society are protected.

[*English*]

This was the wager of the Fathers of Confederation, a risky wager, a courageous wager and one that each generation of Canadians must win anew through a collective act of faith and imagination.

• (1425)

It falls to this generation of Canadians to preserve, indeed to fight to defend the precious legacy of previous generations so that we can pass on to our children not a damaged country, not a shrunken country, not a poorer country, but a greater, wiser, more generous country.

[*Translation*]

To those who are ready to give up on this country and who lack the creativity and stamina to reinvent a society of which the poor and the hungry of the world can only dream, I say no.

In the dying days of this century of unprecedented change, we have a responsibility to demonstrate that a small group of people that have come from all countries and cultures around the world can live in peace and harmony, in a spirit of mutual respect, and garner strength and courage from the sharing the experience of their vulnerability.

[*English*]

To those who would tear away the human face of this country and rob us of the right to be different, I also say no. Canadians have always been innovators and pioneers. Unlike our great neighbour to the south, we have resisted the temptation to homogenize our society. We have made room, often imperfectly and at the price of fierce struggles for diversity and for difference. This is what the world must learn to do and we must lead the way.

[*Translation*]

The challenge this government must meet is not any different from that of many other countries. A budget is not a simplistic deficit reduction exercise. Our mandate for change must result in fundamental reform, and this budget is but a first step in that direction.

[*English*]

The Acting Speaker (Mr. Kilger): I did let the minister go a little longer than his 20 minutes, in part as it was his maiden speech and in part largely from my reading of the good sense of ongoing co–operation and goodwill by members from all parties.

Now I would hope that the minister will allow the Chair to fulfil the opportunity for members opposite to have a full 10 minute complement to ask questions or comments which obviously will take us slightly beyond the 2.30 adjournment time.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my congratulations to the hon. minister on his maiden speech and congratulations on your election and appointment to your high office.

Throughout the speech I heard several times the word waste and also the word essential. I have jotted down four items. I would like the minister to comment on whether he considers these items essential or non–essential. If he feels they are non–essential, would he consider removing these from the present expenditures and putting this money either toward more job creation or toward the poverty stricken children in our country according to the Minister of Human Resources Development?

The first thing I have on my list are the Challenger jets, which should not surprise anybody, MPs pensions, the blue cars that the cabinet ministers run around the hill in and the $4.5 million museum that is going to be constructed in the Prime Minister's riding.

I ask the last one based on the idea that we presently fund 12 museums to the tune of $268 million. They cannot support themselves and I would question that one. I would like the minister's comments, please.

[*Translation*]

Mr. Massé: Mr. Speaker, I thank the hon. member for his kind words at the beginning of his remarks. I would like to point out something, in terms of principles.

• (1430)

[*English*]

There is no doubt that any government in the modern world now must be extremely careful in the way it allocates its expenditures because the days of the fat cats have disappeared. No longer will we face a time when governments, whether municipal, federal, provincial in Canada or elsewhere in OECD countries, have enough free money that they can afford to waste a cent of it.

Voters in all OECD countries have expressed very clearly in recent years that they are much more aware of what governments do, that they watch governments much more carefully and that they will not permit their governments to be wasteful.

On the question of principle I must say I agree entirely with the hon. member. It is always in the application of principles that reasonable people disagree. There may be a large number of actual expenditures where we on this side of the House feel there is full justification for spending the taxpayers' money and where members of the other parties in the House may indicate different priorities. I believe this is democracy.

We have to offer to voters in our country a number of choices, as I think we did quite clearly in the red book. We have to ask

them to vote for parties that offer very different priorities in terms of their expenditure plans in particular. We did that.

We not only indicated our intention to bite a few extremely difficult bullets in terms of expenditures such as in the case of defence, but we had the courage to do this year in the budget what governments in the last 30 years have not had the political courage to do, namely to cut infrastructure expenditures that had become unnecessary because we had finished the second world war and were moving into a period in which international relations were very different.

I take this example of military expenditures because it involves literally over the years billions and billions of dollars; in fact $7.4 billion over the next five years. It is much more important for a government to have a clear idea of its long-term views and priorities so that it can make reductions in expenditures or reductions in waste that will permit the country to meet its long-term need for fiscal responsibility and to better use its money.

In the various items the hon. member mentioned there may be ways of reducing waste. I would fully agree with him that we should reduce that waste to an absolute minimum. In the budget we saw in terms of the large numbers and in terms of the difficult decisions that we have agreed and we have taken the right decisions.

[*Translation*]

M. René Laurin (Joliette): Mr. Speaker, listening to the hon. minister responsible for the public service, one gets the impression that he is a new politician with definite and unquestionable experience, that he is a very articulate man who should bring about changes, at least as far as renewal of the public service is concerned.

The minister alluded to the importance he attaches to the public service, to the importance he attributes to public servants who support the work of members of Parliament, ministers and Parliament as a whole. I think he is right because none of us could work effectively if we could not count on public servants.

The minister knows what he is talking about since he himself was, until very recently, until his election, a senior public servant. That is why I believe that he knows what he is talking about.

However, I am surprised that nothing in this budget reflects this appreciation of the Public Service. There is no tangible evidence in the budget. Although the vast majority of public servants helped to elect this new government, and it is public knowledge that the Public Service supported the federal government, they could at least expect some appreciation of the services they provide. What they got is a slap in the face.

The budget does not contain a single measure that would communicate to these people the government's recognition and appreciation of the work they do every day to support its operations.

I would like to know if the minister is planning any statements in the near future about Public Service renewal and if he will finally demonstrate that proposals will be followed by concrete action. Instead of coming down harshly on the people who are important to us, perhaps the government should start a dialogue and agree on ways to improve morale and maintain the level of professionalism and fairness in the services they provide.

[*English*]

Mr. Massé: Mr. Speaker, it is a great pleasure to answer that type of intervention. Certainly I feel at ease when dealing with questions on the public service.

[*Translation*]

I greatly appreciated my hon. colleague's opening remarks. I must say that, when you are familiar with the civil service, you often get a much better feel for the kind of problems it faces. In recent years, the Government of Quebec has imposed a number of wage freezes and cuts that civil servants did not take too well.

I can understand that. When, as a civil servant, I was seeing the wage gap widen between the public and the private sector, especially at the senior levels, I too found it hard to take.

In the context of the last budget, I think that it is important to see that, with this wage freeze, we are in fact protecting the job security of our civil servants. It was a hard move to make, but given the context, it was clear that cuts were required not only in government programs, but also in operating budgets.

To compensate for wage increases, we would have had to reduce the number of employees in the Public Service. Considering, as I said, that two thirds of private sector employees either had no increase or a negative increase, we determined that the sacrifice asked from federal civil servants was not disproportionate, as compared to those who are seeing their military base close down in Atlantic Canada or those affected by the decision to withdraw from the KAON project in British Columbia or to reduce the level of activity or close military bases in the Prairies and in Ontario.

Under those circumstances, while I agree entirely with my colleague on the principles of good management for a public service, I must say that I fully support the decision made in this budget to freeze wages.

The Acting Speaker (Mr. Kilger): There is very little time remaining, barely one minute. I would ask the member for Mégantic—Compton—Standstead to put his question as briefly as possible so that the minister can answer quickly and we can then proceed to adjourn.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, I will try to be as brief as possible to allow the minister time to respond. I put the question to him, since he is the Minister of Intergovernmental Affairs and this is the area that concerns me at the moment. The minister spoke at length about government efficiency and wondered if the state got too involved. Many people do in fact believe that the state intervenes too much in their lives. Many people also feel that there is too much government.

I would like to hear the minister's views on the role of the federal government in its relations with provincial governments. I am thinking here in particular about the Quebec government and the whole question of overlap. What does he intend to do about this?

The Acting Speaker (Mr. Kilger): The minister's views, but briefly please.

Mr. Massé: Mr. Speaker, the hon. member of the Opposition has presented me with a challenge in giving me some 30 to 45 seconds to talk about the role of governments and the elimination of overlap.

Consequently, I will only address the policy issues. There is no doubt in my mind that the government or public sector has grown too big in recent years and that it tried to provide too many services, a large number of which could have been provided more efficiently by the private sector. Our three levels of government—federal, provincial and municipal—must act more responsibly in fiscal matters and review all their services to the population so that we can finally offer the same quality of service for much less.

The division of responsibilities among the various levels of government is clearly something we need much more time to discuss, since it is a fundamental issue. However, I fully agree with the hon. member that we should reduce overlap as much as possible, as it is expensive and unnecessary.

The Acting Speaker (Mr. Kilger): I want to thank the minister and all hon. members present for their co–operation.

[*English*]

I would also take the occasion as we go into a week of recess to wish you all a good week with your families, friends and constituents. We look forward to your speedy return.

It being 2.40 p.m., this House stands adjourned until Monday, March 7, 1994 at 11 a.m pursuant to Standing Orders 24(1) and 28(1).

(The House adjourned at 2.40 p.m.)

HOUSE OF COMMONS

Monday, March 7, 1994

The House met at 11 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1994–95

The House resumed from February 25 consideration of the motion that Bill C–14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994, be read the second time and referred to a committee.

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, thank you for recognizing me in this debate today. I recognize the necessity for the government to have a borrowing authority bill passed by Parliament.

• (1105)

The government does not receive all of its revenue from taxes on a specific date early in the fiscal year. Therefore, to meet its program needs when there is a shortfall in revenue it needs to be able to borrow. This is done all the time in the business world. What is new and extraordinary about the situation we in the House of Commons are faced with on this bill is the fact that the government knows now that there will be a substantial difference between revenues and expenditures, some $39.7 billion on the expenditure side, and has done nothing substantial to move toward balancing its books.

The only thing it has done is sought borrowing authority through this bill to make up the difference.

We were also told on Thursday, February 24, 1994 by the President of the Treasury Board that spending for the fiscal year 1994–95 only went up by $3 billion. Then he told us if we took out the increased amount to pay the interest on the debt, not the principal, spending only went up $.7 billion. What is most surprising is that he said this as if it were something to be proud of, some great achievement.

Does any of this make sense to the people of Canada, the people who pay all the bills? I repeat, the people who pay all the bills for everything the government does.

The government, in the overall scheme of things, is going to increase its spending, making a bad situation in relation to the deficit even worse. How can this government justify to Canadians any tax increase which puts more financial burden on Canadians when it will not even begin to put its financial house in order?

What does this government think Canadians want? What does this government think Canadians voted for on October 25 last year? They voted for a promise to create jobs and they voted for fiscal responsibility. If they did not want fiscal responsibility we in the Reform Party would not have increased our numbers from 1 to 52. The government's actions two weeks ago with the budget and the tabling of spending estimates and the borrowing bill will do nothing to create long term, permanent jobs, nor are they fiscally sound.

We have a short term, make work project through which we borrow money to create jobs, but nothing permanent. The president of the Canadian Manufacturers' Association has said that the Martin budget measures do not add up to a coherent plan that will help manufacturing grow, modernize and reinvent itself for the 21st century.

On the second issue of being fiscally prudent and attacking the deficit now, what are we told by the government? Just like any loser in an athletic contest: "Just wait until next year, or maybe the year after that".

Canadians thought on October 25 that they had elected a government with a plan, a plan for the economy, a plan for social programs, a plan for reworking unemployment insurance, a plan to deal with the provision of better health services. Really what they elected was a government with a plan to study, not a plan to act; a plan to pass the buck, a plan to spend a lot of bucks but no plan to act.

We have the red book but what does it say? It spends a lot of time discussing programs but little time discussing implementation. If the government had plans to implement change, then at least we could see where we are headed in relation to program change and tax savings.

My friend from Lethbridge two weeks ago asked the Minister of Finance when the results of all these studies came in, after the summer break, after these results had been considered by cabinet if he would bring in a new budget, a budget in the fall. The answer was no.

We believe it is time to act. The government was elected in October last year and we are now in March. We are now going to undertake studies, studies whose results will be reported to us in approximately six months. If the government had acted quickly and decisively when it was first elected, we would have the results of these studies well before the summer break, and a budget could reflect such quick and decisive action.

Does the government not realize that by reducing and subsequently eliminating the deficit we will eventually be able to start paying down the national debt?

• (1110)

By reducing and eliminating the deficit we would have in a very short period taxpayers' money freed up so that taxes could be reduced, thus stimulating the economy or perhaps this money could be used for retraining or to help industry, manufacturing, expand or retool so that permanent long term jobs are created.

Action on the expenditure side, action to reduce expenditure, will return to us as Canadians the economic freedom to choose which we have not enjoyed for many years. Again, what do we hear from the government? In three years the deficit will be 3 per cent of GDP. What does this mean?

It means that any hope of dealing with the country's debt is put off until the next century. We will still be devoting a huge amount of taxpayers' dollars to pay the interest on the debt without any hope of encroaching on the principal for many years.

If the government is not prepared to act on the expenditure side, I am serving notice today that we in the Reform Party are ready to act.

Each line item of each departmental expenditure plan will be scrutinized carefully by members of this party when the estimates are in committee. We will ask each minister and each deputy minister to justify every penny of the departmental expenditure plans. When we find expenditures which we believe are not crucial to the well–being of the people of Canada we will vote against them. The government wants to consult with members of this House. We will give the government consultation.

Second, I will press the Standing Committee on Procedure and House Affairs and the government House leader to recommend the creation of a permanent standing committee of this House whose sole job would be to review the spending estimates of government departments.

In 1983 the special committee created to study the standing orders and procedures of the House recommended an elaborate series of estimate review committees in its fifth report to this House. My proposal is simply to create one such committee which would in the course of the fiscal year scrutinize very carefully the estimates of perhaps only three government departments. It would then report back to this House and also to the standing committee which deals with a particular department on a regular basis.

This information could then be used by the departmental standing committee when the minister came back for supplementary spending estimates or in the following year when new spending plans are referred to the departmental standing committee.

The fiscal responsibility committee which I recommend be established would during the life of a Parliament scrutinize in detail the spending plans of virtually all government departments. This would not be glamorous work but it is the kind of work that is needed, the kind of tough work the government does not seem prepared to do, at least at this time.

I can assure my friends opposite that this is the kind of work that we in the Reform Party were elected to do and we are quite willing to spend the long and necessary hours to reduce government expenditures.

The time has come for action, not for talk. Canadians are a fiscally responsible people. They do not live beyond their means. If in a family something cannot be afforded then spending priorities change. We do not expect families to run out and borrow every time they see a new item they want to buy. Why should government be any different?

Mr. Speaker, I would like to apologize because at the very beginning I should have told you on behalf of the whip, pursuant to Standing Order 43(2), we will be dividing our time this morning.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, through you to the member, I would like to congratulate her on her remarks. There are some points about the budget that she did not include in her remarks.

She said that we were afraid to take on the tough decisions. I believe that is not an accurate assessment. We did announce policy reviews in our social security system, in defence, foreign aid, the goods and services tax which is being reviewed in committee right now for an alternative. We will begin our study in the industry committee in two weeks where we will have public accountability of financial institutions in Canada: a program review, overlap and duplication, tariffs and the paper burden. All of these are concrete actions taking place right now.

• (1115)

It is important we not leave in the public's mind the thought that the Reform Party is the only party interested in reducing or eliminating waste. If people can bring forward ideas on how to eliminate or reduce waste in a particular area we welcome their letters, phone calls or faxes. It is the same type of information the member receives as well.

The government has taken a very tough stand on reducing the deficit and our net savings over three years will be $20.4 billion. We have only been in government for three and a half months, but we have to put some hope back into the economy and get some job creation going. Any further cuts would cause the fragile economy to slip back into a recession.

Mrs. Jennings: Mr. Speaker, I would like to thank the hon. member for his comments.

I stress again that I talked about reviews and studies. In answer to the hon. member, more reviews are not what we need. It is time for action. A deficit of $39.7 billion is certainly not tough at all and does not address the issues that have to be addressed.

Mr. Mills (Broadview—Greenwood): Where would you cut?

Mrs. Jennings: The Reform Party put out a very good zero and three which went into detail. If I had another hour I would go through it with the member.

I would like to point out something to everyone in the House. I am very concerned about the infrastructure money. Where is the money coming from?

Mr. Mills (Broadview—Greenwood): Existing budgets.

Mrs. Jennings: I was in my constituency last week and they said they did not have the money for more taxes. The federal government is going to lend it to them.

An article in the *Globe and Mail* dated February 11 warns very much against the infrastructure money. Every tax increase causes a loss of jobs. Taking $7 from a taxpayer to pay for a construction industry job means taking $7 away from a job somewhere else: a department store, the auto industry or a clothing manufacturer. I insist that is going to be a problem down the road.

The Deputy Speaker: The time appears to have expired. I might remind the hon. Parliamentary Secretary to the Minister of Industry that nobody heckled him while he was making his remarks.

Mr. Mills (Broadview—Greenwood): On a point of order, Mr. Speaker, I did not think I was heckling the member. I was merely pointing out some factual information that did not seem to be a part of the address. I certainly did not think that was out of order. I have been here, not as long as you, but for six years and—

The Deputy Speaker: Order. That is certainly not a point of order.

Mr. Hugh Hanrahan (Edmonton—Strathcona): Mr. Speaker, it gives me great pleasure to rise in the House for my first major address.

It is with a great sense of pride and humility that I stand before you and the rest of Canada as the representative for Edmonton—Strathcona. I would like to take this opportunity to thank the people of my riding for the trust they placed in me as their representative in the 35th Parliament. I would like to assure them that I will do my very best to represent their views in the House of Commons. I would also like to thank my wife Dianne and daughter Margaret for their support and patience during the campaign.

The constituency of Edmonton—Strathcona is an extremely diverse riding with a wide range of small and medium sized businesses. It is also the home to, in my opinion, the best educational facility in the country, the University of Alberta.

• (1120)

It was the youth of my constituency who gave me the inspiration to seek a seat in Parliament. Clearly they recognized the implications of the national debt on their futures. Given the increasing debt and the demographics of our country, it is little wonder that so many of our population of all ages look with such growing concern at the future implications of this debt. While both the Reform Party in its blue book and the government in its red book have taken significantly different approaches to the debt problem, neither party has suggested it be attacked by placing the burden on youth.

The Reform Party, while suggesting many cutbacks, also suggests that these cutbacks be priorized. In surveying our members and Canadians in general we have concluded that a number of areas must be maintained. These include federal grants to medicare, the environment and advanced education.

If we are to leave a Canada to our children similar to the Canada our parents left to us, then we must offer hope to the younger generation. We must not only attack our debt but do it in a manner which allows for a clean environment, a healthy and educated population able to confront the global economy in a confident manner. This is one of the major challenges of this Parliament.

To emphasize the present situation let me cite the following. A recent article by the *Globe and Mail* reporting on a study from Statistics Canada stated that unprecedented numbers of young Canadians have been wrestled out of the workforce. Proportionately more of them lost their jobs than adults and it will take longer for them to gain back these jobs than it will be for adults. The same article, quoting Dr. Phipps of Dalhousie University, suggests it is possible that by the time the economy does produce good jobs a fresh generation of better trained, better educated young people will be vying for these jobs. The prospect that a combination of all these factors could produce a lost generation is very real.

On a more individual level, I would like to cite a letter received by an employer in my constituency from a recent university graduate. In it he states:

> I am a 1993 graduate of the University of Alberta with a BSc in meteorology. Unfortunately due to the state of the job market, I had no success in gaining employment in my field. I would like your company to consider me for any position that may be available from answering phones to lab analysis.

These are just two examples of problems facing the youth in our country today. What is perhaps of greater concern is that this problem of youth unemployment is occurring at a time when there are as many as 400,000 jobs available in our economy.

John Yurxa of Yurxa Research stated in a recent speech in Edmonton that "the economy will have no shortage of lucrative jobs in the remainder of this decade, it is just that you will need a new set of skills to get them. The fact is there are now over one and a half million Canadians out of work, yet many employers say they cannot find the workers they need. In fact, today, the mismatch between job seekers and job vacancies is so high that if it could be remedied overnight, up to 400,000 jobs would be created instantly".

It would seem the problem of youth unemployment can be found in the structural unemployment that is present in the Canadian economy. The solution to this problem lies in matching the training of our youth to the demands of the marketplace.

The recent budget included in its job creation an entire section devoted to apprenticeship programs for the training of youth. This apprenticeship program is to be introduced in 1995–96 and will cost the Canadian taxpayers $96 million in the first year and an additional $192 million in the following year. While I applaud the government for recognizing the problem of youth unemployment, some serious questions as to the structure of this program must be asked.

• (1125)

How did the government come up with these figures? Why $96 million? Why not $50 million or $150 million? Will these programs meet the needs of the mismatch between job training and job requirements? Who will be eligible for these programs? Where and under whose auspices will these programs be delivered?

As mentioned earlier, I agree with the government's decision to initiate the youth initiative program. However, if it is to offer real hope to our youth it must be tailored to the needs of the market. Another program that does not offer real prospects for employment will only add to the frustration of our youth.

I suggest the government take the following into consideration in developing the youth initiative program. First, identify through co–operation with industry, labour and the provinces those skills that are actually needed in present and future markets.

Employment growth in the Canadian economy in recent years has been in services. Throughout the eighties, however, more than 90 per cent of occupations covered by apprenticeship programs have related to manufacturing and construction. Most vacancies now exist in informational technology, telecommunications and environmental technologies.

My second suggestion is that industry participate, not only in setting the standards but also in the financial responsibility for these programs. Here we can look at two existing programs as models: One, the very positive aspects of the Canadian provincial apprenticeship programs already in existence; and two, the programs of other countries, particularly in Germany.

A third suggestion is that like trade apprenticeship programs, the youth initiative program should include some sort of credential on completion. This accreditation should be nationally recognized in order to ensure mobility from one province to another. This would allow for the free movement of workers to areas experiencing economic growth. This suggestion may be criticized by some who believe that apprenticeship programs are essentially a provincial responsibility. While this is mainly true, the provinces have already in place interprovincial standards under their red seal program which in Alberta covers approximately 90 per cent of the certified journeymen.

A final suggestion for the youth initiative program is that it must be focused on areas that do not jeopardize existing employees. To simply train our youth to replace at a lower wage present workers would only increase conflicts within the workforce.

It is estimated that 60 per cent of youth go directly from high school to the job market. Our experience shows a high school education, while necessary, will not be sufficient for the market demands of the future. The youth initiative program if done properly offers an opportunity and hope for our nation's youth. However, if done improperly it will be seen as a short term, quick fix government program and a waste of Canadian taxpayers' money.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I enjoyed the member's comments, particularly the positive light he puts on youth initiatives for employment.

The member posed a question: Why $96 million in the first year? Why not $50 million or $150 million? I could say that we could probably do a lot better than $96 million because the need is much greater. The reality is that we are trying to balance need and financial conditions. However I welcome his comments because I found them to be positive. I welcome his balanced approach, which is very refreshing to hear from that side of the House.

• (1130)

Mr. Hanrahan: Mr. Speaker, I thank the hon. member for his comments. He correctly points out—and we are consistently pointing it out to the Canadian people—that while a balanced budget is a necessity it must be done in a way that is priorized.

We see education as an investment for Canadians. That is one area our members and Canadians at large have told us very clearly should not be cut. We do not want to see a lost generation and the problems implied with such a lost generation.

While we believe in fiscal responsibility, our program of zero in three clearly shows many areas in which we can make responsible cuts to the budget. However we would not include in that advanced education, training of our youth, federal payments to medicare, or environmental concerns.

Mr. Peter Adams (Peterborough): Mr. Speaker, I too enjoyed the member's remarks. I wondered what he thought about the internship and apprenticeship program described in the red book.

This a national program under which people will get interprovincial licences. It is, as I understand it, focused on particular trades and areas of activity where we hope jobs will appear in the near future. It is also an apprenticeship program based on competence rather than time.

Some examples the member mentioned were in other countries where people spend many years learning a trade whereas in fact it appears in modern times that it might be possible to proceed more quickly. Then persons might not only have one trade; they might have two or even three.

On the question of funds, has the member given any thought to the idea of the apprentices paying fees as do students in colleges and universities?

The Deputy Speaker: I ask the hon. member for Edmonton—Strathcona to be brief. There is about a minute left.

Mr. Hanrahan: Mr. Speaker, with respect to briefness I will respond to the final question regarding fees.

I quite agree with the suggestion that fees are an appropriate matter. It has always been my belief that if a student in an educational facility takes some ownership of the facility, the training, he is much more likely to succeed than if he had not.

I would not be opposed to user fees in that they would serve two purposes. They would give the student some opportunity to participate in his own education. They would also cut back on the public expenditure.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Mr. Speaker, I am delighted to speak on Bill C–14, the borrowing authority which would allow the government to meet its commitments and put into effect its budgetary policy. This statement, this budgetary accounting, indicates the choice our government is making for the next fiscal year and shows some very important fundamental changes.

The agenda before us is a very ambitious one. It is a difficult one and it is taken in a time of economic restraint. Notwithstanding, our main goal has been to create jobs and growth and to be innovative while being fiscally responsible. We also believe that with the co–operation of Canadians we can reduce the deficit to 3 per cent of GDP within three years.

Our agenda and our priorities are no secret. Last fall we laid out our blueprint in the famous Liberal Party policy book. I know some members refer to it as the red book, but for me it is a fundamental policy book. It was our blueprint for job creation, deficit reduction, and a comprehensive policy review. Canadians have looked at it and have given us their approval by electing a strong majority Liberal government for the people, to speak with their voice and for them.

• (1135)

We are turning those promises into action. The budget tabled by the Minister of Finance is based on fairness for all Canadians. It stems from an unprecedented consultation process and dialogue, a process to which the government is firmly committed in many areas. It is an open process of which we can be very proud. Women and women's groups have participated in the process and our voices have been heard.

I am especially happy to point out to the House that the budget addresses a whole series of issues that are very important to women. The government is sensitive to the fact that programs and policies may have a different impact or a different effect on women. That is why we will ensure gender perspective is taken into consideration in all proposed changes undertaken as part of the various policy reviews. I can say that we are wearing gender tinted glasses, for that is what we are doing. Essentially my job is to make very sure that within the machinery of government we maintain that gender tint all along the way.

Women and women's groups have been very important in applying that theory and ensuring within our party that perspective is always kept in balance. This is the first time a budget clearly recognizes that women often bear the brunt of social stress and economic dislocation. It is also the first time that a minister of finance recognizes publicly that there are disparities in our tax system and income system that are detrimental to women.

[*Translation*]

The comprehensive review of our tax system which we will be undertaking shortly represents a unique opportunity for women to help us correct some of our system's shortcomings, such as the tax treatment of support payments, which are prejudicial to them. It is very important that women and women's groups participate in these consultations because by proceeding with these kinds of reforms, we will succeed in improving the lot of Canadian women and quickening the process of equality for everyone.

Our goal is to build a society in which women will have full access to the economic, political, cultural and legal spheres. I see that you are nodding in agreement, Mr. Speaker. There is no question that equality for women, equity and justice for all are tied to economic independence. Women must have the opportunity to participate in the labour market, to receive equal pay for work of equal value and to contribute fairly to our collective wealth.

The contribution of women to our society and to our economy is enormous. Yet, women are often economically disadvantaged because of the disproportionate burden they must bear as far as family and home are concerned. Today, 60 per cent of Canadian women are active members of the labour force and three–quarters of them hold down full–time employment. This is a rather interesting figure as it reflects the major shift that has occurred in the past twenty years.

Women of diverse ages, origins and cultures make up 45 per cent of Canada's labour force. By the year 2001, it is expected that women will account for nearly two–thirds of all new labour market entrants.

In the short term, our infrastructure program will help to create thousands of jobs. We are increasingly confident that this program will give our economy the needed boost to get back on the prosperity track. This program, by investing in local communities, will create direct and indirect jobs for Canadians and improve the quality of their lives.

• (1140)

Women too have a role to play in the development of legislation by introducing initiatives to increase the safety of their environment. I must say that women also have responsibilities. They must bring pressure to bear on mayors and municipalities so that their needs become a priority at the local level and can then be recognized as a responsibility at the provincial and federal levels. It is up to the mayors, aldermen and women's groups to demand whatever they consider important for their communities. That is part of our local priorities.

The program can be used for building day care centres, which has the triple advantage of creating immediate employment, providing important services to families and leading to long–term employment. We will be ready to go ahead with child care services when the economic growth rate reaches 3 per cent of the GDP.

On the other hand, our infrastructure projects are under review by federal, provincial and territorial co–presidents, as I just said. I can assure you that our representatives have been instructed to assess projects in terms of employment equity. I must thank the President of the Treasury Board for having taken this into consideration, while recognizing the need to take women into account in that regard.

[*English*]

Statistics released in January 1994 show that Canadian women still average only 72 cents for every dollar earned by men for working full time and that immigrant women make only 80 per cent of women's income. That is quite a gap that we will have to address. Women, especially during child bearing years, experience more career interruptions which impact on their advancement in the workplace and their lifelong earning potential.

The budget begins to address the fact that low income earners with dependants, primarily women, need a fairer system and that women live longer and have lower incomes in old age. The proposed changes to the Unemployment Insurance Act are designed to promote job creation, adequacy and fairness. The government has recognized that unemployment insurance programs must be linked to family status, dependants and other needs. As such these programs should be changed to provide assistance to those in greater need.

In today's economic conditions many households are under financial stress even where there are two income earners. More often than men, women tend to earn low wages and have dependants. Increasing UI benefits to 60 per cent for individuals with low earnings and dependants helps women, particularly single parents.

Amending and clarifying how the voluntary quit and misconduct provisions are applied stands to benefit women and improve the fairness of the entire process. That is something we complained about and felt strongly about in the last Parliament.

We recognize that some other changes to the unemployment insurance system may have a detrimental effect given women's weaker attachment to the workforce. However we must remember that these changes are temporary. The Minister of Human Resources Development has already initiated a full review of our social security system. Every measure will be closely examined after extensive consultation in all regions of the country.

In the meantime it is comforting to see business and labour leaders agree that Canada cannot afford to maintain barriers to the full and equal participation of women in the workforce.

In a report published a few days ago the Canadian Labour Market and Productivity Centre makes some recommendations aimed at breaking the principal barriers to women's equality in the workforce. Among other recommendations the report proposes to provide family responsibility leave and extend flexible working arrangements.

When I read the report I thought back to 1967 and the beginnings of the royal commission. I thought how far we had come in some areas, at least in terms of sensitivity if not in terms of complete catch–up. When I read a report from the Canadian Labour Market and Productivity Centre that says that family responsibility leave should be provided and flexible work arrangements extended, I remember when they wanted to count

every head from 9 to 5; employees did not move and could not leave.

• (1145)

Now at least there is some understanding that there has to be a flexible system. Establish a national child care system with professional salaries for child care workers. Reduce the work week possibly to four days with longer paid vacations and limits on overtime to free up jobs for more workers. Reduce stress for women who juggle work and family. Increase access to financing for women entrepreneurs.

There is really big news here. Actually the biggest news, speaking as a mother of four sons, is the fact that my sons can be involved in raising their children in a far more equitable way. I know that is something they look forward to doing.

The recommendations are good. Indeed this government has initiated many of them, including convincing the banks to supply more capital to small business. I know my colleague from Broadview—Greenwood is going to make very sure that the banks are going to listen. I told him what I said to the Royal Bank the other night. Go to it, Dennis. You and Berger make sure the banks listen.

What is totally new is the strong endorsement this report has received from both business and labour. I have always said consensus of this type is essential to the advancement of women. I can only give this new consensus my strongest support. Unless we have men and women working together I do not think we can advance.

[*Translation*]

We are certainly on target. Our economic recovery plan is based on small business. I should add that women are a major element of our strategy, as 30 per cent of small and medium–sized businesses in this country are run by women. It is with great pleasure that I remind you that the proven rate of success of businesswomen is at least double that of their male counterparts. That is why, in the budget, actions concerning small business are essential for women.

We know that it is very difficult for small business owners, women in particular, to obtain funding for their businesses. Banks impose unrealistic financing conditions which prevent the establishment and expansion of small and medium–sized businesses, acquisition of new technology, development of new markets and above all job creation. The fact of the matter is that the risk taken by banks—and I point this out to my hon. colleague so that he can bring it to the attention of the presidents of the nation's banks the next time they get together—by increasing the percentage of loans to small and medium–sized businesses is very small.

Studies show that only 13 out of every 1,000 loans granted to small business are not repaid. In other words, Mr. Speaker, 98.7 per cent of borrowers are creditworthy.

[*English*]

In the actual conjuncture 98.7 per cent constitutes an incredible rate of success. It should impress even the leaders of the banks and the most conservative of the bankers.

[*Translation*]

It must also be noted that profits in the banking sector reached $2.9 billion in 1993, or almost 60 per cent more than the previous year.

[*English*]

That is a lot of money. I think they could start taking some risks along with our small and medium sized businesses.

[*Translation*]

That is why our government set up a finance and industry task force to study, in collaboration with banks and small businesses, the issue of access to capital. I hope that the hon. members here in this House who have ideas will share them with us and provide clarification.

In addition, business leaders asked us to urgently reduce unemployment insurance premiums, and we have done so. This will enable businesses to save $300 million a year and to reinvest this money in new jobs.

We will also cut red tape and reduce interprovincial trade barriers, create a Canadian investment fund, form strategic alliances in favour of small business, establish joint ventures between research services and small businesses, and replace the GST with a tax that is more equitable for taxpayers and less burdensome for businesses.

[*English*]

This being said, our budget also proposes many initiatives that focus directly on women's needs. It puts in place provisions to improve women's health by creating a centre of excellence for women's health and launching a prenatal nutrition program. The national forum on health will also give us the opportunity to redress disparities in the way women are treated in our health care system. I could go into that at great length because there is much to do in that area.

• (1150)

As soon as we reach 3 per cent of economic growth we will create 50,000 child care spaces a year until we reach an additional 150,000 spaces. The budget contains provisions for this in 1995 and 1996.

Our initiatives will assist the people of this country to fully exercise their rights in terms of the charter, the Human Rights Act and the Multiculturalism Act. I am referring to the creation of the race relations foundation, the restoration of the court

challenges program and the law reform commission, as well as a review of immigration and refugee policies. All these initiatives are aimed at making this country's society a fairer, more compassionate one.

We have to do that because we cannot allow the increase in racism that has been taking place and the manifestation of scapegoat because of the economic situation.

[*Translation*]

We must take steps to make people understand that we are a peaceful society, where we live together in reasonable harmony, either in English or in French, Canada's two official languages.

[*English*]

Finally, the budget reaches out to young people, the pride and the future of our nation. The aboriginal head start program, the youth services corps, the young internship program, the literacy program and the youth student loans program are all important because they fill a great need.

I see young people upstairs in the gallery. Your future is what we are talking about as we look at the budget and try to analyse where we will be going to put this country back to work and give hope to the next generation, which is our absolute mandate in this House.

Added to this basic reform and initiatives already announced, these programs will allow our young women and men to prepare themselves for the challenges the new global economy is imposing on them. Our young people are smart and creative. They are like their parents, hard working and dedicated. They want the opportunity to contribute to society. We have made it our mission to help them reach that goal.

In conclusion, I must say I am very pleased with the budget, primarily because it is fair but also because it reflects our commitment to including all Canadians in the economic and social life of this country. If philosophical and ethical considerations do not move people, then common sense considerations should. In an increasingly complex and competitive world societies which do not tap into the talents of all their citizens are societies which sooner or later will lose.

The Deputy Speaker: Before I give the floor to the hon. member for Louis–Hébert, perhaps the hon. minister would permit me to point out a couple of things.

One is if she would please address her remarks to the Chair. Again, to other members as well, please do not address other members by their names, particularly their first names.

A more important point if the hon. minister would allow me to make it, the Speaker neither agrees nor disagrees with anything that is said. The minister indicated I was in favour of something. I am in favour of everything that is said in this House.

[*Translation*]

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, I listened carefully to the Secretary of State for Multiculturalism and the Status of Women. At first, I admit that I was eager to hear her, because she said "we have adopted a series of concrete measures" and I thought that this morning we would find out some wonderful things that we did not yet know.

Now I must admit that it was just a list of good intentions. It is a statement of principles that may possibly be good for the status of women, but there is very little specific in it. I will give some examples. When she talks about infrastructure, the Secretary of State wants women to present projects related to environmental safety, as well as projects that could increase the number of day care spaces. But having seen the infrastructure projects that will be put forward in my area, we know very well that the projects she is talking about will have lower priority, so there is little hope for them.

• (1155)

She also mentioned that women earn only 72 cents for every dollar men earn. I do not doubt it. What we would be entitled to expect is specific legislation and measures requiring businesses to correct that situation, but basically, we have nothing concrete there either.

I want banks to be more sensitive to small business from now on, but that is still part of projects that have yielded nothing so far.

She concludes by saying that we will create day–care spaces when the debt is no more than 3 per cent of gross domestic product, so parents who need child care will still have to wait and the government will not grant their request any time soon.

Mrs. Finestone: Mr. Speaker, I want to thank the hon. member for his question. Before answering, I must say that I appreciate and understand your neutrality. In my enthusiasm, when reflecting on the role played by my colleague for Broadview—Greenwood, I used his first name in a friendly way. I am sorry and I apologize for doing so. As you know, we sometimes get into heated arguments in this House, and I think that we all understand what happened.

As for my colleague's comments, I believe that the budget is very well balanced. Based on what we read in the newspapers, I think that all issues relating to the debt and all efforts made to create jobs so that Canadians feel useful were put in balance. Let us not forget that when we started developing our vision and our program, the debt was already at $32.6 billion. And when we took office, we discovered that it had grown to $45 or $46 billion. Consequently, we had to make some adjustments. Yet

we still found ways to ensure that the basic commitments would be taken into account and be fulfilled. We, the Liberal Party, stick to our word.

[*English*]

In these very difficult and trying economic times our Minister of Finance and all our other ministers found mechanisms to be creative, to be forward looking to answer some of the serious problems facing our society given the economic situation in which we find ourselves.

We have not been able to fulfil every commitment at this moment. The financial commitments in our policy book have been fulfilled, but there are others and time will tell. Consultations will take place. I hope members will participate and share with us some of the more creative ideas they may have.

Mr. Ted White (North Vancouver): Mr. Speaker, I found the speech given by the hon. member very interesting.

At one point during her speech, the hon. member mentioned the people in the gallery and said how we were discussing the future for the young people of this country. I definitely agree.

Did the hon. member ever ask her children and her grandchildren or the young people in this gallery whether they wanted another $34 billion to $37 billion added to the mortgage for their future? This bill we are discussing today could add $37 billion to their debt load. How is the member going to explain to her children and her grandchildren that she supported mortgaging their future?

Mrs. Finestone: Mr. Speaker, my grandchildren are a little too young, but my children are all in economic portfolios. The feedback I get from them and their circle of friends in all their different spheres of activity is quite fascinating.

• (1200)

They do not hold back on the criticisms that they would launch, nor the gun that they would shoot in the sense that mother does not know everything, which is true, I do not. When they looked at the budget their feedback to me from their colleagues, from the businesses in which they are involved, from the services in which they are engaged daily was absolutely amazing.

They tell me that whole attitude is holding. They think we have taken a grip and we are moving in the right direction, and they were not interested in having this whole country go into a tilt and a dizzy downward economic crisis because you want to reach a certain fantastic little figure in your head. You have to have some compassion, some understanding of where the future is. It takes money to make money, just remember that.

The Deputy Speaker: Would the hon. minister please not use the word "you" in this House.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I also appreciated what the minister responsible for the status of women had to say. But I also did not quite understand what the government means to do to improve the status of women in Canada. It is a well–known fact that women are disadvantaged in many ways, that they earn less money than men and that they support a chunk of the social and economic burden in this country. However, the minister had nothing concrete to offer, no initiative directly focusing on women.

The minister did mention changes in the unemployment insurance area. But these changes do not necessarily affect women. In fact, they hurt the unemployed.

The minister mentioned that 30 per cent of small businesses are controlled by women, as it should obviously be. Still, there are not a lot of women in that field. The system generally hurts women. What did the minister responsible for the status of women have to offer to change that? What concrete measures can be found in the budget which specifically focus on women?

Mrs. Finestone: Mr. Speaker, I thank the hon. member for his question, because it raise a very important issue. We have a comprehensive vision, and I wish the hon. member could understand that. Our vision involves several objectives on which we have to work. We cannot work on only one objective at a time.

As far as the small businesses are concerned, you can laugh all you want and you may not be proud of the fact that 30 per cent of small businesses are headed by a woman, but I am. Even if these women do not have access to all the capital they need, they do represent a very important proportion of business owners.

Second, in order to help our young people, men and women alike, we must make sure that there will be a bridging system.

[*English*]

A bridging system between education and the workforce would equally handle men and women leaving the universities and the campuses. It says right in our red book, which I suggest the member read, and in the budget that there is a very important undertaking in which it will be equal and interesting for women as well as men.

There is another whole area in which we see the disenchantment of young people. We are undertaking a youth initiatives program. I sincerely hope that those school dropouts, along with the literacy programs, will ensure that Canada as we move into the telecommunications age, as we have already moved into the telecommunications age, will have the best trained, the best intellectual material out there and the most competent workforce so that we can stay number one.

After I travel and come back to Canada I can kiss the ground it s so wonderful. When I go to Montreal, c'est magnifique à Montréal.

Translation]

The Deputy Speaker: Time for questions and comments has now expired. Resuming debate, with the Official Opposition. Bloc Quebecois members may wish to share their speaking time. The Chair recognizes the hon. member for La Prairie.

Mr. Richard Bélisle (La Prairie): Mr. Speaker, the next speakers for the Bloc Quebecois will each take 10 minutes.

This budget contains a number of desirable initiatives that have been described in great detail by government members. According to the Bloc Quebecois, however, these measures remain incidental. There is no comprehensive plan with specific objectives, no global vision providing a medium–term perspective and supported by strong measures to put public finances on a sound footing, make drastic cuts in the government's operating expenditures and improve the employment situation.

• (1205)

During four prebudget seminars, the minister consulted his socioeconomic partners as they had never been consulted before. I think we all remember that. The minister had mobilised his partners. The public was prepared to tighten its belt, provided the cutbacks were fair and would require all taxpayers to do their fair share, all of course, to help reduce the public debt.

Still in the initial months of its mandate, the so–called honeymoon period, the Liberal government had a unique opportunity to send out the right signals and change the course of Canada's public finances. However, consulting is one thing but making difficult decisions is another thing altogether. Instead of changing course, as all Canadian taxpayers expected the government to do, what happened? We expected leadership, a change from 20 years of letting public finances slide in this country, a process that started under Pierre Trudeau's Liberal government, as you will probably remember.

I think the government should look at what is being done by Premier Klein of Alberta, who is of course too far to the right for the present Liberal team. Nevertheless, by cutting where he has no other option, Mr. Klein will eliminate Alberta's deficit in three years, and in the future, this may be the only Canadian province that can maintain an adequate social safety net, all because the inevitable cutbacks were done at the right time and not under pressure from international lenders who, one day, will force the federal government to make these choices.

According to us, the deficit reduction forecast in the budget brought down by the Minister of Finance is far too timid. The deficit for 1993–94 was artificially inflated to $45 billion, but according to us, this legacy from the Conservatives should be more like $42 billion. The forecast deficit of $39.7 billion for 1994–95, just under the $40 billion mark, is based on an expected $9 billion increase in tax revenue. If this increase does not materialize, the deficit for that year will be $46.9 billion. We see the same scenario applied to the projected deficit for 1995–96.

The Department of Finance expects the 1995–96 deficit to be $32.7 billion. This would require an increase in tax revenues of $8.1 billion—another increase for the second consecutive year. The government hopes to bring the deficit down to $32.7 billion by March 31, 1996. To do so, it is projecting a total increase of more than $17 billion in tax revenues over the next 24 months. However, it has yet to deal with the problem of smuggling and the underground economy, most tax shelters have been maintained and taxpayers' ability to pay has already been stretched to the limit.

The adjustment of Canadian companies to the new global economy, with all the industrial restructuring and manpower adjustment that involves, is not yet complete. There is also the much needed conversion of military infrastructures to viable civilian projects, but instead, the government has decided to close or downsize a number of military bases in this country.

At a time when rapid change is making new directions mandatory and a new economy is emerging that will impose certain costs before it can be viable, can we expect a real increase in tax revenues as projected by the government? The government's projection is based on a 15 per cent increase in tax revenues over the next two years, in the uncertain climate we have just described.

The deficit will not go down. It will not reach 3 per cent of GNP by the end of this government's mandate. It is clear the government has missed the boat. Like Tory ministers Wilson and Mazankowski, the government is depending on a putative increase in tax revenue to deal with the deficit, while the only way to reduce the deficit in the short term and eliminate it in the medium term is to make drastic cuts in government spending.

The revenue forecasts are unrealistic, and even if they prove to be true, the federal government's net debt would still be $511 billion by March 31 this year, it would go up to $551 billion by March 31 next year and would reach $583 billion by March 31, 1996.

• (1210)

The government has failed completely in its much–awaited initiative to reduce its own operating expenses. Imagine, trimming $413 million from a program budget of $122.6 billion for

1994–95. This represents a reduction of roughly one–third of 1 per cent. The government has failed to make the kinds of deep budget cuts demanded by taxpayers during the last election campaign.

The Minister of Finance tells us that he has begun to put in place the principal components of a plan which should reduce the deficit to 3 per cent of GDP by the end of this legislature. Cutting operating expenditures by one–third of 1 per cent cannot be viewed as a serious deficit reduction effort.

The government will never meet its target. It has pulled the wool over the voters' eyes. Departmental operating budgets will be trimmed by $1.6 billion over three years, while unemployment insurance and social security transfer payments to the provinces will be reduced unilaterally by $7.5 billion over the same period.

Quebec, which has its considerable share of unemployed, will be especially hard hit. Is this what is meant by viable federalism? Having failed to clean up its own house, the federal government will demand from the unemployed and the least privileged an effort nearly five times greater than that which it will be asking of its five federal departments.

In conclusion, this budget does not solve anything. It does nothing to ease the tax burden of middle–class families who clearly could have boosted the level of consumption. The budget also fails to deal with the problem of administrative laxity repeatedly criticized by the Auditor General. Once again, in moving to broaden the tax base, the government has ignored family trusts and the idea of a minimum corporate tax. The problem of administrative overlap and disagreements between Ottawa and the provinces will be fuelled when Ottawa sits down at the bargaining table with $800 million to invest unilaterally in occupational training.

This budget only postpones the hard choices. They will be that much harder to make and the provinces will have an even heavier burden to bear, whereas the federal government will be shifting responsibilities onto these same provinces' shoulders without transferring to them the relevant tax fields. The entire tax base will be barely adequate enough to support the federal debt which has grown to prohibitive proportions.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to suggest to the member that the single biggest factor that could contribute to the government's reaching its revenue targets is the member's ceasing his campaign of trying to separate Quebec from the rest of this country.

I listened carefully to the member's remarks. I believe the pressure that we are receiving from international borrowers right now has to be affected by the talk of separation that goes on in this country.

Every economist in the world would agree that confidence is the most important factor in any economic equation. We must have confidence in the community, confidence in the country. When people look at our cities, I suggest right now especially the city of Montreal, the province of Quebec, there has to be a nervousness when members here talk about separation.

I would like to ask a very simple question of the member. Does he agree that the talk about separation is the most damaging factor in putting confidence back into the economy of this country?

[*Translation*]

Mr. Bélisle: Mr. Speaker, I thank the hon. member for his question. I would like to tell him that in 1984, the Conservative Party of Canada was elected in Ottawa.

• (1215)

In 1985, the Liberal Party was elected in Quebec, and I can tell you that there has never been more constitutional stability than during those years from 1984 to 1993. As the then Conservative Prime Minister used to say, the reason Quebecers had supported his party in 1984 was to give a last chance to federalism in Quebec and, in his own words, bring Quebec back into the Canadian Confederation with honour and enthusiasm.

A period that I would describe as a calm spell in terms of constitutional matters followed the election of the Bourassa Liberal government in 1985. Mr. Bourassa and the Conservative Prime Minister got along very well. Those were truly calm times with regard to the Constitution, but the federal debt grew from $200 to $500 billion just the same from 1984 to 1993. In fact, the federal debt more than doubled over that period.

I think that those were the calmest times. Then, as you will recall, we had the referendum on the Charlottetown Accord in October 1992, and for Quebecers and Canadians in general, this was a really calm spell. Yet, the federal debt never grew so much as during those years.

I think that the point the hon. member made about the effect talk about Quebec's separation could have on investors and interest rates is really—today, interests and confidence come into play much more at the global or North American level. It has nothing to do with the people of Quebec expressing a preference for the Bloc Quebecois or another party or opting for sovereignty in a referendum. I think that, in the medium term, this will have very little influence on the economic situation.

There may be some short–term effects, but in the medium or long term, I do not think that it will do much.

We have had a nine–year or so calm spell, both in Quebec and in Canada. Yet, never has the federal government debt increased so much.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I am also pleased to speak on this motion concerning a ways and means bill, which deals with the government's budget intentions as well.

Of course, I will take the same position as the previous speaker and say how disappointed my constituents and I are with the budget.

This morning, I watched the Liberals enter the House and I understand why their heads hang low. I understand their disappointment. They have just spent a week with their constituents in their ridings and I suppose that they had the same reactions as voters in my riding. They probably said, "What kind of budget is that?"

Yesterday, I met a doctor, who said to me, "I was expecting to pay, I was expecting to be taxed, but no, they did absolutely nothing, even though I was prepared to make an effort as long as it covered the deficit".

I also met officials from the labour movement in the Sorel region, including Mr. Lachapelle, who told me: "Why did the government not present a budget? It presented intentions".

The Conservatives were always consulting and you push consultation to an extreme. That is what people in my riding told me.

Some thirty committees will be formed to consult, but throughout the election campaign, they went around with the red book saying, "We have a solution for everything. Elect us and you will see us present a budget with the government's intentions for each department". But no. They tell us: We will consult you, we will go off on consultations again and consult the same people who were consulted before the red book was prepared.

Now they do not have the courage to react. They are falling into the same problem as the Conservatives, presenting the same kind of budget as Mr. Mazankowski or Mr. Wilson, with economic forecasts of 2.5, 3.5 and 4.2. The Conservatives did the same thing. They made overly optimistic budget forecasts and, as the previous speaker said, we will wind up with a budget deficit of $46 to $48 billion, just as the Conservatives were doing.

• (1220)

Those words are full of promises and consultations, but contain nothing concrete. Worse—and that, hon. minister, is unacceptable—is the fact that a quarter of the $4 billion in cuts are made on the backs of the unemployed, who are not lazy. When former minister Valcourt attacked the unemployed, he at least announced his intention to go after those who take advantage of the system. At that time, the Liberal members opposite, led by the Deputy Prime Minister, rose to express their indignation. But what have we here? A regular attack against honest people who have lost their jobs.

It is not true that, when a plant closes, these people choose to go on unemployment. According to the minister, the government's intention is to encourage people to stay in their jobs for longer periods by reducing the number of weeks of benefits. People are told to expect 30 or 20 weeks of benefits instead of 40, maybe 35 if they work for 50 weeks. They reduce the number of weeks while telling people this will encourage them to keep their jobs. These people do not go on unemployment by choice but because of the recession, because of plant closures. It is unemployment, not the social fabric that must be tackled.

Mr. Speaker, we are witnessing not a cut but an increase in expenditures and revenues due to a wider tax base. What a nice new thing to say, "We will increase taxes in other sectors, just like the Tories did". We hope—like the previous speaker said—for Canada's salvation. We are told it will come from external demand, from our exports. But they refuse to change the system. As I was saying earlier, with these hopes, we will end up with a $46 billion to $48 billion deficit. One year lost.

But I understood when they talked about the red book, because the Liberals are expert at using words with a double meaning. Remember Trudeau when he fought against Stanfield over price and wage control. He said, "Never!" Six months after coming to office, he implemented Stanfield's very policy. Remember when the Liberals talked about the just society. I remember my father shopping for shoes; when the salesman asked him how they fit, he replied that they were a little tight or "juste" in old French slang. It is like the just society they were talking about. We thought they meant a just society in social terms. But they just meant "tight". That is their vocabulary. Today they talk about the red book. I thought it was named after the party with the red logo. But no, it is because they want to write Canada's economic history in red. However, our financial book should be written in black. Then I would understand.

They tell us they will be good managers, good administrators. I remember that, after going to see my 92–year–old aunt Laura on her deathbed, my father told me, with tears in his eyes, "Son, we need a priest to administer the last rites". They use the word "administer" in the same sense, to administer the last rites. They want to bury—but we are used to their language. They can remove their masks now that we have recognized them.

I can see the disappointment on your faces because you are back from a week of consultations in your constituencies which was extremely disappointing for you. Yet, when you first arrived here in January, you proudly said that votes would now be different. Indeed, you were going to comply with the good intention and resolution of the Prime Minister and vote according to your conscience. The time has come to do so. The vote will take place in the next few days, so now is the time to

express yourself, to represent your constituents the way you said you would during the first week of the session.

Mr. Speaker, this budget does not respect at all the commitments made during the election campaign. Contrary to what the red book said, there is no incentive for small businesses, there is an increase of the tax burden, there is no job creation initiative, no employment strategy and no help to exports, but there are cuts to regional development. This budget is a disappointment and does not satisfy anyone in my riding nor, for that matter, in the whole of Quebec. This is a budget which takes deadly aim at the unemployed, the elderly, the regions, and, which is even worse, at the have–nots, the low–income workers, and particularly the jobless. At the same time, the minister's friends, who are millionaires like he is with a fortune estimated at $40 million, will not suffer at all. At the same time too, the Prime Minister attends banquets at $200, $300, $400 or $500 a head. He says to his friends: "See how good we are to you because you financed our party. We acknowledge that and the budget does not adversely affect you. We go after the unemployed, the have–nots, the elderly, but you the wealthy with family trusts and money hidden in tax shelters, we protect you". The Prime Minister then gets an ovation from his business friends and forgets about Canadians in general.

• (1225)

However, all of you ordinary members of Parliament who were elected by Canadians should tell the minister that you have uncovered his ploy.

We thought the minister would give the example and deliver a budget to eliminate waste, but it does not even propose solutions to the unemployment problem. Instead, the government targets the middle class as well as seasonal workers and forgets about family trusts.

What are some of the measures which could have been taken in this budget? Let me give you examples of cuts. Former minister Séguin in Quebec said this: "The decision not to give $1.2 billion to Gulf is a conflict triggered by the interpretation of the definition of petroleum development revenue and it could have been avoided by simply amending the act". How was the government able to think and decide to eliminate the helicopter contract in Quebec yet not do so in the case of Hibernia? Why was there no in–depth review of the construction of a fixed link between Prince Edward Island and New Brunswick? Why did we not make an in–depth review of tax havens, foreign affiliates which cost us $25 billion, the reduction of the government capital expenditures, cuts to non–restrictive grants provided to major corporations which total almost $18 billion, the reduction of the government vehicle fleet, the application of the GST on listed shares, which are all recommendations made by the Auditor? We could have cut $5 billion right there.

Because of a flawed resource allowance income tax provision, the government lost $1.2 billion, as was also mentioned in the report. That is all I will say on this issue. I could give you many other examples where we could have cut, but the lack of a rigid process to analyse government spendings is quite obvious. The federal system is completely out of whack and the government is unable to manage it. Instead, it is launching new programs and increasing the tax burden by more than $18 billion for the next two years.

[*English*]

Mr. Stan Keyes (Hamilton West): Mr. Speaker, if I have learned anything in the last 100 days from the party opposite, Her Majesty's Loyal Opposition, it is that we certainly have to ignore much to get on with something. That is something we have learned over the last 100 days from that party.

That member has the nerve to accuse this government and this party of saying one thing and getting on with something else. That member over there is the chameleon of chameleons. He can certainly talk about Progressive Conservative ideas. He sat in this House and got elected as a Conservative, did he not? Then in chameleon–like fashion, for some cause he moved from this side of the House to sit on that side in the back row. Then he went on to fight an election not for Canada and not to represent his province in this great country of ours, no. He got elected in this country to promote what? To separate his province from the rest of Canada. That is what he wants to do. That is the agenda of the member opposite. He has nothing to add to this budget.

To quote the member opposite, he says it is a budget that disappoints everyone, that satisfies no one. Obviously the member does not keep in touch with constituencies outside his own.

• (1230)

There was a multitude of comment made following the budget like: "Canadians still show a high support for the federal Liberals even after a budget that tightened restrictions on unemployment insurance and closed military bases across the country". Before February 28 the following comment was made: "Nearly six in ten adult Canadians surveyed by the pollster Angus Reid last Tuesday through Thursday said they preferred the Liberals, a 17 point increase over the party's share of the vote in the October election". Imagine that.

This is the period for questions or comments and those are my comments. Even in Atlantic Canada where the budget cut the deepest, as the member pointed out, Liberals have the support of 65 per cent of decided respondents. That is quite amazing. We just do not know where the member is coming from.

[*Translation*]

Mr. Plamondon: Mr. Speaker, after this budget, I would worry about the next opinion polls. If they want to talk about the fact that I was a Conservative, we will talk about it. And I may remind you that the hon. member in the Chair today, who is a member of your party, was a member of the Conservative Party when I was. However, he had the guts to leave. He was just a backbencher, but when the GST came out, with some of its applications, he crossed the floor.

I may remind you that when I was a Conservative, I voted against my government on a number of occasions. I voted against Bill C–22, which went against the interests of Quebec farmers. I walked the picket line with postal workers when my government wanted to pass legislation against the postal workers and letter carriers. I often voted against my government, and when that government intended to go back on the promises I made to my constituents, I had the guts to cross the floor.

Would you? You just went back on your own promises. Would you have the guts to vote no and cross the floor to say: I will no longer sit with this government? Yes, I was a Conservative. Yes, I am proud I left and had the guts to do it. I wonder if you would.

A government that attacks the unemployed the way you are doing, with $4 billion in cutbacks, including $1 billion at the expense of the unemployed—not cheaters but *bona fide* unemployed workers, as I said earlier—is hypocritically passing the buck to the provinces. Shortening the unemployment period by several weeks will put people who are no longer eligible for unemployment insurance benefits on welfare and will cost Quebec $280 million annually. In the rest of Canada, this will cost about $600 million.

This comes after the government made a formal commitment to conduct full public consultations on social services before making a decision. And yet, the strategy of the ministers of finance seems to be to proceed regardless. In concluding, as I believe my time has expired, I would say that giving this minister of finance responsibility for the finances of Quebec and Canada is worse than letting Dracula run the Red Cross Blood Bank.

[*English*]

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, I welcome the opportunity to speak today on Bill C–14, an act to provide borrowing authority for the government for the upcoming fiscal year.

The borrowing authority is based on the financial requirements set out in the budget delivered by the Minister of Finance last Tuesday. The critics have been unfair and often contradictory in their assessment of the bill. Criticism is easy. Hard work and tough choices are not.

The budget presented Canadians both with a vision and a balanced approach to deal with our financial problems. This balanced approach of deficit reduction, economic renewal and social reforms contains all elements of the government's top priorities: jobs and growth.

I would like to discuss deficit reduction. During prebudget consultations Canadians told the government that the deficit should be reduced by cuts to spending, not by increasing or introducing new taxes. There are no new taxes in the budget. Clearly the budget signals the end to tax and spend government.

• (1235)

Over the next three years more than $3 billion will be cut in government operational spendings over and above the cuts of the 1993 budget. The salary freeze for public servants will be extended for two years and applies to all politicians. Budgets for ministers' offices have been reduced by $13 million annually. There will also be a review of every government appointed agency, board and commission.

There have been cuts to all areas but defence has received some of the most intense scrutiny and criticism. There are those who have tried to turn these closures into a regional or a language issue or use them to support their own agenda. This is truly unfortunate. We all have to share the pain. In my riding the closing of the Angus depot will have implications for future rail service to the area and for the local economy. Everyone is calling for spending cuts as long as they do not affect them. We must all share in the difficult decisions.

The budget has employed other measures to reduce the deficit. Subsidies to businesses have been cut in excess of $225 million as set out in the red book. Also numerous tax loopholes have been closed which will target incentives better and bring greater fairness to the tax system.

As part of the government's balanced approach focus has been given to economic renewal. The Canada infrastructure works program has received considerable attention. In my riding of Wellington—Grey—Dufferin—Simcoe there are over 30 municipalities including county governments. Critics of the infrastructure program say that the municipal governments cannot afford the program. I find it strange, with all the municipalities in my riding, that none have indicated a plan to take less than full advantage of the opportunity provided to them.

Why should they not? Thirty–three cent dollars are better than any other arrangement they have been able to work out with a senior level government. The infrastructure program is one of the first concrete examples we have seen in many years of a recognition of federal government responsibility to lower tier governments. In many municipalities economic recovery cannot begin without upgrades to the infrastructure. In my riding, for instance, the town of Mount Forest where I live cannot issue any further building permits; no new houses or industries can be constructed without upgrades to the municipality's sanitary

sewer system. The spinoff effects of this program are twofold: first, the construction jobs created by the building of the improved sewer facility and, second, the jobs that will be generated by the subsequent growth that can now take place.

A number of other initiatives will lead the economic growth: a rollback of the unemployment insurance premium rate to the 1993 level for 1995 and 1996, saving businesses $300 million a year that can be reinvested in new jobs; a Canadian technology network to help small businesses gain access to new technologies; making the homeowner's plan permanent; and allowing first time home buyers to use RRSPs to buy homes.

One of the most important initiatives is the improvements being made for access to capital, specifically a Canadian investment fund to provide venture capital for innovative companies, and specific plans to work with banks to establish a code of conduct for small business lending, allowing entrepreneurs a recourse for unfair rejections of their applications.

I wish to turn to the third component of the budget, reforming Canada's social programs. Many of Canada's social programs such as unemployment insurance and welfare were created decades ago and no longer meet today's needs. The primary objective is to ensure the programs are reoriented toward helping Canadians enter the workforce and away from dependency. We have already seen some experiments aimed at revitalizing our social programs taking place in the provinces.

• (1240)

The government will provide $800 million to test innovative reform proposals to help give unemployed Canadians the practical skills they need for real long term jobs. The method the government plans to use to revitalize these programs will be the same as for prebudget consultations: open. The government is making the review process a co–operative one, ensuring input from all provinces and from all stakeholders.

The three components of deficit reduction, economic growth and social reform are the components of the balanced approach taken by the government. The steps introduced are the foundation upon which we can build to ensure jobs and growth in the Canadian economy.

I am under no illusion that despite the initiatives taken by the government we are still faced with certain realities. The bill before the House is indicative of the problems we are facing. The bill contains the basic principles of a borrowing bill: authority to cover financial requirements for the 1994–95 fiscal year and a contingency reserve. In total the government is requesting the authority to borrow a sum of $34.3 billion. This figure is part of the government's realistic approach to deficit reduction. The deficit will be reduced from the current $45.7 billion to $39.7 billion in the 1994–95 year and $32.7 billion the year after that.

The measures in the budget set us on a clear path to achieve our interim deficit target of 3 per cent of the GDP within three years. The budget delivers on many of the promises set out in the red book. It has laid the foundation to deliver on more. I ask members of the House to support the bill.

Mr. John Cannis (Scarborough Centre): Mr. Speaker, I congratulate you on your appointment as Deputy Speaker of the House. The understanding and welcome I have received from you and your staff has made my introduction to the House a pleasant transition, and for this I am truly grateful.

It is with honour and a great deal of humility that I make my maiden speech on such an important issue as the budget, an economic plan for Canada laid before us by the Minister of Finance, a plan that is the culmination of extensive consultations and input from all sectors. That is the main reason I stand to express my support for the budget.

I thank the residents of Scarborough Centre for entrusting me with their vote. I pledge to do my best to represent them and be their voice in Ottawa. They can be assured that the overwhelming mandate of October 25 will not be taken for granted.

One does not arrive here simply by being a candidate. It requires a tremendous amount of hard work and commitment. Please let me use this opportunity to acknowledge and thank all the volunteers who believed in me and worked tirelessly on my behalf during the campaign. They believed in our agenda. They believed in our party. They believed in our program as outlined in the now famous red book "Creating Opportunity". They believed that with its implementation our country would be put back on the road to recovery.

I also acknowledge my predecessor, Pauline Browes, who served Scarborough Centre well during the 33rd and 34th Parliaments.

• (1245)

The United Nations has designated 1994 as the Year of the Family and it is with great pride that I acknowledge my family and thank my wife Mary, my daughter Irene, my sons Paul and Daniel and the rest of my family for the encouragement and the tremendous support they have given me and continue to give.

I would like to pay special tribute to my parents who instilled in me family values, the values of citizenship and hard work and who always urged me to strive for my dreams. My father arrived on these friendly shores as a young man with an innocence and a desire to work hard and diligently to make a good life for his family. I will always remember the story of what he asked for

when looking for work, not how much the job paid but if there was work.

Like many other ridings, Scarborough Centre encompasses people from many different backgrounds and is reflective of the reality of Canada, a reality that has brought people from all around the world and retained the best of their culture and heritage. Added to the Canadian experience, it strengthens and enriches us as a nation and makes us all proud to say that we are Canadian.

The city of Scarborough derived its name from the diary of the wife of Lieutenant–Governor John Graves Simcoe. It was settled by Europeans in the late 1700s. In fact, one of the first homesteads in Scarborough is located in Scarborough Centre and a local collegiate is named for those first settlers, David and Mary Thomson.

Prior to that, the First Nations often settled in Scarborough and there are recorded village settlements dating back to the year 1000 AD. On the edge of my riding is a native burial site uncovered in August 1956 during the building of a housing subdivision. That site has been dated to 1250 AD. The motto of Scarborough is: "The city of the future", and that is what this debate is all about, the future.

This bill has been a source of considerable discussion in Scarborough Centre. My constituents have great hopes for this government and believe that we are the best vehicle if Canada is ever to rediscover that which has made this country great.

A government budget is not just a report on the financial status of a country. It defines the path to achieve change.

The riding of Scarborough Centre has been hard hit during the recession. There are empty store fronts and unoccupied plazas throughout my riding. The people of Scarborough Centre have suffered and are suffering and this budget gives them what we all so desperately need. It shows them the path toward renewal.

To assist job creation the government is prepared to roll back unemployment insurance premiums. Payroll deductions have long been the most punitive burden that small businesses could experience. It removes incentive for job creation and economic growth. The proposed rollback will save businesses $300 million.

I campaigned on family values, on reducing crime and on deficit reduction, but the emphasis was on job creation as a result of economic stimulation. I am very happy because there seems to be a climate of co–operation and understanding in the House, a feeling of wanting to do things right.

We put forward a recovery plan to the people of Canada which they overwhelmingly endorsed. The people know that we intend to keep our promises and commitments to them, but they also know that it will not happen overnight. "Stick to the plan", they have said to me, "show us leadership". I say, through you, Mr. Speaker, to the residents of Scarborough and to the rest of Canada that we have shown leadership and we have kept our promises. We shall make decisions for the benefit of all Canadians.

We cancelled the helicopter deal. We cancelled the Pearson airport deal. We launched the national infrastructure program. We reduced the size of cabinet and cut PMO and ministerial staff. We began the process to replace the most regressive tax this country has ever seen. The GST has hampered economic growth, job creation and is far too complex for small businesses to endure. These are but a few examples.

The government will not put off for tomorrow what it can do today. We have charted a course to prepare our youth, the future of our country. We have charted a course to rebuild and modernize this nation so that we can be competitive and ready for the 21st century. Let us not be shortsighted. Japan, Germany, the U.S. and Ireland are all preparing and investing heavily in infrastructure programs and development.

Let us not repeat the shortsightedness the North American auto industry showed in the past. I have spent the past 20 years of my professional life in the employment industry and I have seen firsthand the devastation of our labour force. I have seen companies turn a cold shoulder to loyal and dedicated employees for the sake of a better bottom line. This cannot continue.

• (1250)

The government has a responsibility toward the improvement of the country and its people. Our country needs us now more than ever before. We need to tell the world that we are one united country. We are dealing with a global economy that changes every day, where trade occurs at the press of a button, where stability swings to instability at the utterance of a single phrase. During these turbulent times we must put Canada's interests first. We must show commitment and co–operation.

I stated earlier that the world is watching us very closely and that we must not allow other countries to determine our national agenda. There is a tradition in our family that family differences are resolved and stay within the family.

In conclusion, allow me to emphasize that the task at hand is to rebuild our country. We must make it once again a beacon of hope to its people and to the world. No one should undermine its stability. If anything we must show the world that we are and intend to be one united country.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to begin by congratulating my colleague from Scarborough Centre on his maiden address to the Parliament of Canada. I know that the words he delivered to Canadians today are not only words with this

member but they mirror the action that he has taken not only during the last four months as a member but also in his previous role in the community.

I have a very specific question I would like to put to the member for Scarborough Centre and it has to do with an issue on which he campaigned vigorously during the last election. It concerns access to capital for small business.

I would like the member to elaborate to the House and to the rest of Canada about some of the discussions I know he has had with me and others in our party about that particular frustration and what he recommends we can do to help rectify the problem.

Mr. Cannis: Mr. Speaker, I thank the hon. member for the excellent question.

As a small businessman I must say that one of the stumbling blocks any small or medium sized business has today and has had for quite some time is access to capital, access to the right doors.

In our discussions over the past several months, in meeting with the various representatives from the financial institutions, the government is not just talk and no action. We have brought these people down. We have specifically expressed the concerns we have heard from the extensive consultations that have taken place in our ridings.

I spoke with Mr. George Gigis not too long ago. He sent me a letter indicating how he wants to expand but he needs the help of a financial institution. The government has taken a proactive approach to not just asking these institutions to co–operate. We have said to these institutions, no more talking. We want results. They are opening up the process. Male and female, they will have equal opportunities to access to capital so they can invest in modernizing and retooling and hiring staff. In this way they can expand their business, increase trade as trade pacts throughout the world are expanding and we can have our fair share.

I am confident that these institutions are now starting to turn around. We have seen the signs. They have said directly and indirectly they are prepared to co–operate. They are prepared to lower their demands on loans and so far I am quite pleased that we are on track to help the small and medium sized businesses and with the payroll deductions as well to help them expand.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I too extend my congratulations to the hon. member on his maiden speech. It is a very special moment in your political life when you stand before your colleagues and express yourself in that way. I do acknowledge that and I congratulate the hon. member.

• (1255)

I would like to give a slight preamble to my question. The member presented a fairly brisk overview of the initiatives in the budget. My assessment shows 18 new programs and 15 program reviews will be undertaken by the Liberal government. This is going to lead to pressure to increase spending.

It is incredulous to me that a realistic approach to deficit reduction is to borrow more money. I do not understand that kind of financial management. That is not how I manage at home.

I acknowledge all the consultation but consultation is not analysis. Therefore my question to the member is this. What analysis, if any, of the impact of the budget on sustainable job creation has been undertaken by the government?

Mr. Cannis: Mr. Speaker, I am puzzled. They indicated we have not cut enough. Last week one member from the Reform Party bombarded this side stating that we did not do enough. The critic for defence got up and congratulated the government on how it cut so deeply but that it did too much. I am really confused.

I have a simple philosophy: we must invest a dollar to make a dollar. The government has not increased taxes and this is the good news I bring to Scarborough Centre. We have taken from other sources to invest in our economy. We know there have been no tax increases. It is spelled out in the budget. We have taken resources from other areas to invest in programs.

For example, the infrastructure program is one that all the municipalities have embraced warmly. We know that the jobs are coming but it just does not happen in 100 days. This program is a two–tier program as well. Therefore a phase of it will unfold as each day goes by.

The Deputy Speaker: Time has expired. Perhaps the member would indicate, when he starts, if he is going to share his time with the member for North Vancouver.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, yes it is the intention of the Reform Party to share time during this debate.

Given the financial situation facing our country today, it is not appropriate for anyone in the House to use the debt crisis for partisan political purposes. We should really be taking a much more bipartisan view of this whole thing and saying that if we were being attacked by a third party, what we would we do as a nation. How would we respond if, rather than the incredible debt we have facing us, it was a third country. What would we do? Would we run off into our separate little factions and think that we each have the best idea? Or would we come together and say that we have a genuine problem here, folks? How would we go

about solving it? That is the approach Parliament has to take. That is the vision many Canadians have of the 35th Parliament.

If we are going to cut into corners of partisan bickering over questions which impact the country, whether we are members of a federalist group or members who have the intention of taking Quebec out of Canada, we have a common problem. If we approach this problem from the perspective of not in my backyard, the nimby process, we will never achieve it.

If I see a disappointment in this Parliament, it is that the representatives of the Bloc never seem to look at Canada as a whole. Whether it likes it or not, it is part of Canada. The Bloc and Quebec are part of Canada today. If that changes in the future, which I hope it does not, we will deal with it in the future.

However today we have a common problem, the incredible debt we have facing us as a nation. We cannot look at every line and say we were not treated fairly and moan and bitch and cry about it. We have to look at the nation's problems as a whole.

The government did two things right in the budget presented the other day. The first is the defence cuts. This was a difficult project for the Liberals as many of the cuts were in Liberal country. They are cuts which should have been made long ago and are now finally being done. All parts of the country suffered from the defence cuts, including Quebec but to a lesser degree than other parts.

• (1300)

Another good move in the budget was the planned cuts to UI payroll taxes. It might have been a far better move not to put the tax on payrolls in the first place. In any event, the government has seen the folly of increasing payroll taxes which is really a tax on jobs and does nothing to create employment.

There is no doubt our country is at risk because of our chronic overspending. I am sure everyone in this House agrees our generation is living beyond its means. It has been doing so for the last 20 years and is doing so at the expense of future generations. What can we do about it? We can deal with the problem as it is and not as we would wish it to be. We have to be honest about it.

In this budget the Minister of Finance talked about removing $5 of spending for every $1 of increased revenue. When you front end load spending so that it is not recurring spending and then say it is being taken out of the budget thus reducing spending, that really is a smoke and mirrors trick. All that does is feed the already existing cynicism in Canada toward all government institutions. We have to be honest about things and deal with them as they are. Unfortunately, the quicksand of wishful thinking is the reason we find ourselves in this mess in the first place.

As I mentioned earlier we have endured about 20 years of chronic overspending by governments of all stripes in this House and in every House across the nation. This House, this government and this budget are no different from us personally, from most businesses and most other governments when revenue is chronically overestimated and expenditures are chronically underestimated. That is the Achilles' heel of this budget and the one parliamentarians should be most concerned about.

This budget calls for an increase in revenues of approximately 15 per cent over the next two years. This comes after a decline in revenues of 5.6 per cent this year over last. At the same time the budget calls for an increase in expenditures of about .3 per cent. It is going to be particularly difficult to restrain the growth in spending, particularly if there is any negative change in the cost of money. If interest rates go up there is nothing the government can do about it and it will cost a fortune and will blow everything out of the water.

I fear that we have déjà vu all over again. Sooner or later we are going to have to deal with the problem of chronic overspending. We are going to have to deal with the problems as they are and not as we would wish them to be.

To be fair, this government has done a much better job than the previous government did in being realistic. However the government should carefully consider suggestions coming from this side of the House and the government side to actually start reducing and cutting programs.

Put sunset clauses into programs. Rather than talking about reducing the increase in the amount of planned spending and calling that a reduction in spending, actually look at last year's bottom line and say that less will be spent next year. Maybe we should consider some sort of zero based budgeting so that all departments have to justify what they are doing every year, just like a business would have to do it.

We must live within our means. Canadians must make the distinction between their wants and needs. We can afford our needs but we cannot afford everything we want.

• (1305)

As an example the International Centre for Human Rights, commonly known as the Broadbent centre, has sucked up millions of dollars since its inception around five years ago. What value has that centre given or brought to Canadians that could not have been done by another already existing department, other than providing Mr. Broadbent with something to do?

At the same time we have frozen the salaries of civil servants regardless of their income. Not all civil servants live like kings. Gilles Éthier is the maintenance worker who looks after my office in the West Block. I asked him what he thought of this

salary freeze. I asked him if I could raise this and talk about it in the House today.

Here is a real live person whom we see every day around this House. He makes about $24,000 a year. Ladies and gentlemen in Edmonton, with the expense of living in Ottawa $24,000 a year is not a whole lot of money. His salary has been frozen for two years and will now be frozen for another two years. How is it that we have $22 million or thereabouts to spend on the Ed Broadbent centre and at the same time we freeze the income of people at the bottom end of the income scale?

If Mr. Broadbent were standing right here in my shoes today speaking to this issue he would probably ask the same question. In all those years as the leader of the New Democratic Party did he not champion the little guy? How is it now that the little guy finds himself paying the salary of the big guy? No wonder so many Canadians are wondering who is in charge and what end is up. We need to do a line by line review of the actual spending in all departments and ask: Is or is this not necessary? If it is not necessary we must cut it.

How is it that Canadians in a lower income bracket whether through unemployment insurance premiums or whatever end up subsidizing people who earn dramatically more? I am talking about seasonal workers who might make $50,000 in a season but get unemployment insurance for four or five months of the year, while someone working for $18,000 or $23,000 annually pays unemployment insurance all year long and ends up subsidizing the person making twice as much. These are the things our Parliament has to look into so that we end up having equity and fairness. Then people will not feel as if they are being ripped off by the system.

It is time our government set goals and priorities for what we can afford and what we want. There must be more in it for people as individuals to contribute to society rather than to take from it. We should use this as a bottom line as the foundation of everything we do when we talk about income support and that sort of thing. We must become a people who think in terms of our responsibility to our country rather than our entitlements from the country.

Finally for the sake of our children, let us be the Parliament that finally takes responsibility for our spending and finally gets the country on the right track. If this government fails in its responsibility to Canadians to be stewards of the nation, then it will surely reap the same bitter harvest that befell the previous government which also had a mandate to deal with the problem, but neither had the vision nor the guts to do the job.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I share the hon. member's view that all of us in this House of Commons have a collective responsibility to address the nation's debt. I do not think we could find a member of Parliament who would disagree with that objective.

I would like to illustrate for the hon. member where we disagree on how to reduce that debt. The Reform Party has said day after day in this House of Commons that we have not made enough cuts in the current fiscal framework of this nation. There may be some areas where we could have made some more cuts but I would like to illustrate an example of where I think we have cut too much.

• (1310)

It is in the tourism sector. Tourism is this country's largest employer. It is a $28 billion industry. The national and international marketing budget for Tourism Canada is only $15 million. I personally think if we invested a couple of hundred million dollars and encouraged people to come here that would be a way of creating jobs.

Mr. McClelland: Mr. Speaker, I am sure that as a nation we spend a whole lot more than $15 million for tourism. Perhaps we should be looking at how we go about spending the collective money. All the provinces have separate tourism budgets. The federal government has a separate tourism budget. Air Canada and Canadian have separate budgets to try to get people to use their airlines to come to Canada.

The hon. member may have a point. If we get a better return on our investment by getting people to come to Canada, then that is certainly where we should be spending our money and perhaps we should not be spending our money supporting a business that would not be in business if the government was not supporting it financially. It is a matter of setting priorities, of where we can get the best bang for our buck and then sticking to it.

Perhaps we should be spending more money encouraging people to vacation in Canada going from one end of the country to the other so we can keep some of that money in Canada. Perhaps if our hon. friends from the Bloc spent more time in the rest of Canada and we spent more time in Quebec we would not have this problem in communicating with one another.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I have a comment and a question for the hon. member concerning an observation he made at the start of his speech.

He stated that the deficit and the debt crisis must transcend partisan political purposes and I agree with him. He subsequently said that we must not fall victim to the "not–in–my–backyard" syndrome and that we must avoid saying that we do not want to be singled out for these types of cuts.

I have an example for him. Consider a family with four children that is having financial problems and has decided to get a handle on its finances. Suppose that each child is involved in several recreational activities, but that one child participates in fewer activities than his siblings. Obviously, if his or her activities were cut to the same extent as those of the other children, he or she would react. The principle that I am trying to

illustrate is that of fairness or equity. In addressing the deficit and debt problems, the government must ensure that fairness and justice for all prevail. That is why from time to time, one must react to certain cuts.

I am referring to cuts in the military field. This explains a little why people often react somewhat more forcefully. Does the hon. member not feel that the notion of equity and justice must be central to the issue of getting a handle on the deficit, regardless of whether the objective is to raise revenues or cut expenditures.

[*English*]

Mr. McClelland: Yes, Mr. Speaker, obviously equity has to be the foundation upon which all these cuts are made. Not only should equity be the foundation but it should be leadership by example and leadership from this House. The reason I have volunteered to take a 10 per cent reduction in salary is to show leadership by example.

The hon. member talks about children in the home and all children realizing the same impact of the cuts. We should first of all take into consideration that perhaps some of the children have gone their own way and are in a better position or are more financially able and capable of taking cuts than the others.

When we look at equity we have to look at the bottom line. Individuals and provinces in Canada that have the resources and the wherewithal to pay it are going to have to pay it. That is the bottom line.

• (1315)

Let me use the French military college in St. Jean as an example. There has been much said in Quebec about the closing of this college and it being a slap in the face to Quebec. The military college in Victoria closed as well. We cannot afford, on a reduced military as suggested by the Bloc, everything we want. I think this an area in which we are going to have to do with less. We must accept this.

Mr. Ted White (North Vancouver): Mr. Speaker, in speaking to Bill C–14, the borrowing authority act, it is important to look back and review the budget that was presented to this House on February 22 by the hon. Minister of Finance.

On February 23 a Vancouver television station, UTV, conducted a poll of 3,000 people in the Vancouver area asking whether the budget was too tough, not tough enough or just right. The results of that poll indicated that 65 per cent of the people felt the budget was not tough enough, while only 17 per cent felt it was too tough.

Clearly the people wanted the government to act. They wanted the government to act decisively and make meaningful and substantial cuts.

During the budget presentation, the hon. minister stated that it was the fifth time he had risen in this House to speak on a budget and it was the first time there had been anyone in the House when he spoke.

A constituent of North Vancouver called me to say that based on what he heard on the fifth occasion he was not surprised that there was nobody here on the other four. He said the minister was fortunate to have a captive audience to clap like trained seals for a budget that was badly flawed. I agree with the caller. There are terrible flaws in the budget that will have to be recognized by the members of the government as time proceeds.

The plain fact is that today we are debating a bill that plans to borrow up to $37 billion only because the Minister of Finance failed to do his job properly on February 22.

Before the government members become too depressed, I feel I should in all fairness do as my colleague did and mention that there were some good proposals in the budget. I agree with my colleague that the decision to freeze government salaries has some major inequities and it is a shame that there were not provisions put in there to deal with those.

However, the overall impact is beneficial to small business because an extensive survey taken recently by the Canadian Federation of Independent Business showed that on average most salaries in the government sector are still above those for similar positions in the private sector. By having this freeze for the next two years it will take pressure off of the small business sector to have to increase its own salaries.

Many workers in the private sector have taken wage rollbacks over the past few years as their businesses struggle with the tax burden and increasing costs. I think it is entirely appropriate that the government sector be seen to take some of the load while the economy recovers.

Moving to another item that came up in the budget, in my speech to this House on January 24 I commented on the government's red book proposal to establish a Canada investment fund. I suggested that permitting RRSP investment into some sort of mutual fund that invested in venture capital would be a good way to create finance for small business without involving taxpayers' money.

However, I also suggested that if the government went ahead with the fund anyway, which it has now done, it should at least put private sector management in place to look after that fund rather than make patronage appointments.

Who knows whether others were also urging the same thing of the member, but maybe the Minister of Finance was watching my speech that day. If he was and the suggestion of a private sector management fund appealed to him I congratulate him for including it in his budget.

I hope that the privately managed venture capital fund will be required to return a profit to the public purse while it helps new and innovative businesses get established.

In terms of the ongoing viability of small business, I was also pleased to note that the capital gains exemption for the sale of small business shares was retained. I would like to quote from a recent issue of the *Times* of London in which former Chancellor of the Exchequer, Norman Lament, writes: "To grow, businesses and individuals need to plough back their profits, but capital gains tax and other business taxes work against this. They encourage proprietors to drain their businesses of cash. This has weakened small businesses and has made it difficult for many of them to survive the recession".

• (1320)

Small business owners who provide most of the jobs in this country were encouraged to see that their investments in their businesses were protected.

Unfortunately just as the government members are starting to feel all warm and fuzzy about this budget I have to go back to talking about the appalling bill that is before us which asks for authorization for up to $37 billion more to be spent.

Did any member of this government ask their children and grandchildren whether they wanted us to borrow another $37 billion? How will the government members explain to their children and grandchildren that they sat here on a Monday in February 1994 and supported a mortgage on the future of the next generation? How will they explain the higher taxes and the reduction in government services or even a possibility of a debt crisis in the future as a result of this borrowing?

Some of the government members are pretty decent people. I even like a few of them, despite their permanent mind block against deficit reduction. Surely they cannot in good conscience support this bill knowing that it condemns their children and their grandchildren to a lifetime of debt and interest payments.

I am going to refer to a letter in the *Financial Post* of February 16, 1994. The writer says: "A *Post* article of February 1 quotes Jean Chrétien as stating Canada's deficit is not out of line with international deficit levels and that his government will take a gradual approach to cutting it. What on earth does it take to make these people realize we have no God given right to live beyond our means on other people's money? Every businessman or businesswoman in this country knows very well that we would have been bankrupt years ago if we all handled our personal affairs as the previous Liberal and Tory governments have done for over 25 years. Millions of Canadians are fed up to the eyeballs with politicians blaming past politicians who blamed politicians before them".

It is very disappointing to note that while they sit here blaming the politicians before them, government members opposite will vote in favour of a budget which does nothing to right the wrongs of the past.

They will vote in the hope that personal income tax which plunged by $6 billion last year will miraculously bound by $7 billion this year.

As I sat listening to the budget presentation I had a feeling of great sadness for I have already seen another country follow this same pathway. I have seen the denial and I have seen the failure to act and I have seen what happens when the bills finally have to be paid.

On the afternoon of February 22 I felt a little bit of anger and I felt a little bit of despair but the overwhelming feeling was sadness.

I know that many of the government members do not feel the same sense of urgency about the deficit that I feel and if I could just have one wish it would be somehow to transfer my experiences from New Zealand so that collectively we could start down a pathway to recovery instead of continuing down the slippery slope of disaster.

It would be a miracle if government members would vote down this borrowing bill but I truly wish they would.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I listened carefully to my hon. friend and I listened to my hon. friend's colleague, the previous speaker.

I would normally go to some length to defend the institution that Broadbent heads up at a time of globalization and the need to have guidance for many countries now seeking the democratic tradition, particularly the former Soviet Union. If Canada could play a leading role in bringing democracy to those jurisdictions I think it would certainly not only be in their best interests and our best interests but indeed the world's.

I think it would be very much a role for Canada to play.

Earlier one of the member's colleagues indicated a concern in terms of the freeze on public employees' salaries and wages and the suggestion that people making in the mid–$20,000, $24,000, actually had a wage increase while others had them frozen.

• (1325)

I am simply seeking clarification in terms of the position of the Reform Party. Are its members suggesting that certain public employees, I guess maybe 200,000 or something of that nature, ought to have received a salary and wage increase and others either a freeze or perhaps even a decrease?

Mr. White (North Vancouver): Mr. Speaker, the Reform Party is always interested in addressing inequities or problems. I think what we wanted to point out here is that in any situation where you freeze a situation you also freeze inequities or unfairness. If you extend that freeze further without addressing the problems that your freeze created I think that is something we should all oppose.

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, it was with interest that I listened to the hon. member speak about the blaming of previous governments for our woes. I simply wish to remind the hon. member that is exactly the position we have not taken.

We have taken the position that we will not blame anyone because we came in and we simply have a problem to deal with.

My question for the hon. member is with respect to the cuts that are being suggested. It is very vague as to what cuts should take place. Can the hon. member perhaps enlighten us as to the specific areas where cuts will be made? In particular, is one of these areas transfer payments to provinces?

Mr. White (North Vancouver): Mr. Speaker, I am pleased to see that the hon. member has agreed that the government should take the blame for whatever happens as a result of this budget.

By 1995 our debt is going to be 75 per cent of our gross national product. That is a little like billing $22,500 to a credit card when one only earns $30,000 a year. Sooner or later one is in deep trouble.

The Reform Party has a very comprehensive plan, an alternative budget. The Chair will not give me the two hours I would like to be able to give my own budget speech, but I invite the member to come across to our side and see all the details on the way we would cut.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I want to begin my first formal speech of this 35th Parliament with a message to the constituents of my home town of Hamilton who put their trust in me to represent their views and concerns here in the highest court of the land. I thank them. I consider it a privilege and an honour to serve.

To you, Mr. Speaker, I extend my congratulations and to the man we call Gibby. People in the Golden Horseshoe are very proud of him because we know him to be a man of patience and kindness. I pledge my full co–operation and support.

On the bill that is before us, Bill C–14, the task of keeping Canada's fiscal house in order should have nothing to do with merely preparing oneself for re–election. On the contrary, the fiscal responsibilities facing our government today require us to have the courage to make prudent decisions that are in the long term social and economic interest of our nation. In doing so, as stated by the right hon. Prime Minister, government should be lean but not mean.

After conducting the most exhaustive and open pre–budget consultation in Canadian history the federal government has managed to substantiate its commitment to job creation and economic renewal while reversing the trend of tax and spend economics that has gripped Canada's economy.

During the past nine years of careless government spending under the previous administration Canadians have watched the public debt balloon from $168 billion in 1984 to over $460 billion in 1993. This represents an increase of almost $300 billion or an average of about $30 billion per year.

To give everyone an idea of how enormous that figure is, picture the public debt as a hole in the ground. A $1 coin is a mere two millimetres thick. Two millimetres is rather thin in comparison with the thickness of the earth, for example, which is 6,411 kilometres from the surface to the centre.

However, if the previous finance minister were to dig a mere two millimetres into the ground every time the deficit increased by $1 he would have reached the centre of the earth after his first month in office. If the former finance minister continued digging at that rate until 1993, he would have tunnelled right through the centre of the earth, would have penetrated the opposite surface and would have continued flailing hopelessly in outer space for another 587,178 kilometres. Of course the space odyssey would have been cut short by the October 25 general election.

• (1330)

The government has an obligation to ensure that both the public debt and deficit are kept under control. We can no longer continue to mortgage the nation's future and the future of our children.

By restructuring and streamlining various government operations we will be able to reverse the growth trend of Canada's spiralling deficit and reduce it from $45 billion in 1994 to $32.7 billion in 1996.

In the process of reducing the debt the Minister of Finance has taken some serious measures by cutting government expenditures by $5 for every $1 of net revenue increases. That is worth repeating. Through reductions in defence spending, reductions in government handouts and the creation of a responsible social security system, we will achieve our goal of $2.1 billion in spending cuts by 1995, $5.4 billion in 1996 and $7.3 billion in 1997.

Although these are bold measures they appear to be supported by the majority of Canadians. I raised this issue in the House a little earlier. The following appeared in the Ottawa *Citizen* of February 18, 1994:

Canadians show a high support for the federal Liberals even after a budget that tightened restrictions on unemployment insurance and closed military bases across this country.

The *Gazette* of February 26, 1994 indicated: "The Angus Reid–Southam News survey says that 55 per cent of respondents nationally believe the Liberals are on the right track with the February 22 budget".

How about the Canadian Medical Association news release or communique? It indicated: "Budget provides health care stability, says doctors. Canada's doctors are pleased with Finance Minister Paul Martin's decision not to make any changes to existing federal government health transfers to the provinces". It is so much good news I am not sure members opposite can stand it.

As part of our commitment to deficit reduction we have gone so far as to freeze our own wages for the next two years. The extended public sector service salary freeze announced by the Minister of Finance on February 22 also applies to the Prime Minister, all cabinet ministers, every senator, my 294 fellow MPs in the House, as well as all appointed federal officials and employees of various crown corporations. Clearly the government is putting its money where its mouth is. As a result we will save over $3.1 billion during the next three years in government operations alone.

What about investing in people and stimulating the Canadian economy? I am proud to say that the budget presented by the Minister of Finance has stayed true to the so–called red book platform on which we were elected.

Under the $6 billion Canada infrastructure works program the federal government, in co–operation with the provincial and municipal governments, will be able to accelerate economic recovery by creating short and long term employment through investment in local communities while enhancing Canada's infrastructure at the local level. Speaking of which, the following appeared in the *Gazette* of February 23, 1994: "Provincial Finance Minister André Bourbeau is giving the federal budget a passing grade because of Ottawa's job creation plan".

Through the infrastructure works program my riding of Hamilton West and the surrounding region of Hamilton—Wentworth will see an investment of over $27 million in federal funding. This will translate into hundreds of new jobs created in the region.

The government is committed not only to job creation but also to education and the training of Canada's youth. Last summer youth unemployment reached a startling 22 per cent for young Canadians between the ages of 15 and 24. Through the Canada youth service corps and youth internship and apprenticeship programs, we will provide thousands of young people across this great country with meaningful work experience through public service in their local communities. Furthermore the budget will provide $800 million over the next two years to test innovative new training techniques in co–operation with the provinces for re–entry workers. This can only strengthen our human resource base in the long run by providing Canadians with valuable skills and retraining. When we said we would invest in jobs and in people we meant it.

• (1335)

It is a well established fact that a key component of a strong national economy is a well educated workforce. In light of this the federal government will be restoring $5 million in funding cut from the national literacy program by the previous administration. We will also maintain regular levels of EPF funding for post–secondary education over the next two years.

As we approach the 21st century it is becoming increasingly apparent that Canada must remain on the cutting edge of science and technology in order to stay competitive in the global economy and to tap into the emerging high–tech growth industries. To this end the government will be investing $60 million in new science and technology programs.

The government has also decided to maintain funding for Canada's research granting councils. The Ottawa *Citizen* of February 25 indicated:

"They (the Liberals) appear to understand the importance of science", said Howard Dickson of the Coalition for Biomedical and Health Research— "Overall it is good news", said Claude Lajeunesse, president of the Association of Universities and Colleges of Canada. "Research has been identified as one area—and there aren't many of them—where the government will put additional money in over the next few years", Lajeunesse said.

In keeping with a fair and balanced approach to fiscal policy the government has shown support not only for science and technology but for the arts as well. The *Globe and Mail* of February 23, 1994 pointed out:

"The government has affirmed the importance of the arts", said Keith Kelly speaking from the Ottawa office of the Canadian Conference of the Arts. "It appears the art community's message has found receptive ears. It is almost too good to be believed. Ottawa seems to have kept its promise to give the CBC stable multi–year financing".

In terms of stimulating the economy one area that is often overlooked is small business. The government believes in small business and recognizes the important role played by small businesses in the national economy in terms of job creation and innovation.

By initiating the creation of a task force to address lending policy for small business the government has proven its willingness to exercise leadership and challenge the banks and other financial institutions to develop concrete ways to help small and medium sized Canadian businesses to find the capital they need.

My time is short. I want to conclude by saying that people across the country told us not to place a new tax on group health and benefit plans and presented us with compelling and well researched reasons to support their arguments. We listened. Canadians advised us that lowering the RRSP contribution would harm those who have insufficient levels of funding for their retirement. We listened. We were told to close off tax

loopholes and try to eliminate frivolous government handouts. We listened.

The people who elected us did so on faith, that we would stay true to the platform, to the agenda we outlined in the so–called red book. It seems only fair that we should be reflective of our commitment to those principles and ultimately to the people of this great country.

In closing I simply point out this is not a budget for a single province, a single region or a single interest group; this is a budget for Canada.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I listened to the hon. member's speech with attention and interest. At the beginning of his speech, he made the following statement:

[*English*]

"The government has been putting its money where its mouth is". With all due respect the government does not have any money. It is in the red. It has only debt.

Am I to understand that the government has been putting the people's money in its mouth? That is a great concern to me.

• (1340)

Furthermore I listened carefully to the hon. member when he said that Mr. Bourbeau gave us a passing grade. I was a teacher and a passing grade is nothing they should be proud of. They should be doing a lot better. That was what I expected from the Liberal government.

[*Translation*]

For years, I have heard budget forecasts claiming that the deficit would be reduced year by year. I remember a Conservative government about ten years ago saying similar things to what we have been hearing for several days. I remember a Conservative government then telling us year after year that the deficit would be reduced within five years. We will be able to judge a year from now if this budget was on target. In a year, we will know if the deficit was indeed kept below $40 billion. I am far from convinced by the rhetoric of our colleagues opposite that we will get there, that they will succeed.

In conclusion, they talked about job creation. The real test will be how many new jobs will be created in a year. I am concerned and I remain concerned and I am waiting to hear what the hon. member has to say.

[*English*]

Mr. Keyes: Mr. Speaker, I thank my hon. colleague opposite for his question. With the deepest of respect, the money we are spending is the money provided to the government by our tax dollars and the tax dollars of our constituents who are sitting at home watching this debate. I get the same money as my hon. colleague opposite gets. There is no difference in the money. It is all coming out of the same pocket, and that is the pocket of Canadians.

He went on to mention the passing grade given to us by provincial finance minister André Bourbeau. I sat in the House for the previous five years. The marks the previous government got on budgets past were so dismal that to come all the way up from negative to a passing grade is a great achievement.

I might go on in the article the member mentioned. On February 23 the quote from Mr. Bourbeau was: "It contains interesting job creation measures". Then he brushed aside criticism from the Parti Quebecois that the budget was short on any new ideas on helping the jobless. That is a pretty good answer to the hon. member's question.

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, I listened with some interest to the hon. member's talk. I have a question for him.

Our country is far in debt. The deficit is running high and the government is asking for trust from the people. How can we trust a government that spends millions topping up their own pension plan while the rest of society suffers?

Mr. Keyes: Mr. Speaker, unless the hon. member has been on holiday for the last hundred days he would know that the party which I am proud to represent and the government of the land are committed to a review of the pension the hon. member is talking about. A majority of us not just on the government side but on all sides of the House of Commons are sitting back and asking exactly how it works and how it compares to other industrialized nations of the world.

Hon. members take great pride in saying: "I cut my pay by 10 per cent". I do not know about that hon. member, but I serve between 70 hours and 80 hours a week for my constituency here and at home. With all the telephone calls and extra hours I put in—and I am taken away from my family, et cetera—I have to tell him that our job function here and the responsibility given to us to serve in the highest court of the land do not compare favourably—it is not even close—to someone in the private sector with that level of responsibility and serving that many hours in Ottawa and in the constituency. There is just no comparison. A 10 per cent cut on a pay that really does not compare is no big deal.

• (1345)

Mr. Hopkins: You give that away and don't brag about it.

Mr. Keyes: Yes, of course. I will not repeat the remark. It was a brilliant remark by my friend from Renfrew—Nipissing—Pembroke.

Mr. George Proud (Hillsborough): Mr. Speaker, it is a privilege to enter into the debate today, after listening to all of the eloquent speeches that have gone before I have had the opportunity to take part in it. By taking part in this debate I am taking part in a process which marks the beginning of a new era.

We were presented with a budget document on February 22 which shows a fundamental change in the attitude toward the future of the country and shows the government means what it says and says what it means. The address was a triumph of reality over rhetoric and it laid out in clear and concise terms the direction the minister and the government wishes to take the country.

As has been said in the last couple of hours that I have been listening, everybody knows the state of our financial affairs. They showed in the October election their belief in us by the majority they gave this party in the House. Now that that issue has been settled for a good many years to come, it is time for a realistic and pragmatic approach to the governance of Canada and a time to turn away from the ruinous economic policies which brought us to the state we are in today.

Canadians told us during last fall's election that the first issue we must address is jobs. The unemployment rate is completely unacceptable. Canadians are a proud, industrious and hard-working people who will not accept a continuing double digit unemployment rate.

The national infrastructure program will create jobs in the short term. The measures announced in the minister's budget will contribute to a more positive environment for businesses to create jobs in the future. The $800 million budgeted for strategic initiatives will test new ways for social programs to help people get back to work and will reduce duplication.

In my own region more emphasis will be placed on training and getting people and communities back to work. In my province of Prince Edward Island, and in my region, one of the greatest problems faced over the past few years has been the uncertainty faced by provincial governments with respect to what they could expect in federal transfer payments.

I know that many people in the House are opposed to the system of transfer payments. Many people believe that they should not happen. However, as one who comes from a part of the country that has been devastated over the last few years with various disasters—the latest in the fishery—transfer payments are a must. Under this budget there will be a period of stability so that provinces can rationally plan for the future.

The sad state of the federal financial scene has significantly contributed to problems being faced by the provinces where, without exception, they too are forced to look at many long term policies and programs with a view to reform.

The Liberal Party has always been at the forefront of reform and this time we are showing that fact has not changed. There have to be changes made to some of our social programs. We know that and we are working on it because they are not working as well as they should be. They are getting older and it is time to change them. In making changes though, the minister has, as always, remembered to protect the weaker and more vulnerable members of our society.

It is no secret that unemployment insurance is an extremely important factor in the economy of my province. The interim changes announced recently are causing a great deal of discussion. I can assure everyone that last week when we were out of the House that the topic was brought to my office and to my house, through phones calls and by personal contact on many occasions.

• (1350)

The changes will better protect low income earners and will strengthen the link between work history and unemployment insurance. They will continue to provide assistance to regions such as mine of high unemployment, but they do foresee the day when we must become less dependent on unemployment insurance and other government programs.

I firmly believe that the residents of my province would gladly forgo the benefits afforded them by UI if there were more opportunities for them to work. Our unemployment rate approaches 20 per cent during some seasons and this is indicative of the challenge facing each of us. It is also facing the minister.

No one thought unemployment insurance would become a guaranteed annual income and very few people thought the unemployment rate would be as high as it is today. Nobody ever thought that. That was never planned for, certainly by the people who are drawing unemployment insurance.

Another major problem in my region has been the total collapse, as I have mentioned, of the groundfishery. Close to 50,000 people are potentially affected by this disaster and new, innovative solutions must be found to the problem. The government must, in consultation with the Atlantic provinces, find a solution based on sustainable development and restoration of the environment. I hope Canadians realize the magnitude of the problem and how vitally important it is that long term solutions be found.

The other issue of great importance in Atlantic Canada has been the closure of some military bases. The adjustment assistance promised will help the affected communities set up redevelopment plans and fund alternative economic activities. The closure of a base is a traumatic event for a community, but it does open a window of opportunity for the community to get involved in economic activity which will grow and develop in the years to come.

As we all know, this was only the first step in the process of rebuilding the economy. There will no doubt be changes in our social programs over the next few years, but they will be changes which will come about as a result of careful and compassionate planning. Those people who most need the facilities and services to be provided will be treated even better in the future than they have been in the past because the government cares and will see that all Canadians regardless of where they reside receive equal services.

The challenges faced by the minister are huge. The economy of Canada and indeed much of the world is going through a very difficult period. News reports this morning said that world–wide unemployment is at its highest rate since the 1930s and it is the most pressing problem facing the G–7 nations.

I feel we are most fortunate to have a Minister of Finance and a government prepared to squarely face the problems and dedicate themselves to finding solutions. As I said at the beginning of my remarks, Canada is entering a new era with the presentation of this budget. It is not an era which will be easy. It is one which will see the country grow and develop and finally reach the full potential for which we have been striving.

No one expects the answers to our problems to be found easily. No one expects to have a free ride. Canadians have always been ready to put their shoulders to the wheel and get the job done. The challenges facing us are many. The first step has been taken. Under the guidance of the Minister of Finance, the other ministers and our leader we will move along very quickly.

I support this borrowing bill. I thank you, Sir, for allowing me these moments to put forward my case.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I congratulate the hon. member opposite for his presentation this afternoon. I have a question and would appreciate his comments. The budget presented by the Minister of Finance indicated there was a $5 reduction in spending for every dollar increase in revenue.

• (1355)

Would the hon. member care to comment on the fact it would appear that much of the $5 decrease in spending is merely a reduction of spending anticipated by the former Tory government and not a reduction in actual spending.

Mr. Proud: Mr. Speaker, when the Minister of Finance put forward his budget, as has been said here many times today, it was put forward after many consultations with the people of the country.

The program we put forward in the fall that everybody refers to as our famous red book said that we would be fiscally responsible. We have said that the formula just alluded to would be one we were going to live with. I believe the minister is doing this. He has laid down his plan and it is not a program adopted by the former government. This is a Liberal program which will lead the country—it is not going to be easy at first—back to the time when unemployment was down. We will see government spending decrease and we will see less government. We will also see an economy that is much more healthy than in the last decade or more.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I would like to make a comment followed by a question.

During the election campaign, we heard at every turn that job creation would be the number–one priority of a Liberal government. Now that we have a Liberal government, this should be reflected in the budget. Furthermore, the Liberals have often spoken of the infrastructure program announced since the election as the key element of their job creation plans.

My question to the hon. member is this: How does he explain the fact that, despite this much–praised program, the unemployment rate forecast for next year will only go down by one tenth of 1 per cent. The rate will be reduced from 11.8 per cent to 11.7 per cent, if I am not mistaken. In any case, it will only go down by one tenth of 1 per cent, with an infrastructure program in which a lot of money will be invested. Why did we not get something else to raise the employment level after being told "jobs, jobs, jobs" during the election campaign? Is he satisfied with the unemployment rate going down by only one tenth of 1 per cent, and how does he explain this in the Liberal government's budget?

[*English*]

Mr. Proud: Mr. Speaker, I want to thank the hon. member for his comments and his questions.

No one feels great about an unemployment rate in the double digits. I said that during my remarks. The member says it is only going to go down by a certain percentage point. It is better to have it going down than what was going on in the last number of years when it continually rose.

The government has come forward with an infrastructure program which we predict will create as many as 65,000 jobs. Along with that the Liberal government is committed to working with the private sector, the banking industry, to make sure that capital is there for small business to do the things they have been

trying to do for a number of years. If the hon. member has not already had them calling at his door, he will have the small business people coming to his door looking to get funding made available to them. They are not asking for it for nothing. They are willing to pay the going rate, but they are asking to have capital loosened up so they can get working capital and put people back to work.

This is the jobs, jobs, jobs creation we talked about during the 1993 election. This is what is going to happen. The infrastructure program is a short term program. The small business sector is the one that is going to pick it up and really bring the jobs into creation.

[*Translation*]

The Speaker: The hon. member for Charlesbourg has the floor for a few minutes; he will be allowed to resume his speech after question period.

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, I would have preferred to make my speech uninterrupted. But if I must, because of the schedule, I will start now.

• (1400)

I listened to the hon. members speaking on the budget this morning, but I will address only budget cuts in defence spending, the only area where cuts were visible in this budget.

First of all, I would like to congratulate the Minister of Defence for standing bravely by the cuts made in the defence budget. He even took offence with some questions other members of the Bloc and myself have asked him. I must however point out to the hon. Minister of Defence that, unfortunately, he thinks he has the monopoly of consistency with regard to the role the Bloc Quebecois members have given themselves. He said: "I seldom get angry, but when I hear this kind of partisan remarks, I cannot help but react. When they speak like that, they—he is referring to us, the Bloc Quebecois—have only one thing in mind, and that is to destroy our country. We refuse to have anything to do with their game".

I am generally considered in my riding as a moderate, not a fanatic sovereigntist, or separatist as the Prime Minister prefers to call us, one who tries to base his analyses on facts and figures. I quoted the Minister of Defence because he has decided to get involved, in conjunction with members of the Bloc Quebecois—

I will continue later, Mr. Speaker.

The Speaker: It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

VISION AWARENESS WEEK

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, March 6 to 12 is Vision Awareness Week in Canada. Its theme, "Good Vision and Literacy: There is a Clear Connection", is timely. Canada faces a staggering 25 per cent rate of illiteracy.

One of the major roadblocks standing between citizens and their ability to read is poor vision. Since one in six children has a vision problem and since at least 80 per cent of learning is visual, early detection of vision problems becomes an important part of preventing illiteracy.

Let us work to make certain all of Canada's citizens are literate for this wondrous information age.

With literacy comes access to information, employment and prosperity. If Canada is to realize its vision of a prosperous future it must ensure that in the future its people have good vision.

* * *

[*Translation*]

THE LATE MELINA MERCOURI

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Mr. Speaker, March 6, 1994, will always be a sad day for Greece, as well as for Quebecers and Canadians who value democracy, freedom and justice.

Melina Mercouri died yesterday after spending her life fighting oppression. Convinced of the importance of the influence of Greek culture, she also contributed to the international heritage and that of the French–speaking community.

A feminist with an exceptional destiny, as well as a woman of many talents who had a passion for life and justice, Melina Mercouri was sensitive to the survival of the French language in America.

On behalf of my colleagues, I want to tell Quebecers and Canadians of Greek origin that we share their grief and, like them, are proud of this great woman.

* * *

[*English*]

OFFICIAL OPPOSITION

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, Her Majesty's Official Opposition sits in this House of Commons with a stated objective of separatism for the province of Quebec.

This travesty of our system was heightened in the past week by the visit to Washington of the Leader of the Official Opposi-

tion to further his party's quest for independence, a trip unwittingly supported by the Canadian taxpayer and with the tacit approval of the Government of Canada under the guise of amenities traditionally extended to the Official Opposition.

This government has the obligation legally and morally to represent all Canadians. Quebecers are very much a part of Canada and I am sure they share the deep concern of other Canadians at this unprecedented occurrence.

• (1405)

Canadians are not living in traditional times. I call on the Prime Minister to exercise strong leadership in government and perhaps even withdraw some of the traditional amenities extended to the Official Opposition.

* * *

WOMEN ENTREPRENEURS

Mrs. Sue Barnes (London West): Mr. Speaker, in this International Women's Week I would like to highlight the contributions of women entrepreneurs in Canadian society.

An important priority of this government is the implementation of measures to stimulate small and medium sized businesses which we know have accounted for 85 per cent of new job creation since 1979.

Between 1973 and 1993 the number of self–employed women skyrocketed from 89,000 to 323,000. In 1991 over 30 per cent of the self–employed workforce was made up of women. The success rate of women entrepreneurs is twice that of men.

We have every reason to applaud the women in this land who have taken the plunge into self–employment, thereby providing themselves employment and employment for others. Despite obstacles, many more will join their ranks.

It is important that we have identified the issues and that this government support where it can self–employment for those in Canadian society who take on this challenge and opportunity.

* * *

GOVERNOR GENERAL

Mr. Alex Shepherd (Durham): Mr. Speaker, our Governor General has come under criticism recently. I believe that the people of Canada want and deserve a greater voice in choosing our head of state.

While I realize that the Governor General is the Queen's representative, I also note that the Queen generally accepts the advice of the elected Government of Canada.

In order to heighten the legitimacy of this office, I believe that the time has come for the Governor General to be elected by all the people of Canada. I note that the vast majority of the industrialized countries that are our trading partners elect their heads of states.

Currently our system is one of appointment which I feel has outlived its usefulness.

Electing the head of state would be an excellent opportunity for the people to be involved in our nation's affairs and, at the same time, would make the office directly responsible to all the people of Canada.

* * *

PEACEKEEPING

Mr. Harbance Singh Dhaliwal (Vancouver South): Mr. Speaker, over the past 10 years I have watched the tragic situation in the occupied territories unfold. The situation in this region is both fragile and explosive. The February 25 massacre of Muslims praying in a Mosque in Hebron makes this tenuous peace initiative even more elusive.

Canada has long favoured diplomacy and negotiations to bombs and bullets. Canada has a long and internationally recognized record for its contributions toward the support of human rights and global peace. We have served in a peacekeeping capacity in the Middle East in the past. Our efforts in the Sinai in 1967 and the Golan Heights in 1973 were successful and did serve to alleviate tensions.

I believe that Canadian peacekeepers can again serve an important role in this region protecting human rights and promoting global peace.

I recommend to the hon. minister that Canada explore options which will allow it to contribute to a peaceful means to resolve this conflict and restore peace to the Middle East.

* * *

[*Translation*]

UNIVERSITÉ DU QUÉBEC IN CHICOUTIMI

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, the Université du Québec in Chicoutimi is celebrating its 25 years of existence. In its first year, back in 1969, this university had 857 students, including 521 full–time students, and 336 part–time students. Four university–level institutions were grouped together: the École de commerce, the École de génie, the Centre de formation des maîtres, and the Grand Séminaire de Chicoutimi.

Today, some one hundred different programs, including 15 at the master and doctorate levels, are offered to more than 7,500 students. It is important to have a university in our region.

We want to wish a long life to the Université du Québec in Chicoutimi, which is truly a development tool in our region.

[*English*]

MCDONALD'S RESTAURANTS

Mr. Ted White (North Vancouver): Mr. Speaker, McDonald's Restaurants of Canada has made all 253 of its company operated restaurants, including the three in my riding, smoke free as of today. In addition, approximately half of the 422 restaurants not directly controlled by McDonald's of Canada are also becoming smoke free.

• (1410)

The health consequences of exposure to secondhand smoke are well known and the establishment of smoke free environments in family restaurants is to be congratulated. McDonald's will help tremendously in the move to prevent children from taking up smoking.

Ronald McDonald should be adopted as the mascot for the Canadian Lung Association. I congratulate McDonald's for taking a giant step toward the eventual elimination of smoking in all restaurants in Canada and I ask members of this House to join with me in identifying this day, March 7, 1994, as McDonald's smoke free day in Canada.

* * *

THE LATE JOHN CANDY

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, today we mourn the sudden death of Canada's John Candy, an actor and comedian who entertained us here as well as people around the world.

He is one among us who invested his many talents in the entertainment industry and left an indelible contribution. His legacy includes over 40 feature film credits.

As those of us who knew him will attest, John's brand of humour reflected his roots, his neighbourhood in east Toronto and even the hallways of Neil McNeil High School in Scarborough where I first met him and his brother. He was a powerful example of determination and success to all of us.

Amidst his career success he never stopped being the kind and compassionate person he was, a husband and a father. We extend heartfelt condolences to his wife and family.

The fun and laughter John Candy has created for all of us will forever outweigh the tears we will shed at his passing.

S. O. 31

CANADIAN OLYMPIC HOCKEY TEAM

Mrs. Jean Payne (St. John's West): Mr. Speaker, it is with great pride that I rise today to pay tribute to the Canadian Olympic Hockey Team that made us all proud to be Canadians.

The Canadian hockey team displayed the true meaning of sportsmanship in the final game. Its silver medal performance was outstanding and allowed Canada to finish the Olympics with 13 medals. This was the best Canadian Olympic effort ever.

I would like to offer special congratulations to Dwayne Morris from the riding of St. John's West. Dwayne is the first Newfoundlander ever to win an Olympic medal and his effort in setting up the winning goal in the game against the Czech Republic sent Canada to the medal round.

I extend to Dwayne and to the Olympic hockey team and all Canadian Olympians heartfelt congratulations for making us so proud.

* * *

CANADIAN CENTRE FOR OCCUPATIONAL HEALTH AND SAFETY

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I would like to thank my colleague, the Minister of Human Resources Development, for visiting Hamilton last week and delivering additional funding to the tune of $100,000 for the national inquiry line of the Canadian Centre for Occupational Health and Safety.

This allocation will be used to make up for a shortfall in provincial funds originally committed to the centre. Each year the centre's national inquiry line handles 18,000 to 20,000 calls from employees and businesses seeking general information and research on workplace safety and health issues.

It is estimated that the cost of occupational injuries and illnesses in Canada is over $10.6 billion a year. Clearly we have a fiscal and social responsibility to ensure that the general public has access to information that can prevent injuries and illnesses in the workplace and save lives. Helping sustain the essential services of the Canadian Centre for Occupational Health and Safety in Hamilton is another shining example of this government's red book commitment to quality health services for all Canadians.

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[*Translation*]

COLLÈGE MILITAIRE DE SAINT–JEAN

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, the closing of the Collège militaire royal de Saint–Jean announced by the

government has triggered a growing opposition. The authorities, the military personnel and the students of the college, as well as the Bloc Quebecois members, cannot see the logic of such a decision.

In order to reduce spending, the government decided to close the only French military college in Canada and, which is even worse, it will close a college whose per capita training costs are lower than those of RMC in Kingston, and even Royal Roads in Victoria.

The regional action committee intends to oppose this decision and is sending an invitation to all individuals and groups concerned to participate in a demonstration which will take place in Saint–Jean, next Sunday, March 13, to show their disapproval of this questionable decision, to say the least, made by the government.

* * *

• (1415)

[*English*]

1994 LABATT BRIER

Mr. Bob Mills (Red Deer): Mr. Speaker, it is my pleasure to announce to this House that the 1994 Canadian Brier is currently being held in Red Deer, Alberta. The Brier began on March 5 and will continue until March 13. The people of central Alberta welcome with open arms all those who will attend this Canadian sporting and cultural tradition.

The Brier includes teams from each of the 10 provinces and the two territories. We can thank the 850 volunteers for their hard work in organizing the games, which we are confident will be the best Brier to date. The Brier is being held in the beautiful Red Deer Centrium and the event is entirely sold out. The Brier is definitely a boon to central Alberta. For this I thank the Labatt Brier.

I wish good luck to each and every competitor in the 1994 Labatt Brier.

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[*Translation*]

KINGSTON

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I was surprised at certain comments in the Quebec media on Kingston's francophone minority which, and I quote: "must cope with one of the most difficult situations in this country". That is not true. Although Kingston is an anglophone community, Canada's French fact has always played an important role in the city's history.

Today, Kingston has several entities that embody French culture: two churches, French schools and even Queen's University which offers a number of courses in French. The Royal Military College in Kingston is a vital part of our francophone community, and the residents of Kingston will welcome students from all the provinces in this country.

[*English*]

OFFICIAL LANGUAGES

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, during the last week of our sitting members of the Reform Party made a number of statements with respect to supposedly the government's policy on official bilingualism. That was a code word for French services because there is no such policy. For the record, it is the Official Languages Act.

They talked of costs of course without giving any figures to bring any precision to them. Why would they do that? To suggest obviously that it is an expensive policy, and it is, but that it is so expensive that if it did not exist there probably would not be a deficit or a debt.

That is the kind of new politics being played. Code words to frighten people, to mislead them, to make them believe something that does not exist.

Where is their plan? Where are their precise costs? Until they can bring forward clear, precise alternatives and show Canadians how we can get together, talk to each other, understand each other, they have no credibility.

ORAL QUESTION PERIOD

[*Translation*]

UNEMPLOYMENT

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

In their analysis of the impact of this government's first budget, three economists at the Université du Québec à Montréal stated that the government was asking the unemployed, and I quote: "to make an entirely disproportionate contribution by obliging them to shoulder 60 per cent of the cutbacks announced in the budget". In fact, the benefit rate and benefit period of more than eight unemployed workers has been reduced, which illustrates the extent of this unprecedented attack by the government on the unemployed.

Could the Prime Minister explain why the government, instead of cutting operating expenditures and getting rid of widespread overlap in its administration, has deliberately decided to come down hard on the unemployed?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the Leader of the Opposition left out all the important parts of the budget. First of all, we increased benefits for low–income Canadians and those with dependent children. We reduced unemployment insurance premiums to

create jobs. In fact, we said that as a result of this budget, 40,000 people would get jobs.

When the hon. member was in the Conservative government, he reduced and cut benefits under programs that had been created to fight unemployment. He raised premiums and increased unemployment at the same time. That is the difference. Our objective is to create jobs for Canadians, while when the hon. member was a minister in the Conservative government, the objective was to reduce employment.

• (1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the minister has a selective approach to recent political history. I saw in this House, and I shared, the fervour, intensity and indignation with which he attacked Bill C–113, which took 5 per cent of their unemployment insurance benefits away from the unemployed. We all condemned this legislation and we voted against it. Today, I see the same minister working as part of a cabinet that has launched a wholesale attack against the unemployed.

I want to ask the Prime Minister or his deputy whether the government will admit that without genuine measures to boost employment, the government's decision to reduce the benefits of nearly 85 per cent of the unemployed will have the effect of putting several thousand of these people on welfare?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I plead with the hon. Leader of the Opposition to read the budget carefully.

When he says there are no measures to create employment, I just mentioned a very important one which is by reducing the premiums on unemployment insurance there is a very substantial stimulus, especially for small business. That was the message from small business during the consultations: "You reduce the payroll taxes, we will create jobs".

At the same time we have reallocated expenditures to initiate a major infrastructure program across Canada of $6 billion.

In addition, to make sure we can establish brand new ways of getting people off social assistance, off dependency and back to work, we have added an extra $800 million in the budget to work with the provinces to establish a series of initiatives strategically placed across Canada to help the very people the hon. member says he is concerned about.

That seems to be a very big difference from the actions he took when he was in government which was simply to cut, slash and burn and do nothing to help those who needed help.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I want to ask the Prime Minister whether he realizes that by zeroing in on unemployment insurance, he is putting the burden of the deficit on the shoulders of the provinces, which in the coming year are already faced with spending an additional $1 billion on welfare, which works out to $280 million in Quebec alone.

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I am sure the hon. member will be very happy to know that last week we had a series of meetings with provincial ministers in education and labour.

They have all agreed to become part of a major effort to reform the social security system. We agreed we would begin to tackle the very serious problems of duplication and overlap of services which do create waste.

We are now dealing with the provinces. We believe we can make substantial savings at both the federal and provincial levels to reduce administrative costs and reduce the kind of overlap that creates additional cost. It is not to reduce the money going to individuals, not to reduce the direct delivery of programs, but to reduce the amount that goes to bureaucracy administration. That is the objective of this government.

* * *

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Michel Gauthier (Roberval): Mr. Speaker, the ranks of those opposed to the closing of the military college in Saint–Jean are growing every day: francophone associations throughout Canada, the Commissioner of Official Languages, Mr. Goldbloom, General Jean V. Allard, the college's alumni, and even the Liberal Premier of Quebec, who finally changed his mind and now wants the college in Saint–Jean to remain open.

My question is for the Prime Minister. Is the government willing to use common sense and go back on its decision to close the college in Saint–Jean, to allow French–speaking students who wish to pursue a military career to train as officers in French, in their own environment?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would like to reply to the hon. member that the problem must be put in a real context. Only 16 per cent of French–speaking Canadian military officers are graduates of the college in Saint–Jean.

• (1425)

Many officers who have pursued a career in the Canadian Forces went to other universities. There are flexible programs

allowing them to choose their universities. We will have only one military college in the future. The Canadian Forces will have about 70,000 members and only one military college. The American armed forces have only three colleges for 2 million soldiers.

As we have to make cuts, we decided to close the military college in Saint–Jean. We are sorry but we had to cut somewhere. We made cuts in every province, including Quebec. We told the Quebec government and all the people that, if they wanted to keep the college in Saint–Jean as an institution of higher learning, we were ready to help them, as we help other provinces hit by base closures and, very often, by cuts much more severe per capita than those made in Quebec. We are ready to help but the decision is final. A country with 70,000 soldiers cannot have three military colleges when the American armed forces have three colleges for 2 million soldiers.

Mr. Michel Gauthier (Roberval): Mr. Speaker, now that we know that Kingston is not a region where the Ontario law on francophone areas applies, that a Kingston French–language high school is even housed in portables without running water, and that the Kingston mayor's policy for integrating francophones is to let the English marry the French, does the Prime Minister still have the audacity to say that Kingston is the best possible place to integrate French–speaking communities into the armed forces?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would reply to the hon. member that francophones can now receive their whole training in French at the college in Kingston. This morning, I was looking at the file of a young woman who was able to take in French at the military college in Kingston 38 of her 40 engineering courses.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): As a francophone in Kingston, she functioned so well that, at the end of her course, her fellow students voted to give her the prize awarded to the student who contributes the most to his or her faculty's development.

So, Mr. Speaker, I think there is a way to organize the college in Kingston so that francophone students can be served in French. And, if there is a need to improve the local situation in Kingston, we will try to help, just as we are now trying to help the people who want to keep in Saint–Jean an institution that, unfortunately, can no longer serve the military.

* * *

[*English*]

OFFICIAL OPPOSITION

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Prime Minister.

Many Canadians, including federalists in Quebec, were outraged last week when the Leader of the Opposition made an official visit to Washington and New York to sell Quebec separatism. The purpose of this visit was made very clear by the opposition leader. He went to lay the groundwork for future relations between a separate Quebec and the United States.

Does the Prime Minister not agree that by having the Canadian embassy involved the Canadian government legitimized the purpose of this visit?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the people of Canada voted in one election. They elected a separatist party as the Official Opposition and we are treating it as the Official Opposition.

Not only bad things came out of that trip, there were a lot of good things too. The Leader of the Opposition told the Americans he was Canadien français, just like me. That is great. He said he wanted the Americans to understand his position. Rather than using the confusing term of sovereignty he wanted them to know the truth and the truth will now be known by Quebecers. He said: "I am a separatist," and I was very happy.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, traditionally the primary objective of opposition leaders has been to defend the interests of Canada. The present Leader of the Official Opposition has been forthright that this is not his primary goal. His objective is to lead Quebec out of Canada.

• (1430)

Does the Prime Minister believe that in this case the Leader of the Official Opposition misused his office to promote the breakup of Canada?

The Speaker: Again the Chair is having a little difficulty with the questions in that they seem to be attacking individual members. I do not know that this is really the administrative responsibility of the government.

I would let the Prime Minister answer the question if he so wishes, but I would hope the questions would be rephrased so that they deal with the administrative responsibility of the government.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I believe I can speak about national policies that can be useful in keeping Canada together.

I urge the member of the Reform Party to recognize generously that it is a very good thing in Canada to have two official languages.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, the Canadian taxpayer picked up some of the tab for the visit. Does the Prime Minister believe that Canadians received good value for the money spent?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I was pleased to hear the premier of Alberta say on Friday that he was in favour of two official languages in Canada. They like to

use him a lot in their speeches, so that is something that should be noted.

I do not know what was the cost of this additional lunch or dinner for the Leader of the Official Opposition. I just hope it was cheaper than the party for the Governor of the Bank of Canada.

* * *

[*Translation*]

THE BUDGET

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, before tabling his budget, the Minister of Finance told us repeatedly that he would be cutting expenditures, but he did not have the courage to follow through. Now he is telling us that it is going to happen next year, as part of a second phase. Even the Prime Minister, on tour in Western Canada, contradicts him on that point.

How can the Minister of Finance expect us to believe that he does want to reduce spending when the Prime Minister flatly contradicts him by saying that all cuts the government planned to make were made this year?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, if I may quote from the speech I made to this House, the decisions we are making today are clearly putting us on a path leading to the government goal of reducing the deficit to 3 per cent of the GDP within three years. That is the position I stated here in this House and the Prime Minister took the very same position last week in Western Canada.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, in light of the minister's answer and the budget, are we to understand that the Minister of Finance has abandoned the idea of cutting government spending and will deliberately maintain the squandering and tax leakage denounced by the Auditor General, relying solely on economic growth to curb the deficit?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, again, as I told this House very clearly, and the Prime Minister and I myself said in New York City and the Canadian cities I visited last week: "Actions contained in the budget will reduce the deficit to 3 per cent of the GDP within three years".

Also, we are presently reviewing a number of programs with the Minister responsible for Public Service Renewal. We are reviewing all committees, public affairs, all kinds of government policies and programs, and we are confident that this will promote a better than forecast economic situation.

[*English*]

NATIONAL UNITY

Mr. Bob Mills (Red Deer): Mr. Speaker, my question is for the Prime Minister.

In my constituency in central Alberta as I travelled around this past week outright disgust was expressed for the separatist message delivered to our major trading partner, the United States.

Could the Prime Minister please tell me what action he intends to take to assure the United States that a united Canada is not only likely but one which the government is dedicated to maintaining?

• (1435)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, of course I will work very hard to make sure the policies of the government are so good that the people of Quebec will not have any hesitation to stay in Canada.

It will be very useful when I am able to report to the Americans that I have convinced members of the Reform Party to support the two officials languages of Canada.

Mr. Bob Mills (Red Deer): I have a supplementary question, Mr. Speaker. I wish the Prime Minister would stop trying to pass the buck and show some leadership.

Could the Prime Minister please tell us what he is going to do to convince the grass roots of Quebec what it really means to separate?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is very important to have the guts to present candidates in every province of Canada and to have one message for all Canadians, not one for one part of Canada and one for another. That is why when I was in Alberta last weekend I received a fantastic reception. I was talking about the policies of the government vis–à–vis Canada and the people received me very well indeed.

Some hon. members: Hear, hear.

* * *

[*Translation*]

BOSNIA

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, my question is for the Minister of Foreign Affairs.

According to reports, the withdrawal of Canadian peacekeepers from Srebrenica has been held up because of the reluctance of Bosnian Serbs to let them leave. On January 13, the Minister of National Defence promised that Canadian peacekeepers would be relieved within thirty days, a deadline that has since passed. For his part, the Minister of Foreign Affairs informed us on February 16 and 21 that their replacement was imminent.

Can the minister confirm to us whether the withdrawal of Canadian peacekeepers from Srebrenica has been held up by the refusal of Bosnian Serbs to allow Dutch soldiers to relieve the Canadian contingent?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have made considerable progress. Of course, we would have liked to have had our soldiers out of Srebrenica by the end of February. Dutch soldiers arrived as expected; 500 of them are in theatre and Canadian troops are preparing to withdraw. Trucks are currently on route to Srebrenica. Bosnian Serbs have expressed some reservations, arguing that the roads were not very passable. Nevertheless, we believe that our troops will be able to leave within a few days.

Admittedly, they are several days behind schedule, but the operation is proceeding as expected. As for the rumour reported in the weekend newspapers to the effect that some demonstrations had taken place and that Srebrenica's Muslims were holding Canadian soldiers hostage, there is no truth to it. Muslims were merely staging a demonstration to thank Canadian soldiers for having protected them so valiantly during the past two years.

Mr. Jean–Marc Jacob (Charlesbourg): If I understand correctly, Mr. Speaker, they were prevented from leaving because they were being thanked.

I, along with the families of the soldiers, would like to know what approach the government is planning to take with Bosnian Serbs to ensure the departure of Canadian troops as scheduled? What does the government intend to do to ensure that the Serbs allow the withdrawal of Canadian peacekeepers?

Right Hon. Jean Chrétien (Prime Minister): In response to the hon. member's question, Mr. Speaker, I would say that throughout last week and the weekend, negotiations for the withdrawal were being conducted, mostly under the direction of Commander Rose, the officer in charge of UN troops. According to the information we received a few minutes before entering the House, we have good reason to believe that Canadian solders will be leaving Srebrenica within the next 48 or 72 hours.

As I said, the operation is a few days behind schedule. It may take a little more time, but we hope that the process will be completed in less than 72 hours.

* * *

[*English*]

THE BUDGET

Mr. Ray Speaker (Lethbridge): Mr. Speaker, my question is for the Prime Minister. It is further to the question by the member for Saint–Hyacinthe—Bagot and is with regard to the Prime Minister's visit to Edmonton last week.

The Prime Minister said that Canadians would see no further spending cuts in the next three years. He also said that was according to the budget presented in the House.

Could the Prime Minister confirm whether or not that is true at this point, or whether there will be cuts as has been inferred by the Minister of Finance on other days?

• (1440)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would say exactly what the Minister of Finance said. In the budget that was presented in the House we made provisions for cuts over the next three years.

If we have 3 per cent and 3.8 per cent growth in the next two years, we will be at 3 per cent of GNP in relation to the deficit. The programs cuts for the next three years have been announced. They are the big programs like defence, social expenditures and so on.

In the meantime we have asked the minister responsible for federal–provincial relations to work very actively to find some duplications between provincial governments and federal government and to reduce the duplications, and to look into all the boards within government operations and to reduce them in order to find further cuts.

These will not be the major cuts as mentioned in the budget. When we talk about the cuts in defence and other cuts announced in the budget, they were very serious cuts indeed.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, I have a supplementary question for the Prime Minister.

The impression I have is that the reason we are doing the studies in social security programs, health, defence and some other areas is that we are looking at better priorities and reduction in spending by the government.

I have a question for either the Minister of Finance or the Prime Minister. What is the purpose of those studies if it is not to reduce and redefine those expenditure areas?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, we are very conscious of the seriousness of the financial situation in which Canada finds itself with the debt and the deficit.

There is no doubt that in the budget we have embarked upon cuts that are necessary for us to bring our deficit within an acceptable range in the next three years, certainly the target we have set out.

At the same time it is very important to understand—and the Minister of Human Resources Development has been explicit and very articulate on this matter as have the Minister of National Defence and a number of other ministers in the House—that we are Liberals. We understand the absolute necessity of public policy evolving along with the needs of the country.

The purposes of those studies are not simply cuts to bring the deficit into line. They are in fact fundamental reforms in those programs so that Canada can measure up to the very serious challenges that lie outside our borders.

Mr. Chrétien (Saint—Maurice): He is doing well.

Mr. Martin (LaSalle—Émard): I am on a roll, Mr. Speaker. All I would simply say is that we are going to continue. We are going to review the problems of an aging population and of health. We are going to review the way in which our labour markets work. We are going to review defence and our industrial policy because we are going to build a better country.

* * *

PUBLISHING INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is directed to the Minister of Canadian Heritage.

The Canadian Development Investment Corporation has just agreed to sell its 51 per cent share of Ginn Publishing Canada, a Toronto company specializing in the publication and distribution of educational materials, to the American company Paramount Communications. This sale has caused an outcry of indignation in the press and the publishing world.

Could the minister confirm the suggestion made by *Maclean's* magazine that the secret agreement made it possible for the American company to take control of Ginn Publishing as soon as the book publishing policy was changed? If not, how does he explain the fact that the government has used certain unresolved questions such as the distribution agreement as excuses for not actively seeking potential Canadian buyers?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, the question is long and complicated but the answer is simple.

A previous government entered into certain commitments. They were no secret; they were known. The commitment as described by our colleague was that if a policy occurs the Canadian government which had acquired 51 per cent of the shares of Ginn would sell them back to the American parent firm. This is what happened.

• (1445)

I am pleased to say that while it is cleaning up past business, the policy of protecting our book publishing industry has not changed.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, the minister will agree that meanwhile the Baie Comeau policy was changed to make it possible.

Is the minister aware that he is losing his credibility as a defender of Canada's cultural interests and can he reassure the House that he intends to review this unacceptable decision?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, if we were to reverse the decision, which is in keeping with a contract, it would lead us straight into judicial action.

As I said, the policy of protection, not the Baie Comeau policy, is going to be sustained. Of course everyone is entitled to one's judgment about the credibility of the minister of heritage but a number of people in the industry have understood that this was an exception confirming the rule and that the industry will continue to receive support.

* * *

FISHERIES

Mr. Derek Wells (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

As the minister knows, groundfish licences that were inactive in 1991 and 1992 were frozen for 1993. This freeze affected approximately 4,000 fishermen and has in effect penalized them for acting responsibly in the face of declining groundfish stocks. It was stated at the time that the freeze would not have a negative effect on anyone pursuing a licence renewal in 1994.

I would like to ask the minister if he will be acting quickly to resolve the issue of inactive licences and honour the pledge made by his predecessor to treat all licence holders as equals.

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for his question.

As the member knows, the freeze in question was implemented by the previous administration. I indicated when I spoke to the MFU convention on February 4 that I was going to review the consequences of the freeze on inactive groundfish licences.

This past week we visited New Brunswick, Nova Scotia, P.E.I. and Quebec where we heard from many fishing industry and association groups re this subject. I am aware of the difficulties it has caused with respect to bona fide licences and the difficulties it has given to individuals.

I undertake to review and announce a decision in the very near future.

* * *

UNEMPLOYMENT

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister of Human Resources Development.

Recently the minister told the House the Premier of Quebec could reduce unemployment by 1 per cent because of actions taken by the federal government. The budget predicts national unemployment to remain around 11 per cent.

Can the minister explain how the national unemployment rate can remain unchanged if in Quebec it falls by one full per cent?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would first like to tell the hon. member that the budget did not simply create jobs for Quebec. It will create jobs for all Canadians.

We have a national program and a national approach to these issues and do not try to discriminate between regions in any way.

What happens with the unemployment rate, as the hon. member probably knows, is that once you begin to create economic growth, once you begin to create jobs, it draws people back into the labour market, people who under the Tory regime simply gave up and no longer bothered to look for a job. Therefore the statistical survey results do not reflect their new found confidence and that people have now come back into the job market.

We intend to create jobs. It may not be immediately reflected in a serious decline in the unemployment rate per se simply because more people are coming into the labour market. They now have confidence they will have a job.

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, the promise of the Premier of Quebec and the projections of the Minister of Finance do not add up.

Could the minister tell the House whose numbers can be relied on in this case, those of the Minister of Finance or the Premier of Quebec?

• (1450)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, with respect to the hon. member, I do not know what is gained by trying to play off a set of figures that he says the Quebec premier has versus a set of figures that the Minister of Finance has.

The real issues which should be at the centre of the hon. member's question is how do we create jobs for everybody and how do we get unemployment down. It is not how we play games about what one premier in one region says versus what happens in the another region. It is about time members of the opposition in both parties took a national perspective on these issues.

[*Translation*]

BEER INDUSTRY

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, my question is for the Minister for International Trade.

The United States are threatening to terminate the beer agreement signed last August. They question, among other things, the fixing of a minimum price on beer by the province of Quebec. Even if the minimum price being considered by Quebec is lower than the one in effect in Ontario, the United States are putting pressure on Quebec to make additional concessions.

Does the minister agree that it is absolutely unjustifiable that Quebec be forced to lower its minimum price to satisfy the demands of major American brewers, and what does he intend to do about it?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, throughout the discussions we have supported the Government of Quebec in seeking a GATT consistent minimal price. We have done so not only directly ourselves but with the participation of the officials of the Government of Quebec in meetings in Washington and last week here in Ottawa.

There are further meetings scheduled for tomorrow where we hope to make further progress in the resolution of this issue.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, while the Americans are forcing Canada and the provinces to meet the demands of their major brewers, they implement dozens of discriminatory measures affecting Canadian beer. What concrete action is the minister taking to force Americans to open their market to us, like we do for them?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, yes, the member opposite is quite right. The GATT found that American beer practices were discriminatory and against the interests of Canada. They are implemented mainly by states rather than the federal government.

However, in both cases we have pressed hard for the Americans to resolve this issue so that the beer trade can flow—without any pun intended—easily across the border in a way that protects the interests of Canadian suppliers in accordance with the GATT panel findings.

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Prime Minister. It was inspired by Mr. Frank Filek of Toronto.

It was reported last week that taxpayers are on the hook for another $12.2 million shortfall in the MP pension plan. This follows the $158 million contribution made by taxpayers in 1992.

Will the Prime Minister commit to convincing his caucus colleagues to the immediate elimination of this gold-plated pension plan for members of Parliament?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there will be a report tabled very soon concerning this problem. We said we want to review the program. We have some months before an election so we have plenty of time. We will look at what is wrong with the program and try to make it more in tune with reality.

On the other hand, we do not want to create the impression that some of us might think we are not value for the money we are paid. When members of Parliament make $64,000 a year and the worst hockey player for the Ottawa Senators is paid $135,000, I do not think that we are overpaid.

It is very bad to create a wrong impression of members of Parliament with the public because most members of Parliament work very hard, earn their money here and make sacrifices to be in Ottawa. The hon. member is creating the impression we are not worth the money we receive. I for one will not apologize to anyone because I think I earn every cent of my pay.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, we are talking here about a pension plan and in the private sector we have to match dollar for dollar. In this House, the taxpayers have to pay $6 for every $1 MPs put into their pension. It is gold plated, it is exorbitant and it is too extravagant.

• (1455)

Will the Prime Minister tell Canadians why he and his government support lifetime pensions for members of Parliament after only six years of service?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we know that life expectancy in the House of Commons is not that great. Judging by the number of members of the Progressive Conservative Party in the House, we know there is no security of employment around here.

I just want to say that some people come to Parliament and when they quit it is not necessarily easy to get re-established in private life. When we look at other pension plans, we have to be fair too.

Some people might think the pension is too much and we will be looking into that. There is a question about double dipping that is a big preoccupation and a problem of some members who take their pensions very early in life, such as was the case a year and a half ago. This is a problem that has to be looked into.

I do not want to create the impression that those who are good members of Parliament are over compensated.

* * *

AGRICULTURE

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, Canadian farmers from all regions have been waiting for several months now following the conclusion of the GATT negotiations for definitive word whether resolution of our various bilateral trade disputes with the Americans will be possible.

What can the minister say to the House to reassure Canadian producers and farmers that their interests will be protected.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, as the hon. member pointed out in his question, there are several outstanding issues in bilateral trade in agriculture between Canada and the United States. Those have been under discussion since last November. The work on those issues is still ongoing. They have not been resolved to date, nor have they gone away.

My preference would be to have a solid framework agreement between Canada and the United States to lay to rest those outstanding issues once and for all. Such an agreement, mutually acceptable to both countries, would clearly be preferable to ongoing trade actions and reactions that could have the effect of undermining the $10 billion worth of agricultural trade between our two countries.

However, it is important to note two points. First of all, in our discussions with the United States, Canada will not trade off one commodity against another. Each must be dealt with independently on its own merits.

Second, any agreement we might contemplate with the United States must be fair and reasonable and in the Canadian national interest. A bad deal for Canada will not be acceptable to this government.

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[*Translation*]

INDIAN AFFAIRS

Mr. Maurice Godin (Châteauguay): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

According to an internal report of the Department of Indian Affairs, the government did a very poor job of managing the estates of aboriginal people of which it was the trustee.

Can the minister confirm that the funds invested were misused because the federal government's monitoring was inadequate?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the hon. member for his question. I am aware of the Auditor General's report and I am aware of our response.

Having come from private practice I realize that it was not made well. I am not satisfied that the response is adequate. This will be a priority on our agenda once we get over the initial stages of implementing the new government.

[*Translation*]

Mr. Maurice Godin (Châteauguay): Mr. Speaker, as a supplementary question, I would like to know exactly what corrective action the minister intends to take to ensure that the Indians' estates are managed properly by his department.

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated, this will be a priority of the government. As to the specific remedy, I cannot answer at this stage. In due course over the next few months I will be prepared to sit down with the hon. member and discuss it and show him what we are doing.

* * *

• (1500)

LOBBYISTS

Mr. Ken Epp (Elk Island): Mr. Speaker, my question is for the Prime Minister.

During the election campaign the Prime Minister promised to clean up the business of influence peddling in government. It is widely recognized that one of the best ways to address this problem would be to eliminate the tax deductibility of lobbying fees.

Does the Prime Minister believe that the lobbying fees should be allowed as a tax deductible business expense?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there will be a statement made in this House about legislation on lobbying on the Hill very soon. I hope the minister in charge will address this problem.

Mr. Ken Epp (Elk Island): Mr. Speaker, because there is such widespread concern among Canadians that the proposed changes to this lobby legislation will be so weak that they will have very little effect, would the Prime Minister be willing to give a commitment to eliminate the tax deductibility for lobbyist fees?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I think that I would like to see the bill before saying it is too weak. Let us wait a bit. The hon. member will see the bill after which he can pass judgment.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, my question is for the Minister of Transport. Seven hundred and twenty CN workers will lose their jobs soon. With the agreement of the National Transportation Agency, the company has already begun dismantling the rail system in Quebec. Two thirds of Quebec's rail system is thus threatened, although the impact of such a decision on the economy, tourism and the environment has not been thoroughly evaluated.

Can the minister say whether he will agree to set up a special parliamentary committee to evaluate the impact of dismantling the rail system in eastern Canada and if he is prepared to order a moratorium on the abandonment of rail lines until the committee has completed its work?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, CN and CP must follow a very well-known process for abandoning activities in certain regions of the country. We do not intend to impose a moratorium. The hon. member is no doubt aware that the railways have already disappeared from some parts of the country, like Prince Edward Island and Newfoundland. However, I want to assure him that we are studying this whole issue and the proposal which was already discussed publicly by the president of CN and the president of CP will be considered when it is presented to the government.

* * *

[*English*]

SOCIAL PROGRAMS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Minister of Human Resources Development.

The minister will of course know that the reform of Canada's social programs is under way at breakneck speed. Canadians have recently told the minister by a margin of three to one that they believe his main aim is to reduce social program expenditures. They must have read the budget.

With poverty on the increase and bearing in mind the enormous social and economic cost to Canadians as a result of this poverty, what does he say to the 275,000 Canadian families who live more than $10,000 below the poverty line who fear his reforms will take them even further below the poverty line?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I thank the hon. member for his question.

I would like to correct one part of his preamble in that over 80 per cent of Canadians support the federal government's initiative to fundamentally redesign and restructure the social programs. One reason they do that is they recognize the best way to deal with the serious problem of child poverty, the serious problems families face and the high long term unemployment of older workers is to have contemporary programs that meet those needs where the funding goes toward the people who need it and not simply to those who administer it.

That is the objective of our reform: to get programs to meet needs, not simply to allow a number of programs to proliferate that do not really deal with the crucial issues facing us as we go into another century.

* * *

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of the Bangladesh Minister of Finance, Minister Saifur Rahman.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

• (1505)

[*Translation*]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table in both official languages a number of Order in Council appointments which were made recently by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, while I am on my feet, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government response to eight petitions.

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House in both official languages the report of the Canada–Europe Parliamentary Association on the meetings of the Bureau and of the Standing Committee of the Parliamentary Assembly of the Conference on Security and Co–operation in Europe held on January 17, 1994, in Copenhagen, Denmark.

* * *

[*English*]

COMMITTEES OF THE HOUSE

SPECIAL JOINT COMMITTEE ON CANADA'S DEFENCE POLICY

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, I have the honour to present the first report of the Special Joint Committee on Canada's Defence Policy. This report requests additional powers for the committee concerning televising of its proceedings and the power to create subcommittees.

The Senate adopted this report at its sitting of February 24. If the House gives its consent I intend to move concurrence in the report later this day.

Mr. Charest: There is no consent, Mr. Speaker.

* * *

HAZARDOUS PRODUCTS ACT

Mr. Rex Crawford (Kent) moved for leave to introduce Bill C–220, an act to amend the Hazardous Products Act.

He said: Mr. Speaker, I am pleased to present this private member's bill entitled an act to amend the Hazardous Products Act.

I first presented this bill last June in response to two of my constituents, Robert and Maria Weese of Wallaceburg, Ontario. They lost a young son in a tragic accident at school when a portable soccer net blew over.

This bill is based on the recommendations of the coroner's jury in the Wallaceburg case. The bill would require that soccer goals, handball goals and field hockey goals for recreational or school use be fixed to the ground. There are many other cases in both Canada and the United States where nets have blown down and youngsters have been injured or killed.

I again commend the Weese family and the local community for working to prevent other possible tragedies. I am proud and honoured as their member of Parliament to present this private member's bill on their behalf.

(Motions deemed adopted, bill read the first time and printed.)

• (1510)

PETITIONS

NATIONAL FILM BOARD

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I have the honour, pursuant to Standing Order 36, to present a petition signed by about 100 residents of Saskatoon protesting the closure of the National Film Board office in Saskatoon. That would leave Saskatchewan along with Newfoundland as the only provinces in Canada without a National Film Board presence, another nail in the coffin of our national institutions across this country.

DRUG PRICES

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I also have a petition signed by 299 people from all across Saskatchewan. They are protesting Bill C–91 which basically increased the price of drugs in Canada by reducing the availability of generic brands. They are calling upon the government to repeal Bill C–91 and to look to the interests of Canadians and their health care in order to ensure that drugs are a more reasonable price.

RURAL POST OFFICES

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I have a petition addressed to the minister responsible for post offices. This subject perhaps has taken a new slant with the new minister but I do have an obligation to present these petitions anyway. I have been sitting on them here for a week or so.

The petitioners are from little places in rural eastern Ontario, for example Lansdowne, Elgin, Westport, Gananoque, and so forth. They express real concerns about the previous government's position in reference to rural post offices.

Rural residents think they deserve the same postal services as urban residents of Canada enjoy. The previous government pillaged small towns in rural Canada.

They ask that the new minister responsible for post offices take a new look at this and he already has. The petitioners are asking the new minister to restore complete postal services to rural communities. They have grown accustomed to this service through the years and would like to see it restored.

I support these petitioners as do many of our rural caucus.

KILLER CARDS

Mr. John Maloney (Erie): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition on behalf of the constituents of Welland—St. Catharines—Thorold.

This petition adds more names to the growing number of Canadians who are fiercely opposed to the importation of killer cards. Not only do these cards glorify murder and criminals who commit horrific acts of violence but they act as a daily reminder to the victims' families and friends of the brutal violence that struck down their loved ones and struck down their security and faith in humanity.

The constituents of Welland—St. Catharines—Thorold do not want these trading cards in their communities. Those who have signed this petition affirm that: "We abhor crimes of violence against persons and we believe that killer trading cards offer nothing positive for children or adults to admire or emulate but rather contribute to violence. We ask that the laws of Canada be amended to prohibit the importation, distribution, sale, and manufacture of killer cards and to advise producers of killer cards that their products if destined for Canada will be seized and destroyed".

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the following question will be answered today: No. 4.

.[*Text*]

Question No. 4—**Mr. Taylor:**

What steps have been taken by Revenue Canada since the decision of the Supreme Court of Canada regarding the Glenn Williams Case (92 DTC 6320) requiring Revenue Canada to reconsider its interpretation of the scope of the exemption from income taxation due to Indians under the jurisdiction of the Indian Act?

Hon David Anderson (Minister of National Revenue): Mr. Speaker, following the decision rendered by the Supreme Court, the department reviewed the decision and issued a preliminary position near the end of 1992. A period of transition was put in place to allow Revenue Canada time to assess the scope of any negative impacts of the case and to allow affected individuals and organizations time to reorganize their affairs.

To clarify the application of the Indian tax exemption, revenue officials received input throughout 1993 from Indian organizations and individuals regarding the types of situations that could be affected by the Williams decision. Between June and October 1993, meetings were held across Canada with interested parties. Inaddition to the input obtained at the meetings, the department has received close to 250 letters and submissions from interested parties.

The department, based on all the input obtained and a sound analysis of the case, developed proposed guidelines for the interpretation of the Williams decision. The guidelines are a fair and liberal interpretation of the tax exemption provided by the Indian Act.

The draft guidelines were sent to some 200 Indian organizations and individuals on December 15, 1993. The department will accept comments on the draft guidelines until the end of March 1994. As the guidelines were not issued until near the end of 1993, the government is extending the transition period for existing employment arrangements to December 31, 1994. This will allow those who may be adversely affected to study the guidelines and rearrange their affairs if they so wish.

The Deputy Speaker: The question as enumerated by the parliamentary secretary has been answered.

Mr. Milliken: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1515)

[*Translation*]

BORROWING AUTHORITY ACT, 1994–95

The House resumed consideration of the motion that Bill C–14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994, be read the second time and referred to a committee.

The Deputy Speaker: The Chair recognizes the hon. member for Charlesbourg, who has eight minutes left.

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, it is not easy to pick up where one left off, but I will try.

I said earlier that I would concentrate on the impact on defence spending. In this connection, for the benefit of the hon. member for Kingston and the Islands who said that Kingston is a bilingual city, I have here an article dated March 3, which says that the military base's French school is not allowed to post its name in French on the outside of the school. I think that is rather revealing. "We wanted to emphasize the French character of the only place in Kingston where our children can speak French. In town, everything is in English". It is easy to say Kingston is completely bilingual, but this is not borne out by the facts.

My next point is that when the Department of National Defence and the Department of Finance made cuts in the defence budget, there were plenty of things we did not bother to mention and accepted without a murmur, because in Quebec we have always been somewhat deprived in this respect. In fact, the Minister of National Defence admitted that Quebec was at a disadvantage as far as defence spending was concerned.

I remember what was said in this House by the Prime Minister and the Minister of National Defence, when the former painted an idealistic picture of Canadian bilingualism and the latter, the Minister of National Defence, was upset that Bloc members refused to believe in the bilingual character of Kingston. How could we when we consider that at the time, Prime Minister Trudeau ordered the Royal Military College in Kingston to become a bilingual institution? And what is the situation now, 20 years later?

Kingston graduates are "officially" bilingual. In fact, francophones who attend the institution are perfectly bilingual. Anglophones have a very limited knowledge of French, so limited that they do not feel comfortable speaking French and lose that limited knowledge as soon as they graduate. This is from a report by the departmental committee on Canadian military colleges released in May 1993. These statements were not drafted by Bloc members, sovereigntists or separatists. This was in a report on military colleges by the Department of National Defence.

The Prime Minister said that Canada's linguistic duality was not exclusive to francophones in Quebec and included all francophones outside Quebec as well. When making these decisions, he probably overlooked the following: If bilingualism is the rule, why do the vast majority of officers from the Maritimes go to the Saint–Jean military college to become truly bilingual?

We should also remember—and I want to include the Royal Roads College in Victoria as well—that if we consolidate military training at a single college, there are many people in Western Canada who will not opt for a military career because they would have to leave the West and come to Ontario. The same applies to the Maritimes, because most officers who studied at the Saint–Jean Royal Military College were from the Maritimes and the province of Quebec.

Some hon. members: Oh, oh.

Mr. Jacob: I have the figures. You can ask questions when I finish my speech.

At the Saint–Jean military college, anglophone students are in immersion for five years. Francophones have a chance to practice their English on a regular basis and, unlike the anglophones, are motivated to learn English because later they will have to work in other anglophone provinces or on peacekeeping missions within the international community, where English predominates.

The Saint–Jean military college is the only college that produces francophone and anglophone officers who are truly bilingual and who understand the linguistic and cultural duality which has been on the Prime Minister's lips since the beginning of the 35th Parliament.

This government has just made a decision which, according to all concerned, has no sound economic basis, because an institution of higher learning, a university that must embody the four pillars of officer–training, which are military instruction, university training, second–language training and physical education, should not have to meet narrow financial criteria.

• (1520)

The Minister of National Defence has stated that I had encouraged him to make cuts in military spending, but definitely not in Quebec. The minister said I was applying a double standard. But I want to remind him that, in terms of the money spent on infrastructures, Quebec, with only 13 per cent of those expenditures, was not getting its fair share, whether from a per capita or a budget point of view. In the document entitled *Budget Impact*, the minister himself clearly illustrates what I said in my previous presentation in this House.

Indeed, the minister tells us that in 1993, Quebec only received $302 per capita, while the Canadian average is $398. For a population of 6.7 million people, this translates into an annual loss of about $600 million, and this for more than 20 years now. This money not invested in Quebec represents more than $10 billion, a sum which surely would have helped create permanent jobs.

When we asked for cuts in the defence budget, we were convinced that this kind government, which wants to keep the bad Bloc Quebecois members from destroying the great country that Canada is, would show us that Quebec had suffered such a prejudice because of this imbalance in the defence budget, and

that this injustice would be corrected by not eliminating what little our province had got in the first place.

Again, when confronted with figures quoted by the hon. member for Saint–Jean, the Minister of National Defence said that indeed Quebec's percentage of the defence budget was smaller. The minister also said that he appreciated the hon. member's arguments to the effect that Quebec is at a disadvantage, but added that it was because of its geographical location in Canada. How can the minister and his government confirm that Quebec is at a disadvantage and ask us to put up with yet more cuts, when we have already suffered a prejudice for more than 20 years? If our location put us at a disadvantage during the Second World War, how can it once again put us at a disadvantage today?

Moreover, it is misleading to say that 22 per cent of military spending is now made in Quebec. Again, the Minister of National Defence pointed out that after the budget under study the percentage of military expenditures in Quebec has in fact increased, because of major cuts in the rest of the country. That share, which was 19 per cent yesterday, is now 22 per cent, this in spite of the closing of the Collège militaire royal de Saint–Jean and the downsizing of the military base.

Indeed, how can the minister say that when the figure of 22 per cent is only an estimate for 1997? To imply that this is the estimate for the present is to stretch things quite a bit. The same goes for the statements made concerning the Royal Military College in Kingston, and that concerns me.

I also want to say something about the comments made by the Prime Minister and the Minister of National Defence who said that if the government had listened to the Bloc Quebecois and cut 25 per cent of the defence budget, it would have been necessary to make even greater cuts in Quebec. In fact, if the government had made such a cut without affecting Quebec it would only have brought the expenditures made in our province in line with the per capita average spending for the rest of Canada. It would also have provided an argument for the few federalists still waiting for a justification of the Canadian federalism.

Not only was the Liberal government quite prepared to make cuts in Quebec, but it also showed its arrogance and its unfairness by closing the military college which is the least costly to run. It decided to close the Collège militaire royal de Saint–Jean in spite of the departmental report which I quoted earlier and which recommends that all three military colleges remain open and that operations be streamlined.

In my opinion, the recommendation made by the departmental committee is certainly a good one, considering that the closure of Royal Roads and the Collège militaire royal de Saint–Jean will only translate into savings of $34 million. By comparison, the hon. member for Waterloo, who is one of the minister's colleagues, mentioned that if we put restrictions to the relocation of military personnel moving from one base to another, which cost $118 million last year, we would easily save $35 million.

I am not done but unfortunately my time is up.

• (1525)

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, in light of the budget tabled two weeks ago and the additional information provided by the Minister of Finance since, it would seem that the Liberal government has taken no serious action to prevent duplication between certain federal departments as well as between levels of government or to check squandering in the public administration. We know full well that year after year the Auditor General unearths outrageous cases of waste.

Of course, the Minister of Finance says he is reducing the operating budgets of the federal bureaucracy, but that is not enough if we are to stop living above our means. The government cannot expect, with the kind of expenditure level it is forecasting, to lower the individual tax rate in the medium term, a move which would really contribute to restore the confidence of Quebecers and Canadians in the economy.

Basically, the government is not addressing the chronic government deficit problem when it fails to rationalize its spending. Moreover, it is relying on a very slight economic recovery to reduce the deficit. With the underground economy constantly gaining ground and given, among other things, our level of taxation, there is no way that government revenue can increase faster than the sum total of revenues generated by economic activity, the GDP. In fact, the government is only moving funds around from one budget item to another without reducing expenditures as a whole.

As for the unemployment insurance reform, it reflects the contempt of Liberals for the jobless. Minister Axworthy admits to be pursuing the following objective, namely to force recipients to work longer to continue to qualify for the same number of weeks of benefits. As if people chose to be unemployed and to work only a given number of weeks. This program is intended to provide income support to workers and must not be seen as a way of life in combination with work.

This reform without any job creation incentive results in pushing the unemployed toward welfare, thus passing the buck to the provinces. The young will bear the brunt of this reform as they are the ones having a hard time finding long–term jobs.

The problem with unemployment in Canada and Quebec is the lack of available jobs and increasing numbers of temporary jobs. The government must promote work and make it accessible to all.

The infrastructure program will do nothing to address job insecurity as only temporary employment will be created with the billions sunk into it.

With regard to the implementation of this program, many rural municipalities in Quebec feel left out because they have done infrastructure work in the past two years. Take for example the municipality of Saint–Maurice, with a population of 2,195. In 1991–92, this municipality spent $413,000, or $95 per person, on non–subsidized infrastructure work. The standard for work not covered by the new program is as follows: the cost of work done over the past two years, divided by the total popula-

tion, up to a maximum of $80 per person, $80 being the provincial average for municipalities in this category.

Such a criterion clearly favours municipalities which have not done capital work during the period covered by this administrative requirement. One way to resolve this problem would be to abolish this criterion and thus not penalize anyone.

• (1530)

Although the Quebec Department of Municipal Affairs is responsible for applying the program, I wish to point out to the Liberal government the situation of many small Quebec municipalities, which is cooling their enthusiasm for this program and its economic benefits.

For nearly ten years, I was mayor of a small municipality in my riding, and every budget item was minutely examined by my council so as not to burden our constituents with a deficit. All of a sudden, the federal and provincial governments are urging the municipalities to borrow, which will endanger their future budgets because of the famous calculation based on spending and investment in 1991 and 1992. What I conclude is that both the federal and provincial governments want our small municipalities to go further into debt. I wonder if these governments are not jealous of how these municipalities operate. I think our governments have some lessons to learn from these municipalities, which can restrain themselves and balance their budget.

The municipality of Saint–Maurice which I took as an example has to spend $175,000 in 1994 and $175,000 in 1995 before it receives a cent in subsidies, which will be allocated one third, one third and one third.

In closing, I would like to deal with one last subject: the reduction in the age credit. As we all know, taxpayers aged 65 and over can claim a tax credit of 17 per cent of $3,482 from the federal government and 20 per cent of $2,200 from Quebec. This credit reduces federal income tax by about $610 a year for all seniors who have to pay income tax. In Quebec, this credit also reduces provincial income tax and the combined reduction is about $1,050 in Quebec. The change made in the latest budget is intended to reduce this credit for seniors whose net income exceeds $25,921; the credit will be reduced by 15 per cent of the individual's net income which exceeds this amount.

This government measure will affect 800,000 people, including 600,000 middle–income people in our society. As we can see from several examples, the Liberal government is saving money at the expense of the unemployed, young people and seniors. What is even more striking in this budget is the lack of any long–term planning for lower deficits and job creation incentives.

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I would like to ask the hon. member what he thinks of the fact that, a few weeks ago, the Canadian Chamber of Commerce surveyed its members. It asked whether federal policies encourage businesses to leave the country. As mentioned in the headline, Canadian business people are not satisfied with the way this country is governed. You see, Quebec sovereigntists are not the only ones thinking that the country is poorly managed at the federal level; the Canadian Chamber of Commerce and its members think so, too. According to surveyed members of the Canadian Chamber of Commerce, 22 per cent of these business people have partly left the country, are in the process of leaving it or have left it entirely. It is because of federal policies that business people gave such a straight answer to the questions asked by the Canadian Chamber of Commerce in its survey.

• (1535)

This proves that Canada is poorly led, that the policies of the federal government, of the finance minister, do not meet business people's requirements. When the Minister of Finance says he wants to create jobs, he does not talk about what business people need to survive. It is business people who create jobs. It is businesses that create jobs. Why are they telling the minister that 22 per cent of them would rather leave Canada than continue to work and create jobs in Canada?

It is so serious that we in the Bloc Quebecois have decided to promote Quebec's sovereignty. We sincerely believe that Quebec's sovereignty will enable us to manage our affairs with honour and dignity, to meet the needs of Quebecers and those of our small and medium–sized businesses so they can survive, to reduce unemployment and create prosperity. Does the hon. member agree with my comments?

Mr. Lefebvre: Mr. Speaker, of course, when the Chamber of Commerce expresses an opinion on certain issues, we must listen to it. I think that we in the Bloc Quebecois work to keep our people in Quebec. In that sense, I support the hon. member's comments.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I acknowledge the hon. member's credentials from municipal politics, from the parish councils. I too have a background.

Having said that, we must realize that the member's experience would indicate the reason this government brought in the infrastructure program was that the municipalities requested it. For some 10 years the municipalities requested that the federal government cost share with the provincial governments and the municipal governments in infrastructure development.

If the municipalities are so jealous or so negligent as to not want to share, I am sure that the other provinces would gladly accept their allotment of money for infrastucture programs. We have found in all of the provinces that the requests far outnumber the ability to begin infrastructure. I would remind the member as well that this is not short term work, it is long term infrastructure that every town, every municipality in Canada requires to sustain economic development.

[*Translation*]

Mr. Lefebvre: Mr. Speaker, the Bloc Quebecois agrees in principle with the infrastructure program, but we do not agree with the calculations done for the years 1991 and 1992. We support the rest of the infrastructure program and we agree that municipalities should have this kind of program.

[*English*]

Hon. Jon Gerrard (Secretary of State (Science, Research and Development)): Mr. Speaker, I am proud to speak today on Bill C–14, the borrowing authority bill to implement the budgetary measures.

In this, my first speech in this Chamber, I would like to begin by thanking the people of my riding of Portage—Interlake for their support and their confidence in me.

From Long Point, a finger–like extension which juts out into the north end of Lake Winnipeg, jusqu'à l'usine de beurre de St. Claude; from Denbeigh Point on Lake Winnipegosis past Fairford, Ashern, St. Laurent to Winnipeg Beach, Stony Mountain on to La Salle and Domain, this is my constituency of Portage—Interlake, Manitoba.

• (1540)

In some ways it is a microcosm of the problems and of the opportunities that exist today in our country. There are large commercial fisheries on Lake Winnipeg and Lake Manitoba. The fisheries, like those on the east coast, are having difficulty at the moment.

Last year we had a very wet summer and our farmers experienced serious difficulties, many of them with fusarium head blight infection. In spite of these difficulties there are many positives such as beautiful scenic spots, some high quality soils, good pasture for cattle, the creative imaginations of local leaders who have produced the Interlake interactive television network, perhaps the most advanced distance interactive network for high schools in Canada.

Let us face facts. For 60 years for much of this region large numbers of young people have been moving away because we have not done enough to create job opportunities and we have not done enough to develop an environment which allows the local entrepreneurial spirit to develop new and diversified businesses.

For those who live in the 11 First Nations communities there are staggeringly high effective levels of unemployment; 60 per cent to 90 per cent plus in most of the communities.

It is time for change. The budget and the estimates have started that change, a change from the reliance on the old economy to the development of the new.

Today I want to speak specifically about the role of science, technology, research and development in the promotion of the new economy. As outlined in the budget and the estimates, our government has put considerable emphasis on this area. Because of considerable fiscal restrictions we have had to do less than we might otherwise have wanted to do in supporting some specific projects, the space station or KAON, for example.

In our approach to science, technology, research and development we have laid out our plans within the context of the philosophy embodied in the Liberal election platform, "Creating Opportunities", our red book:

"First, by stressing the notion of partnership with all sectors of society we think we can re–organize our total national resources, public and private, not only to be more efficient but to take advantage of strategic economic and social opportunities that can only be realized when all of us are working together.

Second, we wish to focus our efforts on leverage points to enable the impact of federal efforts to be as large as possible, particularly in times of tight fiscal resources.

Third, if we want to have a country that works we have to measure whether specific government programs actually deliver results over time. Whether it is in health care or regional development, it is important to measure the long term outcomes and consequences of our policies and our programs. That is why we have placed so much emphasis on evaluation, innovation and finding best practices".

Over the course of the next several months our government will be undertaking a series of new federal initiatives in science, technology, research and development. We will be consulting with Canadians over the course of this period as we develop these initiatives, as we review the current federal spending in science and technology.

A primary aim of our research and development approach will be to lay the foundation for the generation of both short term and long term wealth.

[*Translation*]

One of the main objectives of our approach to research and development is to do the necessary groundwork to attract more research to Canada, both in the long and short term.

[*English*]

We have an urgent need to find solutions to present high unemployment. We need to emphasize research and develop-

ment in parts of the economy with great potential for growth, including information technology, telecommunications, broadcasting, computer services, especially software development, environmental services and in medical and biotechnology areas.

● (1545)

It is also important to continue to have a solid foundation of support for basic untargeted research because the precise source of the next advance is never fully predictable. At the same time we must pay particular attention in developing or enhancing programs which are effective in converting advances in basic research into jobs and economic opportunities, whether they lie in advance materials, in information technology, biotechnology, agriculture, fisheries, transport or other areas.

[*Translation*]

Initiatives aimed at establishing partnerships based on the lever principle to maximize our efforts, are important.

Another important goal of our strategy is to develop a culture of innovation in Canada.

[*English*]

Our second important objective is to create a culture of innovation in Canada. Creating this culture means showing leadership by being innovative. It means showing leadership by including research and development components as central elements in the way our government works, whether in the way we promote industrial development, in the way we achieve effective change to our income support programs, or in our innovative development of pilot programs, for example, like the Canada Business Service Centre in Winnipeg to ensure we have the research and development base to ensure high quality and cost efficiency.

A third goal of our research and development strategy must be to make better use of sophisticated current research and development approaches to design and implement government programs and to assess outcomes of these programs.

This goal must apply to new programs as well as existing programs including those involved with health care, income support, learning, resource management and so on. We as a government must use our resources with the greatest possible efficiency. This means continually assessing and testing our approaches.

A fourth and final goal of our research and development strategy is to integrate all our approaches to maximize the quality of life for Canadians. An enhanced quality of life is an important result of research and development efforts. Research into health care, child development and environment is an important component of this thrust.

It is our objective to work with Canadians from one end of the country to the other to utilize research and development and to support the development of a new economy in Canada. We have some marvellous models, some shining examples of success. One is the city of Waterloo, a community which has been hurt over the last several years with the loss of thousands of jobs in traditional sectors.

I visited there recently. Through an extraordinary research, development and training partnership between the university and business, the largest co–operative program in the world, the community has built upon the opportunities of the new economy to replace the large majority of the lost jobs through the development of new businesses and new industries.

Initiatives such as the information highway will play key roles in promoting growth in the new Canadian economy. To this end I spoke at the beginning of February in Toronto at the Information Technology Association of Canada to outline the government's goals in developing a Canadian strategy for the information highway. Our goals are threefold.

First, we want a strategy which emphasizes employment opportunities through innovation and investment. Opportunities for Canadians are our top priority.

Second, we want a strategy that emphasizes Canadian culture and Canadian values. In essence we believe the cars and the trucks of the information highway, the information packages, may be as important or perhaps even more important than the highway itself. We want to be sure that Canadians can learn about Canadian achievements and Canadian success stories through the information highway.

[*Translation*]

We want to make sure that Canadians can be made aware of Canadian successes and achievements through this information highway.

[*English*]

Third, we want a strategy which will give Canadians universal access at reasonable cost. All Canadians, whether rich or poor, whether rural or urban, must be able to take advantage of the opportunities of the information highway. Initiatives like the media centre in the constituency of the hon. member for Broadview—Greenwood and Larry Geller's freenet in rural Sprague, Manitoba, may be very important in bringing these dreams to reality.

● (1550)

The information highway provides extraordinary opportunities for communities to take control of their own destiny wherever they may be located. The example of North Bay is inspiring.

Ten days ago on February 25, just three days after the budget which will result in a considerable reduction of personnel at the base in North Bay, the community was going full steam ahead with plans to make North Bay a central hub on the information highway, to create an integrated community network for health, education and business, and to bring the benefits to North Bay and surrounding areas of the emerging technological opportunities. I was there that day and felt the excitement as participant

after participant put forth ideas and suggestions for new job opportunities in tourism, health, education and real estate. The opportunities are enormous.

I felt a similar level of enthusiasm recently in Pinawa, Manitoba. I know a number of my constituents are moving forward in developing new initiatives for the information highway. Late last week at a Manitoba Trucking Association meeting to which I was invited there was talk of what happens where the freight highway meets the information highway.

[*Translation*]

Late last week, we discussed with members of the Société franco–manitobaine the incredible potential of a Trans Canada French language information network, in which Quebec would have a key role, of course, and which would link all francophone communities across Canada.

In my own riding, I could feel the enthusiasm of people who would love to belong to such a network, when I mentioned it in Saint–Claude, Saint–Laurent, Saint–Eustache, Fannystelle and La Salle. These communities will finally have access to the tools they need to deal in French with the problems they face regarding learning, health care and business, as well as to other opportunities which otherwise would not have been available to them.

[*English*]

We shall shortly be setting up an advisory council to provide advice on our Canadian strategy for the information highway. We are still open to suggestions for names for this council and those suggestions can be imaginative.

I have even made one suggestion myself, remembering the words of our Prime Minister when campaigning in Shawinigan. Il a dit: "Je vais faire mon possible". I will do my best. I have suggested that perhaps the council could be called the council of the possible, le conseil du possible, transforming the world of dreams into the realm of the achievable, for that is what our government is about: helping Canadians to start dreaming of the possibilities of the information age and then working in partnership with other Canadians from coast to coast to turn these dreams into reality.

Finally let me reiterate my government's commitment as laid out consistently in our election platform, the throne speech, the budget and the estimates. We will work with Canadians to develop a more innovative economy. We will use and harness the benefits of science and technology to create new job opportunities, to help Canadians develop the skills to find meaningful work, and to enrich the lives of all Canadians whatever riding they may live in. Whether in Burin—St. George's, Madawaska—Victoria, Hochelaga—Maisonneuve or my own community of Portage—Interlake, we are about transforming Canada through science, technology, innovation and creating jobs. That is what our goal is and we are well on the way.

[*Translation*]

Mr. Maurice Godin (Châteauguay): Mr. Speaker, I listened carefully to my colleague and, at a time when the deficit and the debt are so much talked about, I am shocked and puzzled that all they are talking about is consultation. At various times, we were told that Canadians would be consulted on this or that.

• (1555)

As far as I am concerned, and especially with regard to the budget and its preparation, there was too much consultation; and yet, unions, senior citizens, the unemployed complained that indeed they were consulted but that the Liberals only took what they liked.

My question to my colleague has to do with the fact that every year the Auditor General makes a series of recommendations and as he said himself, as a general conclusion to his report, that there are no controls and that his recommendations are not followed. Would it not be better to stop travelling from coast to coast, given the cost of such an exercise, and instead focus on implementing the Auditor General's recommendations?

[*English*]

Mr. Gerrard: Mr. Speaker, I thank the hon. member for his question and concern. We are going to proceed in two fashions. On one hand it is important to consult Canadians from coast to coast. On the other hand it is important to listen to people like the Auditor General and to take a look at how the federal government works and spends at the moment.

We have a global science and technology expenditure in the federal government at the moment of about $6 billion which when including tax expenditures reaches a total of about $7 billion. It is important even as we proceed to look at how we can develop an innovative economy, how we can use the principles of leverage, and how we can look at outcomes of government programs. It is also important to review how we are making our current expenditures to make sure they are up to date and are the most effective they can be.

Even though we have committed very substantially in the budget to research and to new dollars for research, for innovation, for a Canadian technology network, for a Canadian investment fund, for dollars to put together an engineers' program and a variety of other contributions and initiatives, we intend to review how we are currently spending those dollars that go toward science and technology across the broad framework of departments.

It is not necessarily an easy task. It will need a lot of co–operation among departments, but we think it is important to do so because it is very important to spend wisely even as we move forward on important initiatives to promote innovation and research.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières): First of all, Mr. Speaker, I would like to congratulate my colleague, the Secretary of State for Science, Research and Development, for his maiden speech in which he demonstrated a broadness of outlook.

I would like to ask him to what extent he is sensitive to the drastic changes presently occurring on the geopolitical scene and which mean that the whole defence industry is being transformed.

We know that thousands of jobs have already been lost and thousands more will be lost in the next few years, and they were highly technical jobs as the red book of the Liberal Party pointed out. I would like to know to what extent his government is sensitive to that phenomenon, since it was in the red book, but it has not been mentioned since October 25. In my opinion, it would take some strong and courageous action by the government to help the companies affected switch from military to civil applications.

In this context, I would like to ask him whether he considers that the construction of a high speed train in the Quebec—Trois–Rivières—Windsor corridor could compensate, technically and financially, the cancellation of the helicopter program? Also, does he not think that MIL Davie of Lauzon, builder of military ships, mostly for the Canadian government, which has set its own plan of conversion to civil work, should be given immediately the contract to build the ferry for the Îles–de–la–Madeleine, to offset current economic pressures? These initiatives would be in line with the proposals of the red book.

• (1600)

Mr. Gerrard: Mr. Speaker, it is very important for us, in Canada, to consider what is going on in the world. The things you mentioned, that is the changes in the military situation, are really important. There is more than one answer.

[*English*]

There are all sorts of opportunities which have to be looked at very carefully. I gave the example of North Bay. North Bay is a community very significantly affected recently by the decrease, the reduction in the base.

When I was there what was phenomenal was that three days after the budget, in the wake of this announcement that this base was going to be reduced and the NORAD headquarters was going to be moving, people from the health area, the education area and the business area were brought to the community to work together to build an integrated community network, to build a strategy for the information age that would put North Bay at the hub of the information highway in northern Ontario.

That is but one example and the examples that the hon. member chose were different. We have to look at these opportunities as we build for the future and we have to look at new technologies, just as the member suggests. Perhaps in this way we can move forward together to build for Canada the new highways, some of those information highways, other highways and trains, perhaps, that will join this country together in new ways and build a better country for all of us.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I compliment my colleague for his maiden speech in the House of Commons. It was well put and very thought provoking.

We know how important the information highway is and will be for all of Canada in order to develop our educational resources and our health resources. I wonder if my colleague would mind spending a few moments to tell the House, and through the House the rest of Canada, how the information highway that he envisages will assist the small and medium sized businesses in this country in which we have all conceded the jobs that Canadians so sorely need are going to be developed.

The question is how would the information highway assist these small entrepreneurs in order that they may benefit from this remarkable technology?

Mr. Gerrard: Mr. Speaker, it is a big question and a complex one. In point of fact, the information is enabling in whatever domain, whether in farming, fishing or tourism. In tourism, for example, using the internet we can tell about the beauties, the opportunities of our areas, and reach 30 million people more easily than we might in any other way.

In real estate, we can take clients through a tour of a farm house, a factory, a residential house without having to be there. Thus, we may be able to better market the properties to people who are interested in moving and better show people areas without having to travel around quite the same way.

There are opportunities that people have already begun to take. In Newfoundland, for example, with the TETRA network there are individuals who have been able to move their fish culturing, their aquaculturing, much further ahead because they were able to talk on computer networks with people in British Columbia and learn about techniques which would move their business forward faster.

The information, the libraries, the possibilities of the future are endless. What we need to do is look at those opportunities, build on them and make sure that our communities are able to profit from them.

• (1605)

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, hon. members' statements were quite interesting today. I could not help but think back to two conversations that I was engaged in over the last couple of weeks. The first conversation took place during a meeting I attended at which one of the speakers was talking about the information highway. The question from the group of people who were there came back: "What does that mean to me, I am still on a party line?"

In other words, what the person was saying was that our telephone system and the links that connect all of our homes in this country have not yet reached the technological level at which the benefits of an information highway can reach all Canadians.

Last week I visited one of the 22 Indian reserves in my constituency. On that reserve we were talking about the municipal infrastructure program and the ability of that program to fit a telephone system for the reserve. There are only three telephones on this reserve of 400 people. They cannot even call out their fire department. We talk about communications breakdown in this country. That community cannot even call out its fire department because it is not linked.

The municipal infrastructure program may not help with a communications infrastructure.

I am just wondering, to the hon. member who just spoke about the information highway and the growing technology that we are developing in this country, how we can apply the fairness of a good idea to all communities where our technology has not yet reached.

Mr. Gerrard: Mr. Speaker, what the hon. member speaks of is very important. However, we have made significant strides in Canada. We have 90 per cent plus of the people on digital phones already, which is much higher than the United States. Although we have a long way to go we can apply our existing infrastructure program to the electronic highway as well as to routine infrastructure.

It is important for each community to look at how it can best position itself and use the infrastructure and other opportunities to bring it into the future and into the 21st century.

[*Translation*]

The Deputy Speaker: The question and comment period has expired. We just ended five hours of debate on Bill C–14.

[*English*]

The rules require us to go to 10–minute speeches without questions or comments. It happened while the minister was speaking and therefore it takes effect after he finishes the questions and comments.

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, I rise to debate on Bill C–14. I wish to speak to this bill in the context of the overall budget presentation by the Minister of Finance.

On the eve of the presentation of that budget the Prime Minister gave to the Minister of Finance a new pair of boots. Work boots, they were. By that act the Prime Minister said: "I am with you, Mr. Minister, and we want to get the people back to work".

The boots have no direction in and by themselves. The minister provides the direction and that is where things went awry. He created great expectations. A new process was presented to this House of Commons. We had a prebudget debate as never before. We had cross–country consultations from one end of this country to the other. It all turned out to be nothing more than smoke and mirrors. The individual Canadian felt uninvolved and unconnected.

Only an elite group of people was involved in the prebudget consultations. The Minister of Finance came back and told this House that the people were not opposed to broadening the tax base. It really meant increasing taxes. The people said: "You did not hear us. We do not want our taxes to increase".

He raised another expectation that this was going to be a tough budget. The people paid attention when the minister said that. They expected that the budget cuts would be tough and deep and that the budget cuts would be cutting particularly to the big spenders. They were willing to accept a tough budget not because they wanted less but because they knew it was the right thing to do.

• (1610)

It was right for them. It meant hope for jobs. It meant less government and interference in their business. It meant hope for a decent return on their investment and it contained prospects for continued prosperity. They also thought it was good for their children. In addition to those things they would get, their children would benefit through lower taxes, through a stronger dollar and a stronger economy.

What did we get? We got a blurred vision. We expected fairness and equity in cuts. While there were some cuts they were neither fair nor equitable. We got cuts in research which cut the KAON project in western Canada without a corresponding cut in central Canada. Research funds were increased for central Canada.

When one of the politicians in Ontario was told about the benefits and the characteristics of the KAON project, he was overheard to say that if it is that good it should be in Ontario—some foundation for equitable distribution of funds across Canada.

Second, we expected the budget to have an overall decrease in government spending. Instead, we got an increase of $3 billion. That increase adds to the national debt and smashes the hopes for lower taxes in the future.

Third, we were told that jobs would be plentiful. We discovered that the infrastructure program was to be the flagship that would start the economic engine and provide jobs. We looked for evidence as to where this would happen. There was none. The projected unemployment rate remains virtually constant throughout the projected budget years. Six billion dollars of infrastructure but no change in unemployment—what gain in jobs?

Fourth, we were promised that interest rates would remain stable, a little hope at last. We were suspicious. With increased spending and a larger debt could it be that interest rates would not rise? Last week the financial markets began to scold us and other borrowers globally. Especially in the United States interest rates began to rise.

The world around us is changing and Canada will be affected, whether the minister admits it or not. Rising interest rates spell bad news for a country that depends increasingly on foreign creditors to finance its government habit, annual deficits of $40 billion to $50 billion.

Our little calculators and computers showed us very clearly that as interest rates rise, interest payable rises, the deficit goes up, the proportion of the GDP required for interest payments goes up and our taxes go up, the very opposite of what we wanted.

The Prime Minister at various times in this House used words to tell us in effect that it is not good, indeed it is not moral, it is not carrying out our responsibility as guardians of the public purse if we do not pay increased spending with an increase in taxes.

It is immoral and irresponsible, he said, to place the burden for paying for our uncontrolled spending on the shoulders of our children and our grandchildren. He is the same Prime Minister who said to the finance minister: "Here is a new pair of boots". What for? To kick us and our children into an increasingly dismal future? We got a budget that destroyed both the vision and the promise of the Liberal red book as well as the promise for a tough and fiscally responsible finance minister.

Some say that is just a bunch of partisan rhetoric. Let us look at the international markets. Both stock and bond markets have taken a fright to the present prospect of higher U.S. and global interest rates. In this frightened market the finance minister added $40 billion of debt. That brings it now to a total of $550 billion by 1995. That is $20,000 for every man, woman and child in this country. As the interest rate rises the Canadian taxpayer must pay more. The discretionary spending decreases, the number of jobs is reduced and our consumer confidence goes down. Add that together and it is no surprise that people talk about a tax revolt.

However, it is not only interest rates. It is also confidence in the Canadian dollar. On March 2 and 3 the Canadian dollar dropped to below 74 cents. It is still there today. That increases the difficulty to borrow money from foreign creditors. All this adds up to an abrupt re–evaluation of Canada because the rest of the world is changing. Canada is not.

For example, the U.S. economy is growing at more than twice the rate of the Canadian economy. Its debt ratio to GDP is about half that of Canada. Hence, a rise in interest rates affects the market economy much less than it does Canada.

• (1615)

Within this context, the Minister of Industry said: "Many of our fellow citizens approach the future with more anxiety than hope. Our mission as a government is to offer hope but if hope is to be meaningful, it must be realistic. And so we have put forth in this budget a plan for the revitalization of the Canadian economy, a plan which I believe addresses the challenge and recognizes the opportunities that await Canada".

He then details a number of significant proposed plans and initiatives, many of which I agree with and commend him for. Of particular merit is the Canadian scholarship program of $24.7 million and the action agenda to help small business growth and to continue to generate jobs for Canadians.

I applaud him as he emphasizes "the need to change the culture and attitudes of employers and employees alike to the adoption of new technology. Advances in science and technology are driving productivity improvement everywhere in the world. In the 1990s no country can insulate itself from these new developments. We must organize ourselves to keep up with cutting edge technology and where possible move ahead. This is the essence of creating well paying jobs and growth in this decade."

He promises $100 million for the Canadian investment fund over four years and adds: "We will continue to seek additional funds in the private sector". The government will seek additional funds in the private sector. Where does he think the $100 million contribution came from? Did he create it? Did it fall from heaven? Did it come from the Prime Minister? No, it came from Canadian taxpayers, the most private sector there is.

The greatest catalyst for business is a reduction in taxes, a reduction in regulations, an elimination of interprovincial trade barriers, common standards of excellence in education and well trained personnel.

I challenge the minister. Will the Minister of Finance admit that this budget will not decrease government spending, will not decrease the tax burden of Canadians, will not lead to deficit elimination and will not meet the Liberal red book deficit reduction entirely? Will he instead challenge every parliamentarian and every committee to examine the estimates and then ask them to provide amendments that will decrease total government spending, that will at least not increase taxes to Canadians and lead to deficit elimination. Then the Minister of Finance will give Canadians a clear mission to provide hope and build confidence. He will be able to walk with pride in the new boots the Prime Minister gave him and we will have a 35th Parliament that will be democratic.

The Deputy Speaker: To the member for London—Middlesex who perhaps was not here before the speech began, under Standing Order 74 we have to go to 10–minute speeches with no questions and answers. It throws everything out for everybody.

For example, the next speaker is not a member of the Reform Party. It is the Parliamentary Secretary to the Minister of Fisheries and Oceans.

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, this is the first opportunity I have had to make a speech in the House. I want to congratulate you on your appointment.

On February 22, Canada's finance minister stood before the House to release the first budget of Canada's 35th Parliament. By doing so, the government took the next step toward completing a process that began for us a long time ago, a process that originated with the desire to bring economic prosperity back to Canada and to bring personal dignity back to Canadians.

The recent election made evident that Canadians shared the Liberal vision of a better tomorrow, a tomorrow where a top priority of government is jobs and economic growth, a tomorrow where government acts with integrity, with respect for the constituency that it represents, a tomorrow where social programs are reinforced and strengthened by a caring government and not sacrificed under the banner of deficit reduction, a tomorrow where the government believes that tomorrow begins today.

In the recent speech from the throne we confirmed our determination to deliver on the commitments we made to the people of Canada during the last election campaign.

On February 22, we demonstrated our commitment by introducing decisive measures to reduce the deficit, by showing Canadians where and how we are going to pay for our program of economic renewal. We are taking the next step toward implementing that vision of a better tomorrow which Canadians overwhelmingly supported on October 26.

• (1620)

In my riding of Vancouver South my constituents have placed a tremendous amount of confidence and trust in me. They have entrusted me to come to Ottawa and to work with the government to ensure that their voices are heard as Vancouver residents, as British Columbians and as proud Canadians. They have asked me to battle for the interests of small and medium sized businesses. The majority of businesses within my riding are small and medium sized.

Whether those businesses are located on Main Street or Marine Drive or whether they sell groceries in the Punjabi Market or process lumber on the banks of the Fraser River, they all have one thing in common. For the past nine years they have been frustrated and feeling excluded from the economic decision making process that has shaped the country.

As a small business owner for most of my life I have promised small business in my riding that I would work with this government to promote positive initiatives, initiatives which will encourage growth and security for Canada's small and medium sized business sector.

Traditionally the Liberals have focused much of their attention on the enhancement of the small business sector. I am proud to say that this budget reaffirms our commitments to small business by providing it with tax relief and by improving its access to capital. This budget provides the two ingredients crucial to building a vibrant business culture. Most important, however, the budget allows small business owners to do what they do best; manage their businesses.

While this budget makes significant progress in addressing the key issues for the smaller business sector, some challenges still remain. One of the most significant challenges that small businesses face is attitude, the attitude that big is better. This must change. If small businesses are to flourish the measures taken in this budget will make substantial progress toward eroding this attitude.

Another significant challenge to the small business sector is the increasing paper burden. This burden has hindered growth and reduced productivity for many businesses. We must find a way to alleviate the paper burden.

A further challenge to growth in the small business sector is the GST, long seen as a thorn in the side of small business. We must find an alternative to the GST so that Canadians will once again have the confidence to invest and to take risks, a process which is essential for growth.

My constituents have also asked me to be frugal with their tax dollars. British Columbians are honest and hard working people. They are angry with the way they have seen governments spend

their tax dollars. During the election the people of Vancouver South asked me to work toward putting an end to the waste and mismanagement of past governments and to act responsibly with their tax dollars.

The government knows we cannot ask Canadians to pull together in hard times if we are not ready to make sacrifices. The budget demonstrates that we are willing to make those sacrifices: a smaller, less expensive cabinet, the Gagliano plan, and a "just the facts" budget all demonstrate the government's commitment to ensuring that the hard earned tax dollars of Canadians are not wasted. The government knows that we must continue to work with Canadians to make the tough choices needed to get our financial house in order.

My constituents have asked me to ensure that we do not compromise when it comes to our environment. I consider myself very fortunate to come from British Columbia, a province that has both a mild climate and unparalleled beauty. After experiencing my first winter here, I am confident that when I initiate a private member's bill to move the national capital from Ottawa to Vancouver I will receive tremendous support.

British Columbia offers a unique natural environment which I humbly submit is unequalled in the rest of Canada. It is a combination of mountains, oceans and forests, which ensures that British Columbians remain conscious of the impact our actions have on the environment.

• (1625)

No government owns the oceans, land or air, yet every government has a responsibility to protect our natural environment for present and future Canadians. We must never forget that we are only the trustees of this world. Our challenge is to pass it along to our children in a cleaner and healthier state than it was passed to us.

I hope to work very closely with cabinet, both in my capacity as Parliamentary Secretary to the Minister of Fisheries and Oceans and as a representative of a constituency very much concerned about protecting our environment.

My constituents have also asked me to ensure that government remains compassionate, both nationally and internationally. During the election my constituents asked me to ensure that despite the pressure to cut back on government expenditures, a Liberal government would maintain Canada's record of compassion and continue to provide for those areas of our society which need our help.

February's budget announcement allowed me to return to my riding and show my constituents that the government, while still acting responsibly, has remained compassionate. Whether it means ensuring fair pensions for the elderly or providing opportunities for less fortunate Canadians, the government will not abandon those in need.

But compassion does not end at home. In some countries in the world freedom is not a right, it is a dream. In some countries in the world human rights abuses continue regularly unchecked. Many of my constituents come from countries which have track records of human rights abuses. They know first hand the difference between good and bad democracy. They are confident that Canada as a role model for human rights and compassionate government will not lose sight of its international responsibility as a facilitator for justice. They are confident that this country will never allow itself to be silenced by commercial interests when speaking out on human rights issues.

My constituents asked me to represent their diversity. Like Canada, my constituency has a diverse ethnic and cultural base. Many of my constituents are first generation Canadians. They have come here with their hopes and dreams and have become part of the Canadian mosaic. They offer us diversity, a diversity which I believe contributes greatly to Canada's national identity. It is our responsibility as the Government of Canada to ensure that we continue to represent our nation's diversity, that we continue to represent the constituency which we serve.

The Liberal government is proud to be working to include a truly representative cross section of Canadians. I am proud to be a part of that change.

I inherit a proud tradition in my riding of Vancouver South. Nestled between West 41st to the north, Canada's largest fishery, the Fraser River to the south, and Boundary Road to the east, my riding has had a long history of demanding a high quality of representation from their elected members. John Fraser served Vancouver South for 20 years and during that time was distinguished with being the first member of Parliament to ever be elected Speaker of the House. It is in that tradition of strong parliamentary representation that I am privileged to follow.

In conclusion, I would like to humbly thank my constituents for placing their trust in me to represent them at the federal level. My constituents have placed a tremendous challenge before me which I am proud to meet. Every long journey begins with the first step. On October 26 we took our first step on the journey toward economic prosperity for Canada. On February 22 we took another long stride.

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Capilano—Howe Sound, Immigration; the hon. member for Rimouski—Témiscouata, National Arts Centre; the

hon. member for Provencher, Labour dispute; the hon. member for Winnipeg North, Tobacco.

Resuming debate. The hon. member for Abitibi.

• (1630)

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, I am pleased to have this opportunity today to voice a different opinion on the last budget and on the impact it will have and not have on people in Canada in general and in my riding in particular.

The Canadian budget exercise is something extremely serious and we cannot speak about it lightly. It very often means life or death for projects or economic activities on which individuals depend. For example, in my riding mining is very important and generates income for the whole country.

Some people have criticized the budget because it does not do enough to create jobs for Canadians. Others have criticized it as well because it does not deal strongly enough with the national debt. Very often, deluged by figures, Mr. and Mrs. Average Citizen, do not know who to believe and why they should trust anyone. A budget should inspire confidence.

Although the budget is an accounting tool which allows the government to evaluate its financial capabilities for the coming year, it is often perceived by Canadians more as a means of taking more money out of their pockets than a tool for improvement and progress.

With an accumulated debt of over $500 billion, and consistent deficits, year after year, how can Quebecers and Canadians have any confidence in their government? What should we do so that this exercise, which is so important to the country's economy, does not always, or nearly always, end up being a source of frustration but rather a tool of choice to fire up the country, if not bring it back to life?

Canada's economic situation does not allow the finance minister to give presents to taxpayers, they understand that, but to give the budget a positive image does not necessarily require presents.

Following the last budget, I heard many Canadians say on open–line shows how disappointed they were with it. I am not going to say whether they were right or wrong. Obviously, the Minister of Finance cannot please everyone, but he must try to correct inequities.

When listening to these people on the radio, one realizes that the budget could have a much more positive image if people could see in this accounting exercise the promise of some changes for themselves and people around them.

During one of these open–line shows, a lady gave her opinion of the budget saying that even though she was personally affected by it, she agreed to pay more taxes, as a retired senior, to improve the country's financial situation. But she also said that, with a deficit still that big, and despite her willingness to pay more taxes, it might be an exercise in futility.

Another caller, who introduced himself as a federal civil servant, said that he was also obliged to do his share for the country, without being asked to, by accepting a further wage freeze, but added that he would have hoped that major companies would also have done their bit.

I only gave the example of two citizens in the Hull–Ottawa area who, even though they were disappointed, accepted to support the last budget, knowing probably that their efforts would help control the deficit.

I am certain that there are other members in this House who could give as many if not more examples of Quebecers and Canadians who agreed, willy–nilly, to support the fight against the deficit. Faced with such examples of courage among our fellow citizens, I wonder if the government is really trying as hard as they are to control the deficit.

How are Mr. and Mrs. Joe Public to believe that the government is truly making an effort to curb the deficit when year after year, the Auditor General of Canada tables a report rife with examples of waste and mismanagement and when no serious attempt seems to be made to reverse the situation?

How are we to believe that things will change and that people will put their trust in this new government and in the new budget?

• (1635)

In its recent budget, the Liberal government indicated that it would be considering ways of replacing the GST with another tax, one that would not, of course, be less expensive since the government still needs revenues, but one that would be more efficient. Unfortunately, people heard the same song and dance from the Conservative government when the GST was introduced. Yet, it cost more today to administer the GST that the former tax, besides which the GST does not really generate more revenue. All this after taxpayers were forced to spend millions of dollars to meet GST requirements.

How are we supposed to trust the government once again when it speaks of a new tax, when all of the experts are saying that we should wait until this same GST is improved before we think about bringing in a new tax. How are we to restore the public's trust in its institutions? The steady increase in taxes gives the public all the more reason to turn to the underground economy and to contraband. The government has to start by finding a way to make legal work viable.

High levels of public expenditures and government indebtedness impede economic growth to the same degree as the underground economy and smuggling.

If it is to enhance the government's credibility, the budgetary process must be transparent. High–income earners would be willing to make additional sacrifices provided, of course, they

saw in the budget that the government was prepared to do likewise.

In the past, governments have always favoured tax increases or taxing target groups, the aim being not to hit everyone at the same time. The preferred approach seems to be: divide and conquer. With the result that those who are penalized are frustrated with those who are not and vice versa the following year, except that we remember only of those years when we are personally affected.

Such a policy may be profitable for a government in want of a new mandate, but this is not the kind of policy which promotes solidarity among fellow citizens or confidence in their elected representatives, if they think that taxation policies are often arbitrary and selective if need be.

The Canadian people would agree to make an effort if the government was demonstrating by its actions the firm will to tackle its pattern of expenditures instead of cutting a little in this or that item.

The Liberal government could have shown a great deal of openness and transparency to restore the confidence of taxpayers by accepting that the committee requested by the Official Opposition on many occasions be set up to review all government programs as well as their budgets.

I think it was easier for the government to say that we already have the Standing Committee on Public Accounts than to accept to be faced with questions from the public through the Official Opposition.

The Minister of Finance himself said in his budget speech that it was not enough to cut here and there, that fundamental changes were required. Does this means that the government intends to do as much to reduce its own spending as it is asking from the taxpayers?

On the subject of joint efforts to reduce the deficit, would the taxpayers not find that the thing to do on the part of the government, when they are facing a drain of over $14 billion in taxes over the next three years, would be to cut government spending further instead of announcing that it will increase by another $4.4 billion during the same period?

Taxpayers would be proud of their government if it took the initiative of streamlining government structure not from the bottom up, but the other way around and reviewed its programs, because only 12 per cent of government programs are actually assessed and, even then, not always with regard to performance but only to ascertain that funds are well administered, that is to say that they are going to the right place. Savings of only a few percentage points on a budget of $123 billion—without taking interest into account of course—resulting from a review of operating budgets and the rationale of certain programs, would put a very substantial amount back in the public purse, and the taxpayers would appreciate that.

In closing, Mr. Speaker, the people of Canada as well as those of Quebec have the right to require from their government more transparency in its budget, more fairness, more self–assessment and that its make as much of a sacrifice as it asks from the taxpayers.

When that has been achieved, the vast majority of Canadians will trust their government more and certainly accept to make all necessary efforts to fight the deficit.

• (1640)

[*English*]

Mrs. Marlene Cowling (Dauphin—Swan River): Mr. Speaker, as I stand before this House to deliver my maiden speech I want to say how honoured and proud I am to be part of this new Liberal government in this 35th Parliament.

I firmly believe our Minister of Finance has delivered a budget which lives up to our campaign promises in the red book. This budget will bring back a renewed sense of confidence and hope to the people we serve.

I come to this House as a farmer from a rural constituency on the prairies. My constituency is Dauphin—Swan River. I would like to take a few moments to tell hon. members in this House about it.

Mine is a rural constituency in the northwest region of Manitoba. It is very large geographically. The major industry is agriculture with all of the infrastructure and necessary support services that go along with that. In addition we have forestry, commercial fishing and tourism.

Within the boundaries of Dauphin—Swan River are two major parks, one federal and one provincial. Our agricultural base is well diversified. Our land base is one of the most fertile and productive in western Canada.

Even more diversified than our economy are our people who derive from a broad and diverse cultural and ethnic base, including 13 native reserves. It is this very diverse group of people who on October 25 placed their confidence in me to represent their interests in this place. I thank them for this marvellous opportunity to serve. I assure them I will do everything in my power to live up to their expectations.

Of course the good people of Dauphin—Swan River did not just vote for me. They also voted for a party and a leader who had a plan. It is a plan to create economic growth and put Canadians back to work, a plan to stabilize the agri–food industry with a national food security policy, a plan to establish a new partnership with aboriginal peoples, a plan to preserve and enhance our social safety net, a plan to lead Canadians into the 21st century with a renewed sense of confidence, optimism and hope.

That is what the people of Dauphin—Swan River voted for. They have a right to expect no less. That is what we will deliver.

There are a number of initiatives already undertaken by the government which I am sure the people of Dauphin—Swan River will view favourably. The cancellation of the helicopter deal was a campaign promise that was kept. The conclusion of the GATT negotiations will be a particularly encouraging sign to the farm families involved in the grains and red meat industries in Dauphin—Swan River and in western Canada. These industries require ready access to export markets and cannot help but be pleased at the prospect of an end to the international grain trade wars.

The hon. minister of agriculture should be complimented on his handling of the very sensitive final stages of the GATT negotiations.

The mayors, the reeves and their respective councils of the towns and rural municipalities in Dauphin—Swan River are anxiously awaiting responses to their applications on the infrastructure program so that they may use the jointly funded program to the advantage of their communities and of course to create jobs.

Let us now look at some of the additional provisions of the budget speech itself.

• (1645)

In addition to the infrastructure program there are a number of provisions which will be viewed favourably by the people of Dauphin—Swan River: the government's commitment to economic renewal and job creation through the establishment of a new internship and apprenticeship program and the establishment of a Canada youth service corps; the government's commitment to research and development, particularly agricultural research; the government's commitment to the development of an information highway which could be of great consequence to the future development of rural Canada; the government's commitment to establish a centre of excellence for women's health; the government's commitment to establish a national forum on health chaired by the Prime Minister; the government's commitment to a consultation process to replace the GST; the government's commitment to enhance the opportunities for small and medium sized businesses in the Canadian economy; the government's commitment to provide stability in transfer payments to the provinces.

All of these commitments are clearly reflected and are provided for in the budget. All of these provisions will be viewed positively by the people of Dauphin—Swan River. They will be seen as a constructive step forward in fulfilling our election promises.

Finally we have a government which will restore honesty and integrity and openness to our institutions of government.

Finally we have a government which is prepared to give the highest priority to job creation and economic growth.

Finally we have a government which is committed to strengthening the social fabric of Canada.

Finally we have a government which is committed to the sound management of our nation's financial affairs not to just talk about it, but to do it.

The Deputy Speaker: Congratulations to the member on her maiden speech.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I rise to represent my own convictions, those of my constituents and millions of other Canadians.

I rise to voice my profound concern over an issue of the highest import. Other issues pale into insignificance compared with the substance of Bill C–14, an act to provide borrowing authority for the next fiscal year. If it is passed the bill before us will authorize the government to borrow up to $34 billion, adding still more to the debt that is already without precedent in Canadian peacetime history, an astronomical sum which is difficult for us to even comprehend.

It troubles me deeply that this bill has received so little attention and so little talk on the other side of the House. We need the attention of the nation today. We need all members in this House, members who are watching on television or reading *Hansard* to sit up and notice the incredible event that is taking place.

It is obvious that the government considers this bill a fait accompli, a routine proceeding, just a boring formality to thrust this legislation in the face of an indignant opposition, listen awhile to its useless tirades and then pass it without second thought. The government has adapted easily to the incredulous thought of borrowing $34 billion.

We all enjoy the ability to adapt to new situations. Adaptability is a coping mechanism and it allows us to live in truly abnormal ways and yet somehow develop a frame of mind which sees a situation as normal even though circumstances are far from it.

We see people with major disabilities get on with their lives and live happily. On TV we watch the kids in Sarajevo tobogganing the day after the shells stop falling. This is a good quality. It allows us to make the best of a bad situation.

This ability to adapt also has its downside. We can become desensitized, unable to detect the lowering of standards about things which would have shocked us just a few short years ago. That same adaptability allows soldiers to shell children in Sarajevo and find it acceptable.

Somehow I fear that this ability to adapt has enabled this government to descend into a fiscal frame of mind that allows us to think the unthinkable and accept it as normal. To illustrate, let me quote from the Auditor General's report of 1976. He said: "I am deeply concerned that Parliament and indeed the govern-

ment has lost or is close to losing effective control of the public purse".

• (1650)

The deficit in 1976 was $6 billion. The debt was just $37 billion but it was not considered normal at the time. The situation was regarded as nearly out of control.

Consider for a moment the Lambert commission, a royal commission on financial management that reported in 1979. The commissioners noted that our debt to GNP ratio was twice the figure of the U.S. government, and what was the deficit in Canada in 1979? It was just $13 billion. The debt was only $61 billion, a pittance today. The government was so alarmed that it appointed a royal commission to investigate it.

The words that this government speaks merely echo those that have been spoken over the last two decades of deficits, seeking to cast the deficit and debt in the light of normality, trying to save face, attempting to lull the electorate into believing that our situation is somehow acceptable.

Little by little, year by year we spin neat phrases and explain it with eloquent phrases and words and clever accounting tricks that merely hide the deadly truth a little longer. We are like frogs swimming in a pot of hot water. We do not know that we are going to be the supper until the water is boiling. It may be too late if this bill and this budget are passed by this House of Commons.

Governments often, for example, pull out their shabby comparison between debt to GNP ratio with our ratio just after World War II, saying that our situation was the same then, do not worry. They do not mention that the entire world was different. The baby boom was beginning. The U.S. was the unchallenged economic world leader with a burgeoning economy and an insatiable demand for our natural resources.

There was no global competition, no necessity for intensively trained workers as there is today. Our position today is uniquely perilous. A child could see it, but this House continues to hide its eyes.

In February this government brought in a budget and acted in precisely the same way as its old political enemy, the Conservatives, who took no real action against the deficit, and demonstrated that they had no will to change the status quo. What are the consequences of maintaining the status quo?

A few weeks ago I attended a seminar with the senior economist of Burns Fry Limited. After comparing our economy with the state of other world economies, he stated that he believes we may well have come to the point of no return. There is no way we will ever be able to pay our debt back. Our economy will become permanently hampered by our debt and we will become progressively poorer as a nation. That is the result of maintaining the status quo.

When we see the size of the debt and the size of the deficit, governments past and present should hang their heads in shame. It is a debt of $20,000 for every man, woman and child in Canada. The plan is to add another $100 billion to that debt. This is a virtual guarantee that future budgets will be able to offer Canadians even less in the way of essential services, even less in the way of job creation, less tax relief and even less of a future.

In the 10 minutes it takes for me to finish this short presentation we will have piled another four million dollars on our national debt.

How could we have come to this? I believe we are all sincere and reasonably intelligent men and women. Could it be a systemic problem, a deep rooted problem with our political process that in some cases derails the public interest?

I believe our problem is systemic. It is a difficult, pernicious problem that threatens to engulf this nation in a sea of debt. The problem is the strict discipline that political parties impose on their own members. It is a shame, really, especially since political parties were originally formed in response to the public demand for good government, government that would not cater to special interests or be bought with the taxpayers' own money.

Party affiliation has allowed Canada to have stable government, but in recent years it has also led to governments whose agendas have been set by a select few people at the top. Something has gone wrong. Voters have come to the conclusion that strict party discipline has paralysed Parliament, making a mockery of true democratic principles. Members are not free to vote for what they know is right. They have to vote for what their leaders tell them is right.

Today we are considering a historic bill, an infamous bill. It may be the bill that renders our fiscal situation truly impossible. We are grinding our economy into mincemeat and offering little to hundreds of thousands of desperate and frustrated workers.

I know that many members opposite and those watching on television disagree with the course of this government and I want to speak directly to them today.

• (1655)

Listen to the stinging indictment of the *Globe and Mail* editorial from last week: "This generation of Canadians in this Parliament is imposing a lower standard of living on the next generation through sustained, profligate borrowing. The national government is turning into a large and feeble creature, sapped of the power to take initiatives, presenting a caricature of leadership. This budget makes a mockery of Jean Chrétien's promise of a return to the good old days. In the good old days the

future was not mortgaged to the selfishness and cowardice of the current generation".

This government speaks words, words and more words; words of calm assurance to its backbenchers that all is well. However, the backbenchers should be aware that those words are also accompanied by the not so subtle warnings of the school yard bully: "If you don't vote how we trained you to vote, no more favours. If you don't go through the motions, jump the party hoops, bow and scrape to our policy of disaster, you're out of the club".

Many government members will remember a few short weeks ago when they were told by their party how to vote on the selection of the vice chairs of the standing committees of this House. They will not quickly forget how some of the party veterans worked the committee rooms using their influence to ensure that backbenchers did as they were told, forcing them to vote for separatist MPs as vice chairs of every single committee.

How quickly the die is cast. How easily they have been poured into the mould that we had hoped was broken after the last election.

Now on Bill C–14 they have been told once again not to vote for what is obviously in the public interest, not to vote for their conscience, vote the party line even if it means stealing from their grandchildren. Members opposite have been lulled into a sense of false security by the calm demeanour of their party handlers. They have been deceived by smooth words and bullied by quiet party threats to think that borrowing $34 billion in addition to the $500 billion we already have is somehow acceptable.

I hope their adaptability serves them well. I hope they will be comfortable when the debt rises to $600 billion and the IMF moves in and imposes cutbacks on Canada. I hope they will be flexible when the dollar falls through the floor and Canadians begin to live with a crisis similar to the one that engulfed New Zealand only a few years ago. I trust they will calmly adapt when their grandchildren ask why they did not vote for their interests, why they thought only of themselves. I hope they have already formulated a plan to cope with an enraged electorate after it has experienced the effects of Liberal actions.

There is a way out. I understand and agree that the government is charged with bringing in a budget and ordering its legislative priorities. That is as it should be. Let there be no mistake. The vote on Bill C–14, and even the next generation will see it as such, is a vote of conscience as much as any other vote in this Parliament could be. It deserves the treatment that the Reform Party has been calling for for years. It deserves a free vote in this House.

I truly believe that if government members looked into their hearts they would say it is not in the public interest to add this much debt and deficit on to the Canadian people.

There is a simple answer. If only 40 backbench MPs wanted action and not words they could alter the course of Canadian history, they could defeat Bill C–14 and the Reform Party would not request dissolution. The government could try again and bring down a more acceptable budget. Those few members could revitalize this House and the economy and Canadians would be spared the shock that they will otherwise feel in the years to come.

We are engaged in a battle today, an economic struggle against poverty and want. At this critical time when we need to marshal all of our national resources for the fight, the Liberal leaders have laid down their weapons and ordered their troops to raise white flags. It is too soon for any member to surrender to anything but the national interest.

The Reform Party of Canada calls upon all members to take courage, to take up the power of the votes and fire an opening round against the deficit by defeating Bill C–14, not for any party or for any low political purpose. Do it because conscience compels it. Do it because the good of the nation demands it and do it because our children's tomorrow depends upon some discipline today.

Mr. Stan Dromisky (Thunder Bay—Atikokan): Mr. Speaker, there are several models of governing which a society or a community of people could choose in order to determine how it wishes to be governed and how it hopes to achieve its common goals. Of all the models, the democratic model demands the longest period of time for identifying, clarifying, implementing and assessing these goals. Without any doubt, it is the most expensive in terms of time and human energy required for the tasks that are essential for its maintenance and survival. It could also be the most expensive financially. However, there is no other model of governance that is superior to the democratic one, for it is in the democratic process that the very nature of man is recognized and taken into consideration.

• (1700)

Over a lengthy period of time a network of systems has emerged that have attempted to meet the individual's physical, mental, social and spiritual needs. But all of this is taking place in local, national and global environments which are in a constant state of flux, constantly changing.

It is imperative for our society to be in harmony with these fluctuations. It is not always an easy task to identify the changing forces and the long range directions. It is equally difficult to determine the emergent needs of our peoples and

their institutions. A dictator could readily solve these problems according to his own whims or fancies.

However, in a democratic society we must turn to the people for guidance and that is exactly what this government did. With a new leader the Liberal Party of Canada proceeded on an uncharted course, one in which every constituency had the opportunity to provide their perceptions and recommendations through representatives, not only from every facet of our society but from a multitude of other foreign sources. All this resulted in the Liberal plan which our Prime Minister stated "is a plan for Canada, anchored in the principle that governing is about people and that government must be judged by its effectiveness in promoting human dignity, justice, fairness and opportunity".

No doubt the opposing political parties in this House of Commons subscribe to similar principles. However, the big problem is how are these principles to be achieved. As an example the Official Opposition has clearly revealed it must devote all of its energies to the accomplishment of one goal, that being the separation of Quebec from Canada no matter what the cost might be. The third party, the Reform Party, is obsessed with the state of the national deficit and the national debt. It feels it can effectively promote human dignity, justice, fairness and opportunity by slashing federal programs and services in order to eliminate the deficit within three years.

Economists throughout the entire world warn that such a move would wreck the social network and play havoc with our economy, leading to unimaginable social and economic problems. Both opposition parties maintain policy positions of special interest groups and in no way do they reflect the needs of the vast majority of Canadians. The Liberal government is here to serve all Canadians.

The consultative process has never ceased to operate and in fact it intensified as we prepared for the presentation of the first budget. This government received input in a variety of ways from all over Canada. This government read and analysed the written communiques. This government listened to the people. This government acted in a responsible and constructive manner. This government, in light of all the problems with which it had to deal, set out a budgetary plan which has its foundations in people.

As an example I would like to share part of a letter received from several constituents in my riding of Thunder Bay—Atikokan. They state:

> Our knowledge of politics and economics is very limited. But we don't think it takes a masters degree to realize that when the taxes go up, consumers don't buy; it is as simple as that. A reduction in taxes will give consumers more money in their pockets and they will be more likely to go out and spend it. Taxing benefit packages will serve to remove more money from the economy and stifle whatever remaining consumer interest there might be.

• (1705)

That is from a letter received from Messrs. Thompson, House, Boyd, Wolotko and Brodie from the city of Thunder Bay. The government heard these concerns and did not raise basic taxes. It did not tax benefit packages.

They also, like millions of their fellow Canadians, expressed their anxieties related to the unemployment–employment situation. These concerns were heard and collectively they determined where the major thrust of the 1994 budget would be: in a host of programs and measures that would enhance the prospects for the creation of jobs and continued economic growth.

I would like to give a few examples of budget initiatives that will have an early impact. First, the rollback of unemployment insurance premiums to the 1993 level of $3 for 1995 and 1996. This represents a saving of $300 million a year for the reinvestment in new jobs. The revival of the residential rehabilitation assistance program will make $50 million a year available for the construction industry. Making the home buyer's plan permanent allows first time home buyers to use RRSP funds to buy homes.

With the reallocation of budgeted existing expenditures, jobs will be created with the national infrastructure program, youth internship and apprenticeship programs. The government intends to renew and revitalize Canada's outdated social security system within two years and to deliver better service to those in need, thus ensuring the social safety net remains affordable.

These are but a few of the many budgetary measures stimulated by the Liberal plan for Canada, as found in "Creating Opportunity," the red book, a plan that promotes human dignity, justice, fairness and opportunity for all Canadians.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, on Tuesday, February 22, the hon. Minister of Finance delivered his budget speech in this House. That day, announced a few weeks earlier, was awaited with interest by Quebecers and Canadians alike. The people of Beauport—Montmorency—Orléans, who elected me to represent them in the House of Commons, were also expecting a lot from this budget. They expected the government to start by living within its means and allow people to earn a decent living for themselves and their families, as every citizen is entitled to. They also expected the government to respect seniors who contributed to the development of Quebec and Canada, which, a few years ago, was among the most prosperous countries.

Like myself, the people of my riding are disappointed and cannot understand how, after democratically rejecting a government that did not meet their expectations, they are now governed

by Liberals who are proud to have the same policies as the previous government, the Tory government.

The real solutions to restore the confidence of Quebecers and Canadians lie in tackling the deficit, reducing departmental waste and duplication, reviewing tax measures, and creating permanent jobs.

This government put in place, before the budget, a municipal infrastructure program, which will create some 45,000 temporary jobs. Once the roads and sidewalks have been paved, the workers will go back home to live off whatever is left of the unemployment insurance program. However, this program will cost Quebecers and Canadians $2 billion in federal taxes, $2 billion in provincial taxes and $2 billion in municipal taxes.

• (1710)

Quebec and Canada need stable permanent jobs that generate progress and development. Has this government thought of developing the transportation industry in Canada? As transport critic for the Official Opposition, I listened carefully to the finance minister's speech. When I heard him present his forecasts to us, I said to myself that a government cannot build the future of a people on temporary projects. Maybe in a few minutes, he will announce a major project, something that will excite the people's enthusiasm, one that will serve several provinces or all of Canada, but the speech ended and I heard nothing, except the following paragraph that I quote from *Hansard* of February 22: "The Minister of Transport will implement needed improvements to the surface freight transportation system with his provincial colleagues and stakeholders".

When the Minister of Finance presented the government's policies for the next few years to this House, I expected him to give more importance to one of Canada's basic industries, namely transportation. Since this House opened, we have suggested possibilities to him.

Several projects could develop the economy, and I mention some that I would have liked to see in the budget speech: the future of the rail system, the high-speed train, the future of air transport and the future of the merchant marine in Canada.

The Minister of Finance had no concrete solution in his budget speech for improving transportation and thus solving the problems of economic development and unemployment.

If you allow me, Mr. Speaker, I would like to tell this House about the benefits of these projects for economic development.

First, there is the rail system. Canada's railways have brought the people together from the Atlantic to the Pacific. They developed the Canadian West. They also enabled Canada to become one of the world's largest wheat producers and to transport this product from coast to coast across the country. Yet today, at a time when other countries use railway transport as the basis for their development, the Canadian government is abandoning it everywhere in the country and particularly in Quebec.

The National Transportation Agency authorizes the dismantlement of numerous lines by CN and CP while, as I said earlier, these two carriers keep coming up with projects, especially in Quebec.

Without a drastic move to support railway transport, both for passengers and for freight, Quebec and Canada are going to be stuck with a spiralling increase of costs, not only because of the maintenance of the road network and the accidents which occur, but also because of the energy inefficiency and the pollution associated with automotive transport. The government, and the Minister of Transport in particular, must urgently develop a policy which will first take into account the public interest and which will be firmly turned towards the next century. Most industrialized countries, including the United States, are already doing so. I formally ask for a moratorium on any new abandonment of lines, as well as for the setting up of a parliamentary task force to conduct an in-depth review of the impact on the economy, tourism and especially the environment, of transport services as a whole in Quebec and in Canada.

Let us now talk about the high-speed train. I mentioned that our party had made suggestions to the government to develop the transport sector and improve the economy. Yet, the government and the Minister of Finance did not take our suggestions into account in the budget. What a surprise to hear the Minister of Transport tell a CBC reporter that setting up a high-speed train link between Quebec and Windsor was not a priority. Yet, on February 1, I described to this House all the benefits a high speed train along the Quebec City-Windsor corridor would have for Quebec and for Canada.

• (1715)

I have read and reread the report the Working Group submitted on May 31, 1991, to the Premier of Quebec, Mr. Robert Bourassa, and to the Premier of Ontario, Mr. Bob Rae. This report bears the signature and meets the approval of key figures known to be influential members of the Liberal party now in office.

I do not think that I have to convince anyone in this House that Canada does need short-term jobs to boost the economy, but it also needs long-term jobs to solve the economic problems it is facing. The Working Group mentioned in its comments that it had the distinct impression, like a great many representatives of the industry, the business community and the population in general, that a high-speed train providing hourly service between the cities of Quebec, Trois-Rivières and Montreal and the cities of Ottawa, Kingston, Toronto, London and Windsor would

encourage interprovincial travel and reinforce business and travel activities.

The success of high-speed trains in other countries was proportionate to the will of the governments to change the attitude of consumers by regulating mass transit and providing direct financial support.

It is also important to note that improvements to the commuter-rail system and regional rail services could reduce the use of private cars, particularly where there are traffic jams on highways close to urban areas.

When we analyzed the proposal for construction of a fixed link between New Brunswick and Prince Edward Island, we agreed, while pointing out that certain precautions were necessary because of the strong involvement of the private sector. We approved of the proposal for a high-speed train for the same reason we approved of building a fixed link between New Brunswick and Prince Edward Island, because this project will help inject $5.3 billion in private investment into the Canadian economy, and this does not include indirect spin-offs.

There is another very important component of Canada's transportation industry, and I am referring to air transportation. Our two major carriers are now restructuring after reaching agreement on a number of contentious issues. We must now do everything we can to help them get ahead and become major players on the world market.

I believe we have two dynamic companies that are capable of opening up new markets and participating in Canada's economic development, and we must give them every opportunity to do so. For instance, would it not make sense to speed up and facilitate Air Canada's access to Hong Kong, a market that is bigger than all European markets combined? There are forecasts that in the next five years, there will be incredible growth in air transportation to and from Hong Kong, the most significant source of air traffic in Asia.

Finally, I would like to mention marine transportation. The budget speech refers to improving surface transportation but does not say how.

Mr. Speaker, you are signalling that my time has expired. In concluding, I want to say that together we can prepare the future of the generations of tomorrow and leave them a legacy that will be more useful than a deficit of over $5 billion.

We must work together in the interests of our fellow citizens and ensure that future generations will have a better life. For the first time in North America, statistics tell us that our children's standard of living will be lower than ours. We cannot accept that without doing anything to change it, and change it we must, not by attacking the weakest members of our society but by building on the legacy of past generations.

[*English*]

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, today I am privileged to rise to speak about the first Liberal budget of the 35th Parliament. I might add that this is the first budget I have had the pleasure and honour to address.

Today we are considering Bill C-14 respecting the borrowing authority for 1994-95. The passage of the bill will raise funds for public works, for general purposes and for the operations of government. I fully support the bill because it limits the government's borrowing authority. The people of Don Valley North and many other ridings across the country voted for cuts in government spending. They gave their approval to the government's plan for fiscal responsibility.

• (1720)

The budget is only the beginning of a new process which started on October 25, 1993. This process will deliver a major promise made to Canadians in the red book. We are committed to bringing down the deficit to 3 per cent of GDP in the next three years. A great deal of credit must be given to the hon. Minister of Finance for his part in consulting with Canadians from all regions and all walks of life before bringing down the budget.

This first budget is a good beginning as I said earlier. It tackles the problem in three ways. First, it is building a framework for economic renewal to help small businesses and create jobs. Second, it is a reduction in the spending on government operations, on defence operations, on subsidies to businesses and on international development agencies. Third, it is a progressive reform of Canada's social programs which will include unemployment insurance reform, review of services for our aging population and social justice issues.

On February 17 I made a statement in the House in support of full funding for the national literacy program. I am especially pleased today that the Minister of Finance pledged on budget day to restore full funding to this program. No budget can please every Canadian and this budget is no exception.

On October 25 the Canadian people gave the new government a mandate for change. I am very happy to be part of the mandate. I will take the challenge very seriously.

I represent the riding of Don Valley North which is located in the city of North York at the northeastern boundary. There are approximately 90,000 constituents from all corners of the world resulting in a diverse mixture of cultures and languages. Don Valley North is a riding we can all take pride in. It is a success story for our government's multicultural policies.

I came to Canada in 1970 after three years in Chicago, Illinois. I first joined my parents in Montreal, Quebec. Afterward I moved to Toronto. I married in 1975 my wife, Zaza, and we are proud parents of four children: Raffi, Tamar, Vatche and

Gacia. I thank all of them for their continued and generous support over the last few years.

My election to the House of Commons is a significant part of Armenian history in Canada. The first Armenian immigrant came to Canada in 1887 and settled in Port Hope, Ontario. I am the first Canadian of Armenian descent to have the honour of serving in the House of Commons.

On the first day I came to the House as a new member of Parliament I was so moved that I had tears in my eyes, tears of joy and happiness. I reflected on 127 years of Canadian history. I remembered former prime ministers, past leaders of the opposition and members of Parliament. I noticed the flag on the Prime Minister's bench and the Speaker's chair. There were so many significant symbols of this House of Parliament that I felt overwhelmed to be a part of its history. I rise to the challenge to do my best to change the course and prepare Canada for the 21st century.

It has been a long journey for me, over 20 years, but I can say it was worth every day of it. I am no longer dreaming the Canadian dream. I am living the Canadian dream. I thank first and foremost the residents of Don Valley North for their trust and confidence in me. Second, I would like to thank the Don Valley North executive, my campaign manager, the team and the hundreds of volunteers. I would not have been here without the support of my colleagues and the captain of the A team, the right hon. Prime Minister. During the campaign I was very honoured to have my leader visit my riding of Don Valley North on a Sunday morning for breakfast. Over 600 constituents came to breakfast and learned firsthand what a great leader the Prime Minister of Canada was.

• (1725)

In the next four or five years we will be judged by the people who gave us our mandate. We have been asked to bring back Canadian values. We have been challenged to bring prosperity and hope to Canadians. The budget is an important step for ourselves and for the next generation. I fully support the budget. I invite Canadians to join us in formulating the next budget. The process was started today. Let us work hard hand in hand and shoulder to shoulder toward a better future.

In closing I remind the House of President Lincoln's speech on his second inaugural address when he said:

> Let us have faith that right makes might, and in that faith, let us to the end dare to do our duty as we understand it.

The Deputy Speaker: I congratulate the hon. member on his maiden speech as well.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I appreciate the opportunity to address the House today on the important matter before us, the matter being the borrowing authority bill. Bill C–14 provides the government with the opportunity to borrow some $34 billion to see us through this fiscal year.

I have stood in the House many times over the last five years. In each of those years I have seen the government come forward about this time, shortly after the budget was brought down in the House by a finance minister, and ask the House for the authority to borrow money in order to get it through the year.

Each year these funds address the central problem of the past, that program spending has been greater than the revenues received by government. We have now reached a point where as a nation we are borrowing money simply to pay the interest costs on the debt that has accumulated over a number of years.

Every Canadian manages debt of one kind or another. Many Canadians who purchased homes have gone to the bank and borrowed money in order to mortgage the facility and be able to live in it. Many Canadians with businesses have borrowed money or have incurred debt either to maintain the capital of the business or maintain an inventory for the business. Many Canadians have borrowed money for furnishings, holidays or whatever they want on credit cards. In each case, whether a home owner, a business person, a farmer who borrowed money for equipment to operate his farm or a consumer on a credit card, the debt is always considered in terms of manageability.

As a nation we continue to ask ourselves how much money we need in a given year and then borrow to make up the total over and above what we have. The difference between us as a nation and us as homeowners, farmers, business people and consumers is that as a government we are not managing our way through. We have no specific plan to deal with the accumulated and accumulating debt other than to talk about reducing the annual deficit to the point where we might come to a percentage above our GNP. In and of itself that certainly is not good enough.

• (1730)

Looking at the public debt charges we see right off the bat that last year the government's budgetary spending was $161 billion with revenues of only $121 billion, resulting in a shortfall of over $40 billion. This year, 1993–94, the government is adding $45 billion to that total. The spending will reach $167 billion and revenue is only $115 billion, resulting in that $45 billion shortfall. Of course the next couple of years continue along those lines.

As I said, in and of itself that is a horrible situation. Debt itself when it is manageable is acceptable. When it is unmanageable, it is unacceptable. The situation here is the government is not prepared to manage that debt accordingly.

When that is combined with other initiatives it leaves us in the position that we are rapidly losing our ability to care for the citizens and residents of our nation. We are rapidly reaching the point of losing our economic sovereignty because of the programs, policies and debt that have accumulated around us. Let me give a couple of examples of what I mean by this.

On the debt side of all of this we recognize that much of our borrowing today is coming from the foreign marketplace. We continue to sell treasury bills and bonds to ourselves in Canada. However of the some $400 billion accumulated debt at the end of 1992 more than $80 billion was held outside Canada. It was held by governments or banks or others outside Canadian borders.

Of that $80 billion, $8 billion a year in interest payments alone is leaving this country. That is $8 billion earned in this country by those people who are still working. It is earned and paid in taxes to this government, only to find that the money is put in buckets so to speak and transported across the border ending up in the hands of foreign banks or foreign governments.

Those tax dollars which leave Canada are of no use to us. Everyone knows that money earned in Canada and spent in Canada creates a nice little circle allowing for the money to be used several times. However when it is put in those buckets and sent on trucks outside this country so to speak, that money is not used again in Canada. Add that to other policies of the government and policies of past governments that remain in place and it is creating a very difficult situation for all Canadians.

We recognize from the Auditor General's report of two years ago that our tax system rewards companies that invest outside our borders. Canadian companies and American and other foreign multinationals operating in Canada and paying, one would hope, income taxes in Canada, that take Canadian profits and invest those dollars in other countries and create jobs in those other countries can then reduce their income tax or corporate tax paid in Canada.

When foreign companies operating in Canada make their investments, and there have been fewer investments in recent years, the investments made are generally in existing Canadian operations. They are businesses that are producing products and employing Canadians. When they invest, companies are inevitably downsized. Foreign investment has resulted in unemployment in Canada.

• (1735)

We used to encourage foreign investment to the point where jobs would be created. It would create new product. It would create new investment in our country. But the investment taking place today simply removes jobs from Canada. Of course with that downsizing and the so–called greater efficiency in that marketplace the profits earned end up going outside Canada as well.

The Canada–United States Free Trade Agreement has spurred investment from Canadian companies into the United States. There is a greater influx of Canadian capital into the American marketplace for investment. That is not something the business community has criticized because of course it is very excited about expanding Canadian opportunities in a larger marketplace.

That means that money invested in the United States employs workers in the United States at the expense of Canadian workers. If that money were invested inside Canada instead of inside the United States the return for Canadians would be much greater.

The economic circumstance taking place is one where government tax policies and other policies and government debt make it very difficult for this country to participate in building jobs, what the government says is its main mandate out of this budget.

Our economy is almost bent on self–destruction. This economy will not create jobs while we continue to support corporations, particularly transnational and multinational corporations which create jobs outside our borders. It is time this government took a long hard look at the way the creation of debt, the tax policies and the Canada–U.S. Free Trade Agreement have diminished the government's ability to control the types of jobs that can be created in our country.

I do not want to leave the impression that perhaps all is lost. The important thing for government to understand is that, to use the language of the prairies, it must have some guts to stand up in the international marketplace and support Canadian industry and Canadian workers. It must support Canadian citizens who want to create a better life in Canada and to have some economic sovereignty within the North American and the world context.

Canada's tremendous resources in the past have simply been cut down and put on boxcars, fishing boats or whatever and shipped off some place else to allow for job creation and sales to take place in other parts of the world. For years we have forsaken a tremendous opportunity to create jobs and wealth, create new wealth in Canada that circulates in this country creating additional jobs and additional support.

If we continue to allow the marketplace to tell us what to do throughout Canada, through government, through the private sector, then our economy will slowly work itself down to the point where the only jobs left will be those servicing the unemployed or people on welfare. We have to find a way to pull ourselves out of that. Our economy cannot be allowed to shrink.

Mr. Speaker, you are signalling that my time is almost up. I will not abuse the privilege of the Chamber, although there are

probably two dozen other things I would like to mention. I thank you very much for your patience this afternoon.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

SPECIAL JOINT COMMITTEE ON CANADA'S DEFENCE POLICY

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I think you will find unanimous consent of the House for the following motion. I move that the first report of the Special Joint Committee on Canada's Defence Policy presented to the House on Friday, February 25, 1994 be concurred in.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to.)

GOVERNMENT ORDERS

• (1740)

[*English*]

BORROWING AUTHORITY ACT, 1994–95

The House resumed consideration of the motion that Bill C–14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994, be read the second time and referred to a committee.

The Deputy Speaker: Before recognizing the hon. member for Gaspé I would indicate for the record since there seems to be some misunderstanding that my list says only Bloc Quebecois members were to speak because of an error and there were also Liberal members to speak. In order to accommodate the member from the New Democratic Party who is allowed to speak and in fairness, based on my understanding of what has happened, I will now go to the hon. member for Gaspé.

[*Translation*]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, I will try not to go beyond my speaking time in order to allow my colleagues to speak in turn.

There are two points I want to underline in the budget of the Minister of Finance. First off, fishermen, be they from Canada or Quebec, are again the ones who have to bear the brunt of the federal's bad management. Secondly, the Maritimes are also penalized by a way of management which is ignoring the people. I will deal with these two points.

My first comment is about the fishermen of Canada and Quebec. They are among the most affected by this budget. Minister Crosbie had allocated a billion dollars to support fishermen over the last two years. The Liberal government reduced that amount to 340 million a year over five years, a cut close to 30 per cent. Under the Conservative government, we witnessed a drop in fish stocks and it seems that, under the Liberal government, we will witness a drop in the financial support offered to the fishing industry's victims.

The cut in the fishermen's support envelope should have come about naturally, through the industry's reorganization or the redeployment of workers in other lines of business, not as a consequence of Liberal cutbacks. Will the government give to fishermen the means to adapt to their new reality or will it go on reducing their financial support without giving them any means on which to build their future?

If no financial envelope is created for the purpose of opening new avenues to the fishermen, the relief measures, such as the $1.7 billion that will be invested, will necessarily have to be recurrent ones. They will have to be repeated over and over until the government puts an end to it without ever solving the problem.

The Minister of Fisheries and Oceans must tell the fishermen exactly what financial measures he intends to implement in order to reorganize the industry and reassign workers to other areas of activity. Will the minister put some money into that program or can we conclude, as the budget seems to indicate, that he has abdicated and that fishermen will be left to fend for themselves? The minister must let us know what he intends to do after the May 15 deadline. He owes that to the thousands of people who are now living in doubt. It is even more pressing for him to act now that his colleague, the Minister of Finance, has presented his budget.

[*English*]

We have not yet said it enough. This budget is an outright attack on the far regions and the poorest regions of Quebec and Canada. The maritimes are among the hardest hit by the Martin budget. There are three examples.

The Atlantic Canada Opportunities Agency received cuts of $90 million over three years. The federal government created this agency to stimulate and diversify the economy of the region. It pretends now that it will restart the economy by cutting this agency's budget.

The government goes even further. The Department of Industry which finances the larger projects not handled by ACOA has also received drastic cuts. What is the good of having development instruments if they are not given the means to succeed?

• (1745)

The second example is the military. Following the federal election the government promised to re–evaluate its role in defence. We were pleased by its sensitivity as the world changed significantly even from what it was five years ago. The role and

the budget of the military have to be reviewed. The government has to be sure to study the ministry to make all the necessary modifications and cuts.

The government's mistake is in proceeding with the cuts without the smallest concern for the people it will be affecting. The Bloc believes in the government cutting military spending. However, it believes in converting the military industry. We cannot tell thousands of people that one day or the next they will lose their jobs without giving them other alternatives. The extent of the cuts requires that we proceed while simultaneously proceeding with a plan to convert the private sector. The government has not done this. It has not taken responsibility for the people of the maritimes.

[*Translation*]

The third example: unemployment insurance. The extending of the eligibility period from 10 to 12 weeks is an extremely hard blow for the Maritimes and, I should say, for all eastern Canada. For instance, only in the areas of Gaspé and the Magdalen Islands, there are about 11,000 seasonal workers who will be affected by that decision. In the middle of an economic crisis, the government will take $725 million next year only and more than $6 billion in the next three years in the pockets of the unemployed, the victims of the lack of jobs. In the meantime, it reduces its spending by only $400 million. Big deal!

Moreover, the Minister of Finance announces that the regional rate of unemployment will have less impact on the level of benefits. The Minister has found yet another way of attacking the people who already have trouble getting by. Raising the number of weeks required to be eligible to unemployment insurance without proposing a catalyst to restore the economy is utopian. Besides, as some renowned economists mentioned this morning in *La Presse*, the federal budget is like, and I quote: "shovelling the snow into the provincial yards". Effectively, since a lot of people will go directly from unemployment to welfare, the provinces will have to pay at least $1 billion more in welfare. I call that "shovelling".

In conclusion, I will draw a parallel between the situation of fishermen and that of the Maritimes in general. People who fish see their income shrink, but the government is not proposing anything to revitalize fishing. For their part, the Maritimes see their defence installations close, their unemployed under attack, but the government is not proposing anything to diversify the economy in general or transform the defence industry into a civilian industry. There are people behind all those moves. The Chrétien government had set for itself the goal of giving hope to people, but hope is what is sadly lacking in this budget.

I do not know how long I still have—three minutes, Mr. Speaker.

I would like to add that during the week of Parliamentary recess, I met with some of my constituents. I have one of the largest ridings in the country. There may be larger ones, but mine covers three county regional municipalities. So, in a riding where unemployment in December was 27 per cent and where employment is highly seasonal, the big question that the mayors of the three municipalities were asking was: What are we going to do? What can the government do for us? We want to work for the longest possible periods, but they prevent us from doing so. Mr. Speaker, the great question in this financial balance the Minister of Finance, Mr. Martin, tried to achieve is what came first, the hen or the egg? I have the feeling though that at the present time he is eating both. How can we make it? I will work and form a committee with these people; we are thinking about the issue. However, we will need some financial assistance. When you are out of gas at the bottom of a steep hill, you need gas if you want your car to climb. Right now we have none.

• (1750)

I hope we will find other ways, Mr. Speaker; I hope we will succeed in influencing this government and make them listen to the people in my riding, the people of Gaspé, because I know the problem will be the same all over Eastern Canada: seasonal jobs. I am not asking for charity; all I am asking is that they give us the financial means of reaching our goals. All I personally want is for the Gaspé Peninsula not to be a burden anymore. And we will not be a burden; just give us the proper means and we will say goodbye to you and your social programs.

[*English*]

Mr. Alex Shepherd (Durham): Mr. Speaker, I would like to speak in support of the budget. The budget is about jobs. It is about opportunity. It is about a new path away from the past, the path of unemployment, of poverty, of stress. It is about a new path for the future which involves new technology and growth for our economy.

It is about new initiatives such as the Canadian investment fund. This fund will be sponsored by the banks as well as governments in a supportive partnership to find and finance new technology for new jobs.

It is about a technological network, where we encourage the use of technology and people getting these technologies together to create new wealth.

It is also about a study into our pension funds, how we invest our money, and how we can utilize that money in our economy.

If we reduced unemployment by 4.5 per cent we would create $70 billion, more than enough money to pay off our deficit, to create a surplus, to put people back to work. That is the long term goal of the budget.

We talk in the budget about a new code of ethics for the banks and how they deal with small businesses. We have heard constantly of how small business enterprises are having difficulty raising capital. Why should this be? After all, that is what banks do for a living. One thing we have not focused on very effectively is that the government is competing in the capital markets with small business. A $500 billion deficit means the government competes in the market for the same supply of funds to finance small businesses.

People have not realized how our economy has changed over the years. When we think of British Columbia, we think of the forestry. There are more people employed in medical research in British Columbia than in the forestry. When we think of Nova Scotia, we think of the fishery. There are more people employed in teaching in Nova Scotia than in the fishery. The banks we talk about have only 6 per cent of the capital base of the country.

In some ways we are going at this in the wrong way. I suggest that we need to take the studies that are mentioned in the budget to review pension funds and how the savings of Canadians can be more effectively used to support the economy. The budget refers to research and development initiatives, more expenditure on things like the space program. This will put Canada into the 21st century.

• (1755)

My hon. friend, the minister of state talked earlier today about the information highway and how this is going to bring Canada into the 21st century, linking up our small communities, linguistic groups and things of commonality throughout this country, making this nation strong and whole again.

Why does the government have to get involved in all these things? Why has this become a problem? Why have we come to this point in our history where we are living through this deep recession? I suggest it is partially the psychology of Canadians in general. We have not invested in our own economy.

The economy is probably typified more than in any other country in the world by foreign ownership. Canadians have allowed foreigners to control major sectors of their economy. I am talking about automobile manufacturing, aluminum smelting, big sections of the forestry industry and on and on it goes. What has the effect of this done to us? We have not had significant investments in research and development. We have short changed our future by allowing others to take over the role of investment.

Fortunately the world has changed in a very effective way for Canada. We are now seeing the end of what I and many have called the smokestack economy. The larger companies in our economy are getting smaller every day. Many of us in our ridings feel this very much as these companies shed employment. These are the things that make the headlines in our local newspapers. However, this is also an opportunity. It is an opportunity for Canadians to take control of their economy once again.

Why is it that someone living in a home on a particular street is complaining about receiving 5.5 per cent interest rate on a guaranteed investment certificate and someone else in a company is laying off workers because they cannot get capital to finance their business. This is the dilemma and the strange aspect that affects Canada today.

Why is it our small businesses cannot get access to equity capital? What is it that prevents them from raising funds in the open market? It is very costly to get access to our market exchange. Many TSE and other stocks are foreign owned.

For the small businessman it is almost impossible to jump from his small business entrepreneurial investment and get access to registered stock exchanges.

What is the solution to some of these problems? I suggest that the budget has started us on the path to a new definition of access to capital and how Canadians have to take control of the economy into their own hands.

We have a number of institutions we can utilize to create new capital and confidence for Canadians by investing in the economy. The National Research Council, as members know, is very interested and has been very involved in new technology.

My review and discussions with some people at the National Research Council leads me to the conclusion that 75 per cent of all inventions the council has created over the years are still resident in Ottawa. We are not involving this kind of technology in the marketplace. I am happy to say that the industry ministry has talked about departmentalizing and moving some departments out into the areas where businesses are affected. I believe that the National Research Council could be an effective method of certifying processes.

Another agency we now have is the Federal Business Development Bank. I believe it can act as a secondary marketing tool creating pools of minority interests in small businesses to sell these pools to registered retirement savings plans and other pension funds. In this way Canadians will have some assurance and liquidity from the aspect of investing their money in Canadian small businesses.

• (1800)

How many times have we as members of Parliament watched some of our clients come before us, our constituents, and talk about the fact that they have a good process, that everybody wants it, that it is marketable, but they cannot receive funding for it and they have to go south of the border? What happens to most of them is they fail. We have to do better.

I believe that the budget is only the first step in the long process of creating new capital for Canadian businesses and ending our drudgery with unemployment.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, during the last election campaign the Liberal Party of Canada, wishing the Canadian electorate to be well informed of its intentions, published an important document entitled "Creating opportunity". As you have probably guessed, the ultimate purpose of that paper was to kick Progressive Conservatives out of power and replace them by a team determined to create jobs, fight unemployment and not the unemployed, and make sure that the deficit would not be tackled at the expense of the poorest. That document is the red book.

Millions of Canadians, in particular in Ontario and in the Maritimes, believed in it and were deluded. Quebecers and Westerners proved to be more cautious and shrewd. Only 30 per cent of Quebec voters, for instance, trusted the Liberal Party.

Now that they have reached their goal, the Liberals who are in government must act and show concretely that they really are different from the bad Conservatives.

However, they missed a first opportunity to prove it with the speech from the throne, a text rife with clichés, pious hopes and vague declarations of intent. Subsequently, Mr. Speaker, the government, under the finance minister's leadership, embarked in extensive consultations with a view to outlining the first Liberal budget, a much touted about exercise which was to bring hope back to Canadians from coast to coast.

This great event took place on February 22, 1994, at 5 p.m. What a disappointment! The red book is becoming increasingly valuable. Never since, have the Liberals being able to find free–lance writers with such lucidity, such imagination, such insight, and so able to develop new solutions.

As a matter of fact, one must accept the obvious, that this government is following right in the previous government's footsteps by attacking not unemployment but rather the unemployed, when it announced that it intended to renew and revitalize, to use its own words, Canada's social security system within two years.

And yet, the red book did say, on page 73 and 74 of the English version:

> The failed economic and social policies of the Conservative regime have left 1.6 million people out of work and 4.2 million Canadians living in poverty, of whom 1.2 million are children; and 62 per cent of families headed by single mothers are living in poverty with their incomes falling.
>
> Since 1984, the Tories have systematically weakened the social support network that took generations to build. [—]they have taken billions of dollars from health care and from programs that support children, seniors, and people who have lost their jobs—

And yet, in its first budget, this government announces to us that henceforth, people will have to work longer in order to collect 5 per cent less in unemployment insurance and that the revitalization of social security will mean savings of roughly $7.5 billion at the expense of the least fortunate.

Another example that is particularly interesting to me, in my capacity as industry critic, is that of industrial conversion as mentioned on page 55 of the red book.

> The defence industries today employ directly and indirectly over 100,000 Canadians. The end of the Cold War puts at risk tens of thousands of high–tech jobs. A Liberal government will introduce a defence conversion program to help industries in transition from high–tech military production to high–tech civilian production.

• (1805)

Since being elected, this government has not mentioned this subject again, except once, very cautiously, in the budget plan when it stated that it would not proceed until 1996–1997. Yet, two projects that have been shelved could satisfy the need for diversification by utilizing both human resources and budgets. I am referring to the establishment of a high–speed rail link between Quebec City and Windsor, via Trois–Rivières, and to the awarding of a contract to MIL Davie of Lauzon, a company which specializes in the building of military ships. Having drawn up its own plan to convert from military to civilian production, this company needs the encouragement of the federal government, which it would get if awarded the contract to build the Magdalen Islands ferry.

Not a word about these two issues, Mr. Speaker, in the budget speech or elsewhere.

So what are we to make then of such behaviour by the government? Is it cynicism or contempt? Is it just a way to fool the people so that they can take power by saying or promising anything? How can one reconcile such behaviour with the parliamentary integrity mentioned in the red book on page 90, where it says that cynicism about public institutions, governments, politicians, and the political process is at an all–time high? Is this government not giving Canadians and Quebecers new reasons to be cynical?

But that is not all. So far, we have seen some commitments made during the election campaign which have not been kept by this government. It will also do some things that it never mentioned before. I am thinking, for example, of the decision

announced in the budget speech to close the military college in Saint–Jean.

Since Quebec receives only 15 per cent of national spending by the defence department, we think that it is an unfair and unacceptable decision that we can only denounce.

Moreover, if we think back to the reasons and the historical background for setting up this institution, it is an unjustifiable decision which shows the failure of a certain Trudeau–style federalism where bilingualism would be recognized everywhere and francophones and anglophones would have equal opportunities in this great united Canada.

To suggest that French–speaking Quebecers can get along easily in Kingston and go ahead as if nothing had changed, as the Minister of Defence suggests, shows naivety or bad faith.

Here is what an eminent citizen of Trois–Rivières, a constituent of mine whom I salute gladly, the first francophone chief of staff of the Canadian armed forces, General Jean Victor Allard, said in the local daily *Le Nouvelliste* of February 26, 1994: "It is ridiculous to think that Kingston can offer bilingual training".

The front page of *La Presse* yesterday, March 6, carried the following headline: "No services in French in Kingston".

Unless this is an operation brilliantly orchestrated to allow the current Premier of Quebec, Mr. Johnson, to make political capital out of this event in complicity with his Liberal cousins in Ottawa. That is what awaits French–speaking Quebecers in the increasingly unitarian, centralized and impoverished Canada of tomorrow, where Quebec will weigh less and less in demographic terms.

This federalist complicity is also remarkable with regard to one impact of the changes to unemployment insurance concerning the percentage and duration of benefits. Unemployed workers will go more rapidly from the federal unemployment insurance program to provincial social assistance programs. It is estimated that the bill will reach at least $1 billion for all the provinces, including $280 million for Quebec.

The Liberal Premier of Quebec, Daniel Johnson, a federalist, has been very silent on this question so far, in spite of leading a government whose deficit will amount to close to $5 billion and which cannot afford to give presents to the federal Liberal government.

It is this same federalist brotherhood that will come to Quebec in the next few months to preach the Canadian gospel to the people of Quebec, to try to sell the merits of financially viable federalism, to say that francophones have their place everywhere in Canada and that the doors are wide open from the Rockies to Percé Rock.

• (1810)

This brotherhood includes Mulroney, Trudeau, Johnson, Ryan, the hon. member for Saint–Maurice and even the hon. member for Sherbrooke who, united by the Holy Spirit and by mutual interests, will explain to Quebecers that dependence is better than independence, that it is better to be a minority than a majority, that Quebec cannot be anything but a province and, what is more, a province like any other. That is their opinion but it is not ours. We will talk about this again, Mr. Speaker.

[*English*]

Hon. Charles Caccia (Davenport): Mr. Speaker, the budget proves that this government has rejected the economic theories of the Reform Party and that it has put most of its emphasis on its belief, and quite rightly so, that what we are facing today in our economy is a crisis of revenue. It is not a crisis of expenditure as the Reform Party would like Canadians to believe.

At the next election we will be able to demonstrate to those who voted for the Reform Party that they placed their confidence in the wrong party. Let me stress the fact that the crisis of revenue is going to be tackled by this government by stimulating the economy, by creating jobs and by bringing back confidence in the economic system of Canada which for many years has been the object of decreased confidence. This has resulted in the formation of an underground economy.

The budget places an emphasis on increasing revenue through a number of initiatives, not believing that our economic situation can be remedied through cuts alone. It is an encouraging and well received statement by Canadians at large.

The budget also contains a green strategy, so to speak. It is modest but it is timely. It is the first step but it promises others because the minister announced changes that will encourage companies to contribute to mine reclamation funds, commitments to improve the tax treatment of a certain type of tax conservation equipment and enhanced incentives for newer and cleaner technologies.

The Minister of Finance announced that the strategy for encouraging the growth of environmental technology and services will be revealed later this year. These announcements outline the fact that there is a willingness and a commitment to turn our budget making into a green colour as the years go by.

There are many items that are still to be considered in future budgets. One is the introduction of green taxes. Time does not permit me to go into detail. Let me only say that a graduated taxation system which would recognize the environmentally friendly role of certain products would be helpful and well received by Canadians.

Lower taxes, for instance, for products approved by the environment choice program would be a highly desirable step which has been adopted in other jurisdictions. In the United States, to give members another example, there is an annual vehicle registration fee that is geared to the weight of the vehicle. There is a recognition that the tax system should reward those who use vehicles that weigh less and are more fuel efficient.

There is a whole range of initiatives that could be taken and I hope will be taken under the general heading of green taxation.

It is interesting to note, when it comes to natural resources, a white paper produced by the European communities a few weeks ago. It states: "Market prices do not incorporate sufficiently the limited availability of natural resources and the environmental scarcities related to their consumption". The result is a systematic overuse of our national resources. Here again a graduated taxation on a resource demanding products and services would serve as an incentive and would be highly desirable.

• (1815)

Next the minister announced in the budget speech his commitment to create a task force to examine certain subsidies and taxes which are harmful to the environment. They are commonly called perverse subsidies. Although they are well intended, over time we have discovered they are damaging.

This task force has a terrific opportunity to examine existing and major federal subsidies, programs, expenditures and the like, including federal–provincial agreements from the perspective of development and growth that is sustainable environmentally speaking.

There will be an opportunity for the task force to examine, for instance, the budget of the Canadian International Development Agency and the budget of the energy department. The incentives that have been and are being provided in agriculture, in forestry, in fishery and in trade will be examined with the hope in mind or with the intent of ensuring long term sustainability through fiscal and other measures, including policies in the field of energy. Fossil fuel subsidies and programs will be at the core of the particular task force.

[*Translation*]

The Deputy Speaker: It being 6.15 p.m., it is my duty pursuant to Standing Order 73(b) to interrupt the proceedings and put forthwith the question necessary to dispose of the second reading stage of the bill now before the House.

Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to order made Thursday, February 24, 1994, the division on the question now before the House stands deferred until 6.30 p.m. Tuesday, March 8, 1994.

[*English*]

There being no further business before the House, we will suspend for 10 minutes or until 6.30 p.m. for the late show.

Mr. Milliken: Mr. Speaker, I think the members required for the late show are in the Chamber. There might be unanimous consent to proceed with it now.

The Deputy Speaker: Is there consent to proceed with the late show now rather than 10 minutes from now?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

• (1820)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

IMMIGRATION

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, frequent contacts with my constituents indicate that the two areas of greatest concern to them are the deficit and immigration. The two issues are related.

My constituents wonder about the costs which immigrants impose on Canadian governments during this period of fiscal crisis. Even though on average and over their lifetime immigrants historically have made a net contribution to the coffers of the government, they are concerned about those who enter Canada under the family unification program.

The minister has announced that next year he has ordered the admittance of 110,000 individuals in this category. Under current laws these family unification immigrants are almost exclusively the elderly parents of persons already in Canada as landed immigrants. We know from past years that the bulk of these parents are of an age where they are likely to pay only small if any premiums to the provincial medicare program. Yet

as landed immigrants they are entitled to free medicare for the rest of their lives.

A distinguished newspaper columnist had obtained information on the numbers and age distribution of family unification immigrants admitted during the period 1988 to 1992. Using data on the average cost of medicare services required by older people, the columnist estimated that the family immigrants admitted during this period added about $1 billion to the annual cost of the Canadian medicare system.

I think it is legitimate to ask an equivalent question about the family immigrants to be admitted next year and in future years once their levels have been decided. In fact I believe that the government should be required to publish regularly estimates of the costs immigration policies are expected to impose on public services.

If the costs are as high as some experts think they are, the government might consider changes in existing policy. One such change might involve the rule now existing in Australia according to which parents are admitted only if they do not leave at home more of their children than they join in their new country of residence.

Another perhaps somewhat more radical policy might be to admit only immigrants who agree to live in Canada without having their parents join them. There are large numbers of foreigners willing to come to Canada under these conditions, I am sure.

I should note that no one expects a definitive answer on the dollar costs. Canadians are sophisticated about the uncertainty surrounding all such estimates involving social and economic magnitudes. They want an estimate accompanied by explanations of the underlying data and the assumptions. They will interpret it with the proper caution.

I thank you, Mr. Speaker, for allowing me to bring forth these issues again in the House. I am sure the people of Canada will appreciate having the answer to the question I raise.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, the Minister of Citizenship and Immigration has launched a public consultation process that will help shape the country's immigration policy for the next decade. His intentions are clear, and that is to hear from Canadians.

Family reunification has always been a cornerstone of Canadian immigration policy. We must never underestimate the advantages of family based immigration. Family members help to integrate and settle newcomers successfully with little associated costs.

In a 1991 study the Economic Council of Canada stated that immigration had a positive albeit small impact on the real per capita income of Canadians. Thus if the impact is not negative it cannot be used to argue that levels are too high. Economic neutrality in fact supports the current levels of humanitarian immigration.

In addition the Economic Council also made the point that an increase in immigration did not increase unemployment neither in the short nor the long term. This was verified by examining 12 OECD countries.

We on this side of the House tend to agree with the council's findings when it says that everyone benefits economically and otherwise from immigration.

• (1825)

Another study by Samuel and Conyers in June 1986 entitled "The Employment Effects of Immigration: A Balance Sheet Approach" concluded that the net impact of immigration from the perspective of job creation was positive and that immigrants were net creators of jobs.

Studies using the 1986 census data have concluded that immigrants collect less welfare. Since they also pay taxes they are contributing positively to maintaining our social safety net, which in turn helps pay for Canada's social programs including and perhaps most especially our health care system.

[*Translation*]

NATIONAL ARTS CENTRE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, on February 22 last, I put a question to the Minister of Canadian Heritage concerning the $350,000 in severance pay awarded to the Director General of the National Arts Centre following a putsch organized by the Mayor of Ottawa.

As a supplemental, I asked him whether it was true, and I quote:

> that the person responsible for the placement agency in the Prime Minister's Office, Mrs. Collenette, is desperately looking for a new job in the federal public service for Mr. DesRochers?

The minister answered as follows, and I quote:

> there is...an announced vacancy that is not yet effective but will become so a little later in the year.

What are we to make of the minister's response? He listened to my question and he answered it. I must therefore interpret it and draw a connection between it and my question. So, by informing me that there will be an opening later this year, the minister led me to conclude that the director of appointments in the Prime Minister's Office intends to keep this position for Mr. DesRochers.

If my interpretation of the minister's answer is correct, then we in this House have the right to wonder whether the Liberal government plans to replace all senior public servants with Liberals because, if it is so, we will be paying compensation for a long time. Let us just remember all the political appointments made by the previous government in its dying days.

I sincerely hope that, even though the answer was written in advance, the minister will reassure the House and make a commitment to take the necessary steps to address the problem of mismanagement in government agencies, which is extremely costly to Canadian taxpayers.

We have to remind ourselves of the difficulties encountered in 1987 in securing the appointment, for the first time, of a French–speaking director at the National Arts Centre. As Mr. Leroux, the Chairman of the Advisory Committee on Francophone Affairs for the City of Ottawa, mentioned, and I quote: "The dismissal of Mr. DesRochers is a step backward for the Francophone population which can no longer deal with the senior management of the National Arts Centre in its own language". Mr. Leroux resigned to show his disapproval, and we can expect further resignations.

Furthermore, the minister hides behind the managerial autonomy of these agencies to avoid responding to the real questions and the real issues raised by the Bloc Quebecois. If the minister wants to be responsible, he must tell us clearly without further ado what concrete measures he intends to take to address the problem of mismanagement in government agencies, particularly in the Canadian Museum of Nature and the National Capital Commission.

The minister must regain control of these agencies, ensure a more transparent form of management and, this time, answer the questions that are put to him with all the intelligence that I am willing to give him credit for, otherwise he could very well lose his credibility once and for all.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, in answer to the question asked by the hon. member for Rimouski—Témiscouata, first of all I have to make it clear that the National Arts Centre's director general is appointed by the corporation's board of directors. Moreover, the director general's salary is set by the Governor in Council; so, all the terms and conditions of employment of the director general come directly under the responsibility and authority of the National Arts Centre's board of directors, as provided under the National Arts Centre Act. As for the first part of her question, the hon. member for Rimouski—Témiscouata can therefore see that it is not incumbent on the government in this specific instance to determine the working conditions and the severance pay of NAC employees.

• (1830)

[*English*]

The director general position is classified by the Privy Council at the GIC–8 level which currently has a salary range of $110,100 to $129,700. Mr. Yvon DesRochers was appointed director general of the National Arts Centre in 1988 for a five–year term and was reappointed for another five years in May 1993.

His salary was fixed by the Governor in Council subsequent to negotiations between the board of trustees and Mr. DesRochers at the time of his appointment. Specific information on Mr. DesRochers' salary is protected under the Privacy Act as it is for all Canadians protected by this legislation.

The Minister of Canadian Heritage would also like to point out that the salary of the director general was set by the previous government.

[*Translation*]

Finally, Mr. Yvon DesRochers' contract has been terminated following the decision made by the National Arts Centre's board of directors on January 14, 1994.

[*English*]

LABOUR DISPUTE

Mr. David Iftody (Provencher): Mr. Speaker, I rise in the House today to refer the Minister of Human Resources Development to a question that I raised in the House on February 7 concerning the issue of labour disputes at the port of Vancouver.

As history has proven, free and unimpeded movement of goods and services is the cornerstone of an economy that relies on a free market. Western Canada in particular was opened by our exports almost 100 years ago. In 1896 the wheat boom was a creation principally by a transportation system and security of labour relations which allowed us to export our grain to markets around the world.

When the free flow of these goods and services of any type is obstructed the Canadian economy is harmed and indeed weakened. In any kind of labour dispute which brings about these kinds of work stoppages there are no winners but everyone loses.

This was most definitely the case in this instance. Grains and other exports were stored in warehouses while 74 ships in the port of Vancouver were idle without any stock and not moving out of the port at all.

The Canadian Wheat Board said that this backlog of ships cost the prairie farmer $6 million in penalties. I want to point out that this is a cost Canadian farmers cannot afford to bear in these times. The storage fees alone for keeping that grain outside those ships was $300,000 a day.

I want to point out that this strike affected personally the people in my riding of Provencher. Outside of the grain farmers I want to draw members' attention to a manufacturing firm that has Japanese customers and is shipping over finished products in the lumber industry. It faced over $50,000 worth of late

penalties and an additional $13,000 in air freight charges to ship those goods to the Japanese customers to get them there on time.

Above and beyond this, one of the principal concerns of these kinds of labour interruptions is the fact that they call into question Canada's reputation as a good trading partner. The day before the actual strike the marketing director for the port of Vancouver in Beijing, China was receiving hundreds of calls questioning Canada's ability to deliver its goods to its trading partners on time.

China is Canada's largest importer of grain and it is a very valuable market to Canada. What sort of message are we sending to our international trade partners, to China and to the Asian Pacific rim in particular?

At a time when we are linking our economic trade to international relations it is critically important that Canada have security in our transportation systems and in our labour systems to ensure that business people in Canada, in western Canada and in Provencher in particular have their goods and services transported to their destinations without interference.

• (1835)

This is why I am asking the minister on behalf of the people of Provencher what specific measures were taken since the government introduced its legislation to bring the parties back to the table? What specific measures are being taken to ensure that we will have easy and unimpeded access to international markets throughout the world and the Asian Pacific Rim?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I am pleased to respond to the hon. member's question concerning the recent dispute on the west coast between the British Columbia Maritime Employer's Association and the International Longshoremen's and Warehousemen's Union.

The West Coast Ports Operations Act, 1994, passed by Parliament on February 8 and given royal assent the same day, called for the immediate resumption of longshoring operations on Canada's west coast upon the coming into force of the act and provided for the final settlement of those items remaining in dispute between the parties by the final offer selection process.

While disappointed at the inability of the parties to resolve their dispute through collective bargaining, the Minister of Human Resources Development did not hesitate to act in the public interest and take measures to ensure the resumption of important export shipments through the west coast ports.

During the House debates on Bill C–10 the minister committed to consulting members of the opposition parties regarding the selection of an arbitrator. I am pleased that members of the Bloc Quebecois and the New Democratic Party supported Mr. Allan Hope's appointment as arbitrator.

Prior to the recent disruption there had been indications of reasons to hope that labour and management in the port of Vancouver had moved away from the dismal pattern of the 1970s and the first half of the 1980s when Parliament was forced to provide for resolution of their disputes. Settlements arrived at through the collective bargaining process in the two previous rounds gave some reason to believe that the pattern had changed and that the parties were entering a new era of constructive labour relations.

It is hoped that the current difficulties do not represent a reversion to previous form and that the parties will endeavour in future to find better ways of resolving their differences. The competitive future of our west coast ports and consequently the livelihood of those involved in the longshoring industry relies on their ability to approach the bargaining relationship in a spirit of common interest.

Reports from the west coast indicate that grain shipments are being loaded at a brisk pace in order to fill outstanding export commitments. While it is unfortunate that export commodities were impacted upon by the work stoppage, the government realized that through co–operative initiatives such as the Vancouver Ports Corporation stakeholders conference and the government's involvement with the western grain storage and handling industry, solutions can be found to industry concerns which will allow for improved relations between the parties and the fast, efficient movement of export commodities through the west coast ports.

TOBACCO

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, on February 16 I posed two questions to the Minister of Health, essentially asking what steps the department will take to ensure that the network of health care volunteers, professionals and organizations will be involved in the design, implementation and monitoring of any blueprint to ensure that the anti–smoking education campaign is successful.

Since that question, we had a report last week of a survey indicating that the anti–smoking campaign has not had much influence on the habits of young smokers. Therefore, I ask the minister again, what specific steps will she take to ensure that any anti–smoking education campaign will have the input of health care professionals. By using their expertise and skills we will ensure greater success for any such campaign.

A second point relates to what specific new regulatory framework the government envisions taking to ensure that the Government of Canada has greater control over tobacco manufacturers and to ensure again that we prevent young Canadians from starting the habit of smoking.

What a turn of events. Only last week we heard the report that tobacco manufacturers might have added nicotine deliberately during the manufacturing of cigarettes. That almost strengthens

the urgency of the need to move with a new regulatory framework.

Today the regulation allows manufacturers greater latitude and freedom to do things other than those prohibited by law. The focus must be changed. When tobacco manufacturers envision doing something new or something unknown to us as yet, they should submit their proposals and then the government will say yes, it is okay or no, it is unhealthy for Canadians. We need that kind of new regulatory framework to ensure that we truly take to heart the health of Canadians foremost.

On that note I would beg the minister and his parliamentary secretary to bear before Parliament the steps they will take to ensure that health care network of the country will be involved in the design, implementation and monitoring of any new blueprint to combat smoking in the country and at the same time indicate the new regulatory framework the government is prepared to take to ensure that the health of Canadians is foremost and that we prevent the smoking habit that only creates illness, disability and ultimately death.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, on behalf of the Minister of Health I welcome the opportunity to respond to the question raised by the hon. member about our anti-smoking campaign.

I know how much he is committed to it. I can assure my hon. colleague that his government's determination to reduce and eventually eliminate tobacco use particularly among Canadian youth is very much in force. We will not stand idly by allowing young people to be exploited and to become addicted. The unnecessary tragedy of premature death and the burden of disease caused by smoking with which he is very familiar must not be inflicted on another generation.

We are well aware that smoking is already responsible for approximately 40,000 preventable deaths in Canada each year. We realize that with lower tobacco prices additional work very seriously needs to be done now.

I am pleased to report on behalf of the minister that much of this work is in progress. As the member may be aware, stronger more visible messages will be appearing on cigarette packaging by September 1994. The Tobacco Sales to Young Persons Act came into force in early February 1994. It is now unlawful to sell tobacco products to persons under 18 years of age. If we go into local stores we should be able to see federal signs to this effect.

In addition, legislation has been introduced to ban the sale of kiddy packs. As well the Minister of Health recently announced the tobacco reduction strategy, an $185 million dollar initiative over three years with which innovative legislation is combined. That is to say targeted health activities will develop appropriate prevention and smoking cessation efforts. This will be combined with media campaigns aimed at younger people.

The Minister of Health has had preliminary discussions with her provincial and territorial counterparts as well as the National Health Organization. Within weeks she will meet again to discuss joint approaches on this very serious subject. There can be no doubt about the need to convince people to stop smoking, not because it is politically correct, environmentally friendly or fiscally prudent, but because it will be healthier.

We will save our limited health resources and more important, as my hon. colleague is well aware as a physician, it will save lives. I know my hon. colleague will offer his support to further ensure the success of these efforts.

The Deputy Speaker: Pursuant to Standing Order 38(5) the motion to adjourn the House is now deemed to have been adopted. The House therefore stands adjourned until tomorrow at ten o'clock.

(The House adjourned at 6.42 p.m.)

HOUSE OF COMMONS

Tuesday, March 8, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (B), 1993–94

A message from His Excellency the Governor General transmitting supplementary estimates (B) for the financial year ending March 31, 1994, was presented by the President of the Treasury Board and read by the Speaker to the House.

• (1005)

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Madam Speaker, accordingly I am tabling a copy of the supplementary estimates for the current fiscal year ending March 31, 1994.

I have copies of the supplementary estimates to be distributed to the Prime Minister, the leaders and Treasury Board critics of the opposition parties.

* * *

LAND CLAIMS

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Under the provisions of Standing Order 32(2), I have the honour to table, in both official languages, copies of the Sahtu, Dene and Métis land claims agreements, volumes I and II.

The appropriate legislation to bring this agreement into force will be introduced in the very near future.

INTERNATIONAL WOMEN'S DAY

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Madam Speaker, it is so nice to see you in the chair as I make a statement on today, International Women's Day.

It is a day to look back and celebrate how far women have come and to look ahead to see what we still must do to achieve equality.

On this day I hope all members of the House, women and men alike, will take time to reaffirm their commitment to equality for the women of Canada: equality in decision making, equality in the workplace, equality in the economy and equality in the home.

[*Translation*]

Canada is known as one of the world's leaders in promoting women's equality. Canada helped obtain recognition of women's rights as an inalienable, integral and indivisible element of universal human rights at the World Conference on Human Rights held in Vienna last year.

Canada has also shown it is in the forefront of efforts to combat violence against women throughout the world. The survey conducted by Statistics Canada and the report of the Canadian Committee on Violence against Women, both published last year, were the first of their kind.

Canada was also instrumental in preparing the United Nations declaration on eliminating violence against women, adopted in December 1993. Last week, the UN Human Rights Commission announced that it would appoint a special reporter on violence against women.

[*English*]

Later today I will be participating in an event with my colleague, the Secretary of State for Latin America and Africa and Canadian retailer, The Body Shop, as we continue our partnering efforts in the country to put an end to violence against women.

• (1010)

The daisy I am supposed to be wearing has not arrived yet. I will be wearing it this afternoon as it will symbolize those efforts today.

As The Body Shop says, in the name of love let us stop the violence. That means violence against our sisters, our children,

our mothers and our elderly grandmothers. However all the words, the declarations and the research do not mean a thing if they are not supported by consensus in society, a consensus for change. The women of Canada have serious concerns about the many continuing inequities in our country.

Since 1976 the women of Canada have comprised the majority of the population, but we still represent less than 20 per cent of the members of the House. It is a record number, yes, but still not enough.

In 1975 we only averaged 60 per cent of men's full time earnings. Almost 20 years later that figure is still at only 72 per cent, largely because most women are still in low paying, insecure jobs. The salaries of immigrant women are only about 80 per cent of that of the average woman's salary in Canada. Women who are in the workforce should receive equal pay for work of equal value.

In 1975 the poverty rate for families headed by women in Canada was 40 per cent. Today that figure has increased to 62 per cent. The children, our future and theirs are at stake. I find those figures really frightening. This is one of the major challenges our social security review will have to address.

Another disturbing challenge we will address is breast cancer. One in every nine Canadian women will get this disease. It is the leading killer of women ages 35 to 54. Breast cancer, like other women's health concerns, has long been neglected in terms of research and prevention.

These few statistics speak volumes about women's inequality in Canada today. How do we move forward toward the goal the United Nations has set for equality by the year 2000? What we need are changes in attitudes, priorities and values on the part of individuals, communities, organizations and governments to give the concerns of women the attention they deserve.

Within government we must realize that our decisions have the potential to affect women very differently from men. From tax law to legislation on dangerous offenders, from health policies to immigration guidelines, the impact can be different on women because of our different socioeconomic circumstances.

I ask the members of the House to examine every issue, every policy and every program as if they were wearing gender tinted glasses, the rose tinted glass, looking at it from a woman's point of view.

My goal is to ensure that all national legislation and policies are developed with full consideration for women for their needs and aspirations. I think there is the political will in the House to do so. I am confident that the House could become a model Parliament, demonstrating that a partnership between women and men is the only way to address the issue of women's equality right across the spectrum of political ideology.

Our government is developing and implementing policies which are sensitive to the particular needs of women. I ask everyone to work together with us as we put in place a more equitable and just society for all Canadians.

Next year the world will be looking at our progress and at that of other nations at the fourth UN conference on women in Beijing, China. We should think of the consequences if we do not work to improve the situation for women in Canada. What will we say to our daughters and granddaughters who look to their elected representatives to help lead the way in this process for change? We cannot ask our daughters to hold back their aspirations until we are ready for them.

[*Translation*]

Through our work in our constituencies, our communities and our parliamentary committees, each and everyone of us can make a difference.

Today, on International Women's Day, I am counting on each and everyone of you to help me advance the cause of genuine equality for Canadian women.

• (1015)

In return, I can assure you that future generations of Canadians will remember the 35th Parliament of Canada as the one that made a difference, for the sake of our daughters and our sons.

Some hon. members: Hear, hear.

Mrs. Christiane Gagnon (Québec): Madam Speaker, International Women's Day indeed affords us a unique opportunity to assess the progress made by women. Above all, it allows us to evaluate the genuine will of our leaders.

In terms of statements and commitments, Canada is a world leader in this area. However, the government's actions have certainly not lived up to its promises. According to the United Nations' human development index for 1993, Canada only ranks eleventh in so far as the status of women is concerned, whereas previously it was in eighth place.

As we can see, the actions of our government do not match the promises made. Should the secretary of state get the idea of responding that her party was not in power then, I would point out to her right away that the present government's commitments as contained in the throne speech and in the budget show no change at all in the course previously set out. No new initiatives whatsoever have been put forward.

Mention is made of salary disparities between men and women. What does the present government intend to do to address this situation? Between the throne speech and the budget, I see no undertaking to correct the problem of wage disparities between men and women, even among the federal government's own employees.

When the Secretary of State for the Status of Women speaks of the poverty rate among women, she should draw a connection between income and poverty and pursue this analysis, insisting that her colleagues comply with court rulings ordering the federal government to pay its employees a relatively modest sum of money in order to close the wage gap between male and female federal employees. No effort has been made in this regard and none is planned. What about the government's responsibility to address this serious injustice within its very own institutions?

The secretary of state's goal is that in six years' time, policies and laws will take into account the needs of women. Madam Speaker, women need money, jobs, equitable salaries and adequate working conditions. Everyone already knows that this is what women need. How are we going to be any closer to this goal in six years when this government has nothing concrete to offer? How are we going to achieve this goal without daycares, without job creation programs geared to women, without wage equity, without occupational training, without a clear vision? Madam Speaker, I fear that we will not. Six years is too short a time frame given the pace at which the government is setting its priorities.

I would be curious to know what kind of progress Canada will claim to have made at the Beijing Conference. Will it be announced that the women and men of this government have agreed to take no action whatsoever? Will it be announced that the Canadian government does not comply with the country's laws and courts?

I would like to address the House for the first time in English and say:

[*English*]

Put the money where it should be.

[*Translation*]

Madam Speaker, I am prepared, as are all of my women colleagues in the Bloc Quebecois, to work with our male colleagues and even with those on the other side of the House. I am prepared to put my money where my mouth is.

[*English*]

Mrs. Jan Brown (Calgary Southeast): Madam Speaker, today is a special day, International Women's Day.

It is a day to acknowledge together the wonderful opportunities that we have as Canadians as we strive to reach our full potential regardless of race, language, culture, religion or gender.

As I speak today I look to the vision and effort of the women who preceded me in the House and in politics in general. There were some courageous souls who toiled long and hard for the betterment of this wonderful country. Nellie McClung and Agnes Macphail are two of the more famous names that come to mind. These are women of strong character, strong will and moral integrity.

• (1020)

With role models like these, it is not surprising that women have aspired to accomplish great things. Women everywhere should be proud of their roles as homemakers, lawyers, bankers, university presidents, welders, prime ministers, hockey players, pastors, members of Parliament and many more.

When we remember Nellie McClung we remember the tireless effort to get women declared as persons, to get women the vote, to get women elected to provincial legislatures. These are the things we take for granted today but were hard fought for a mere 70 years ago.

Agnes Macphail broke ground for us in the House of Commons. She was a woman of vision who spoke for her constituents passionately and effectively. Agnes Macphail did not see issues as gender specific as she argued on behalf of all of her constituents: children, women and the coal miners she served.

There is no doubt that in our society women face numerous serious social challenges. However, special consideration has a weary habit of turning inward on itself. It does not guarantee equality but rather may generate resentment and hostility toward those who do make advancements, thereby diminishing their true potential.

It is a fundamental Canadian belief that all persons should have the right of equality of opportunity and the right to not be discriminated against in the workplace or society at large. This is not to negate the fact that women do face discriminatory practices in the workplace, child care concerns and violence within the family unit. The net effect of these concerns has implications not only for women but for all of society and therefore requires societal solutions.

Members of the House will notice that today the approach of the Reform Party to women's issues is different from what we will hear from others. We believe all Canadians, men and women alike, are entitled to equal rights. We also believe that the concerns of economic renewal, the deficit and job creation, the major themes of the government, belong to all of us.

Instead of setting up barriers to equal opportunity by picking out special interest groups, we should provide opportunities for women, ethnic minorities and the disabled by improving education, emphasizing individual achievement and dismantling unfair systemic barriers to advancement.

In 1982 Pierre Trudeau did just that. He patriated the Constitution to help eradicate injustices. Having done so, we have been given the opportunity to look beyond gender.

The secretary of state has cited the problems of poverty for single parent families led by a woman. Resolving such a difficult issue demands more than merely thinking there is a political will for change. We need to get to the root problems and take action.

It is time to look at our taxation system to see why it penalizes family when one parent chooses to stay home to raise the children. It is time to look at our judicial system to see why the families of divorce and the children of single parents are living in such abject poverty because of poor enforcement to secure maintenance payments.

It is time to look at our criminal justice system to see why abusers are permitted to continue to abuse rather than being removed from that situation. It is time to look at our education system to ensure that all students are given the same encouragement and support to pursue their dreams and their goals.

These issues, while most often affecting women, are not issues that fall exclusively to women. The Constitution values the importance of all Canadians and so should we as parliamentarians. The secretary of state for the status of women claimed that we are elected by the women of Canada to represent their needs and concerns in all of our decision making. The constituents of Calgary Southeast elected me to represent them collectively, not just the women. In all the debates and for all the issues that I will consider I will always consider all my constituents in my riding. They expect nothing more from me and nothing less. That is the point of difference in the 35th Parliament.

* * *

● (1025)

SUPPLEMENTARY ESTIMATES, 1993–94

REFERENCE TO STANDING COMMITTEES

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Madam Speaker, pursuant to the provisions of Standing Order 81(5) and (6) I wish to introduce a motion concerning referral of the estimates to the standing committees of the House. There is a lengthy list associated with the motion and if it is agreeable to the House I would ask that the list be printed in *Hansard* as if it has been read. Therefore I move:

That the supplementary estimates for the fiscal year ending March 31, 1994, laid upon the table on March 8, 1994, be referred to the several standing committees of the House in accordance with the detailed allocation attached.

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

Some hon. members: Agreed.

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

To the Standing Committee on Indian Affairs and Northern Development

Indian Affairs and Northern Development, Votes 1b, 5b, 6b, 10b, 15b, L20b, L25b and 35b.

To the Standing Committee on Agriculture and Agri-Food

Agriculture, Votes 1b, 5b, 10b, 15b and 25b.

To the Standing Committee on Canadian Heritage

Communications, Votes 1b, 10b, 15b, 35b and 100b.
Environment, Votes 20b, 21b and 25b.
Western Economic Diversification, Vote 15b.

To the Standing Committee on Government Operations

Governor General, Vote 1b.
Industry, Science and Technology, Vote 81b.
Privy Council, Vote 1b, 5b and 6b.
Public Works, Votes 2b, L21b and 26b.
Secretary of State, Vote 10b.
Supply and Services, Votes 1b, 2b and 5b.

To the Standing Committee on Natural Resources

Energy, Mines and Resources, Votes 1b, 3b and L33b.
Forestry, Vote 10b.

To the Standing Committee on Environment and Sustainable Development

Environment, Votes 1b, 5b and 15b.

To the Standing Committee on Foreign Affairs and International Trade

External Affairs, Votes 1b, 10b, 20b, 25b, 26b and 45b.

To the Standing Committee on Finance

Finance, Votes 1b and 40b.
National Revenue, Votes 5b, 10b and 20b.

To the Standing Committee on Fisheries and Oceans

Fisheries and Oceans, Vote 10b.

To the Standing Committee on Health

National Health and Welfare, Votes 1b, 5b, 15b, 20b and 25b.

To the Standing Committee on Industry

Consumer and Corporate Affairs, Votes 1b and 2b.
Industry, Science and Technology, Votes 1b, 5b, 45b, 50b, 55b, 60b and 65b.
National Health and Welfare, Vote 35b.
Western Economic Diversification, Votes 1b and 5b.

To the Standing Committee on Justice and Legal Affairs

Justice, Votes 1b, 5b, 10b, 15b, 20b and 40b.
Solicitor General, Votes 1b, 10b, 15b, 25b, 30b and 35b.

To the Standing Committee on Human Resources Development

Employment and Immigration, Votes 1b, 5b, 6b, 10b, 15b and 20b.
Labour, Votes 1b, 10b and 15b.

To the Standing Committee on Citizenship and Immigration

Multiculturalism and Citizenship, Vote 5b.
Secretary of State, Votes 1b and 5b.

To the Standing Committee on Procedure and House Affairs

Parliament, Vote5b.

To the Standing Committee on National Defence and Veterans Affairs

National Defence, Vote 20b.

To the Standing Committee on Transport

Transport, Votes 1b, 5b, 10b, 25b, 42b, 43b, 45b and 60b.

(Motion agreed to.)

* * *

PETITIONS

YOUNG OFFENDERS ACT

Mr. Rex Crawford (Kent): Madam Speaker, once again it is an honour to rise in the House pursuant to Standing Order 36 to present a petition on the Young Offenders Act concerning a private member's bill presented by the member for York South and seconded by the hon. member for Leeds—Grenville.

I had the privilege this morning on CBC "Newsworld" to debate the Young Offenders Act with the hon. member for Saskatoon—Clark's Crossing.

The petition from constituents of my riding states that crimes committed on society by young offenders are on a serious up rise and young offenders go virtually unpunished due to protection under the Young Offenders Act. They lack respect for the law and fellow citizens. There is no remorse or shame on the part of the young offender.

Therefore the undersigned your petitioners humbly pray and call upon Parliament to review and revise their laws concerning young offenders, empowering the courts to prosecute and punish the young lawbreakers who are terrorizing our society by releasing their names and lowering the age limit to allow prosecution to meet with the severity of the crime.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1030)

[*Translation*]

SUPPLY

ALLOTTED DAY—STATUS OF WOMEN

Mrs. Christiane Gagnon (Québec) moved:

That this House urge the government to recognize the principle of economic equality between women and men and to implement measures, in areas of federal jurisdiction, to guarantee women equity in employment, wages and living conditions.

She said: Mr. Speaker, in 1967, the United Nations proclaimed March 8 International Women's Day. Today, 17 years later, this day of thought remains essential to the furtherance of the cause of women. While much progress has been made, women continue to suffer social, economic and cultural discrimination.

To make a progress report on the status of women as we celebrate Women's Day would be a colossal task, a real feat, especially considering that each and every woman in Quebec and Canada is living her status as a woman in her own way. Women have to fight for their rights and dignity in various ways depending on their socio–cultural environment, values, age, background and civil status.

At one end of the spectrum you have women who have chosen to stay at home and at the other end, women who have decided to combine career and family. In between, there is a large number of women who have no other choice but to stay at home for lack of adequate resources to get integrated in the labour market. Future generations will not accept such constraints imposed by outdated social patterns and attitudes, constraints which overlook the legitimate needs of 52 per cent of the population.

Constraints put on women take many forms, but all describe the same reality: inequity and disparities. My remarks today will deal with inequity in employment, wage disparities, inequity within the family, inequity in tax treatment. While the status of every woman may be different, each has already encountered this bottom line, inequity and disparities.

Countless speeches, reports, inquiries, petitions, briefs, testimonies and statistics have been presented to this House in support of women. All hon. members, past and present, have been made aware of their problems. One can wonder how many more economic inequities and acts of violence women will have to suffer and how many more barriers to autonomy they will have to encounter before the government takes concrete steps and fulfil its social leadership responsibility. For justice to be served, the government must pass proactive legislation to guarantee equality between women and men, while fulfilling its commitments to women.

Equality between women and men should first be assessed in economic terms. This is very basic. As we know, the most common source of income is employment earnings. Recent statistics show a $11,000 gap between the average earnings of women and those of men. This discrepancy is explained mainly by the fact that the majority of women have low–paid jobs in retail, clerical and service trades.

In 1992, part time jobs represented 16.8 per cent of all jobs in this country and we know that more and more jobs are part time. Seventy per cent of part time jobs are held by women. The fact of the matter is that the main characteristics of these jobs, besides meagre wages, are a lack of career opportunities and a lack of training, as opposed to full time jobs. Also, it has been established that working part time reduced chances of finding

stable full–time employment after having been unemployed, thus increasing considerably the risks of joining the ranks of the non–working population.

In Quebec, in 1992, 24 per cent of working women worked part time, as compared to 9 per cent of men. Given the unavailability of full–time jobs, a certain portion of part–time work could be considered as hidden unemployment and in Quebec, for example, there are 113,000 women—twice as many women as men—in that situation. If these women were considered to be unemployed, their unemployment rate would climb from 11.9 per cent to 19.5 per cent, while that of men would increase from 13.4 per cent to 16.4 per cent.

• (1035)

In its report made public in July 1993, the Canadian Advisory Council on the Status of Women noted that, although the media give more coverage to massive layoffs affecting men, women are in a particularly disquieting situation. Those who lose their jobs during a recession have less chance of finding new jobs afterwards. Between 1981 and 1984, 25 per cent of laid–off women did not return to the workforce, compared with 12 per cent of laid–off men.

I emphasize today that the creation of full–time, long–lasting and well–paid jobs must be among the Canadian government's top priorities. In this regard, I find it deplorable that this government's only concrete measure to create jobs is the infrastructure program. This so–called godsend will in fact contribute very little to the improvement of women's economic situation. Is this how the government demonstrates its interest in striking an equitable balance in job access? Let us be serious: the only jobs, even short–term jobs, likely to be created are almost exclusively in employment sectors traditionally dominated by men such as construction, transport and primary industry where heavy–machinery operators, road workers and labourers are needed.

We must also underline and condemn the emphasis put by the federal government on reducing labour costs. The freeze on salaries and levels in the public service as well as personnel reduction plans have had disastrous effects on the economic situation of women, who account for 45 per cent of all federal public servants. Between now and 1996, the government will make cuts totalling around $1.5 billion. The Canadian Union of Public Employees predicts that women will be hit harder, since they are found in part–time jobs, even precarious, casual part–time jobs, in the Canadian public service.

For example, while women hold 41 per cent of jobs in the administrative and foreign service category, they accounted for 51 per cent of laid–off workers. In the technical category, 58 per cent of laid–off workers are women, who only hold 15 per cent of all jobs. Women lose their jobs more often than men and their jobs do not pay as well.

We also learned that the government would close on March 31, 1994 the office of representation and employment orientation for women created in 1983 under a government strategy to increase women's representation at the management level. This office will be closed because an assessment conducted in 1993 indicated that the government had achieved its goals. The Public Service Alliance of Canada has challenged the conclusions of this assessment.

Allow me to express some reservations on these conclusions and to question the long–term effects of closing this office. All parents know how important role models are in teenagers' development. We have a right to ask how young girls who need such role models will be able to identify with successful career women if we water down the measures to increase their numbers in the public service.

It should be obvious that a responsible government must act to remove barriers to women's full participation in the workforce. To achieve this, the government should strive to eliminate job segregation still alive today, which is the main obstacle to job equity.

The need to act is all the more urgent, in job training for instance, that the key sectors for job creation in the medium term are identified as those traditionally dominated by men. In Quebec, this amounts to 80 per cent of the jobs that will be created in the next ten years.

• (1040)

The government must show leadership and seek to increase the presence of women in all fields of employment and at all levels. It must continue to reduce wage gaps and encourage the adoption of human resource management practices based on equity. What does it say about our society when our own government does not respect the measures and laws in place!

In 1992, the previous government ignored the recommendations and rulings on pay equity rendered in 1991 by the Human Rights Commission. In 1993, an inquiry by this commission concluded that Canada Post paid its female employees $2,500 less for duties, skills, responsibilities and working conditions that were identical to those of men. The Commission concluded that the Canadian Human Rights Act was ineffective and not credible.

Furthermore, at a press conference in March 1993, the Chief Commissioner pointed out that women in the Canadian Public Service earned 30 per cent less than their male colleagues. He also emphasized that economic disparities between men and women in Canada were a flagrant contradiction of our country's national and international commitments.I would remind you that in 1981 Canada ratified the United Nations Convention on the elimination of all forms of discrimination against women,

and under this convention Canada promised to respect the principle of equal pay for work of equal value.

At the United Nations World Conference on Women in Kenya in 1985, Canada also adopted action strategies to promote women, a project to ensure women's equality in UN member countries by the year 2000. Where are we today with these commitments? Is it not ironic that the theme chosen by Status of Women Canada is women's equality—towards 1995!

In that organizations's pamphlet, we read that this is also the time to ask what still remains to be done for women to become full and equal partners in society.

I dare suggest that the government implement these fine words with its own female employees. These women would hardly be surprised to learn that the United Nations human development index for 1993 puts Canada only in 11th place for the status of women, compared to 8th place before.

Tax legislation is another reason for women's economic inequality. Allowing alimony paid for children to be deductible from income tax is systemic discrimination against women, since women in most cases still have child custody. By taking that approach, the law in a way rewards the ex–husband who does not have custody of the children and penalizes and impoverishes the former wife who has custody. By extension, the children are also penalized. This law, which goes back to 1942, in no way reflects today's reality.

On behalf of all women, I call for the abolition of this tax measure. I also ask for a thorough study of the unfairness of tax legislation to families.

Having considered the economic conditions of working women with children, I will now deal with the economic situation of unemployed women.

The government's recent cuts and budget restrictions affecting unemployment insurance will very clearly have a negative impact on the living conditions of many low–income women. The Canadian Advisory Council on the Status of Women points out that many people affected by these restrictions are single parents and that only the poorest people will be entitled to have their UI benefits increased to 60 per cent of their salary.

• (1045)

To be eligible to this tiny increase, women will have to declare their dependents and allow UI program officials free access to personal information regarding their family. I denounce this new form of interference in the private life of poor women. I denounce this form of humiliation that the government wants to impose upon them and which is tantamount to a violation of their dignity.

Another form of violation of the dignity of women is the violence to which they are subjected within the family. In its recent report, the Canadian Panel on Violence Against Women points out that this abuse is unlikely to stop, as long as women are not treated equally. The government will have to take that into consideration when it decides on the measures required to put a stop to violence against women. Is there any need to remind the House of the promises made in that regard? I have no choice but to say that those promises were certainly not implemented in the recent budget.

In this respect, we wonder about the impact of the 5 per cent cuts to the funds allocated to various organizations. I am thinking here of those 376 battered women's homes in Canada, which form the main support network for women and whose usefulness has been demonstrated. Women of all ages now speak out and denounce the violence to which they are subjected. But what good is that if the government makes cuts in the budgets allocated to organizations which are in a position to provide concrete help?

Police officers, judges and lawyers are also involved in the issue of violence against women. Did the government meet its commitment to allocate the necessary funds to train these people and make them aware of the need for a different kind of approach regarding these victims and their abusers?

In conclusion, I believe that the basic principle of economic equality between women and men is far from being a priority for this government. I am talking of course of real, not verbal priority. Indeed, one wonders if the government has the will to facilitate access to jobs for women and to help them keep working. The Liberals made a nice promise to the effect that they would create 150,000 day–care spaces. We now know that this will not be the case. Indeed, by imposing as a condition a 3 per cent annual growth for the GDP, the government has put this project on the back burner. Even the Minister of Finance admitted in the House yesterday that such growth would not occur for three years. Once again, the government shows how little it cares about family needs, and particularly the needs of women.

We must change the course of history which, unfortunately, tells us that it is events such as wars and revolutions which best promote the participation of women in the workforce. These conflicts force the government to call upon women to replace men at work. When this happens, women are offered training sessions to become mechanics, welders or electricians. The skills of women are then put to full use. Daycare centres are created to make it easier for women to go to work. However, once those conflicts end, the men come back and politicians send the women home, offering them minimal compensation in the form of allowances to encourage them to do so.

We want economic equality between women and men. We want the recognition of the principle of equality but, more importantly, we want the implementation of the necessary measures to ensure that equality now.

[*English*]

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Mr. Speaker, I listened with a great deal of interest to my colleague's discourse.

Many of the issues with which she has indicated a serious concern are priorities we have enunciated in the red book, in the speech from the throne and will also be found in the budget.

I would particularly bring to her attention the explicit undertaking by this government concerning child care spaces which we also recognize as the primary building block. When 3 per cent of GNP is arrived at we will be investing another $50,000 a year. We already subsidize over 633,000 child care spaces.

• (1050)

[*Translation*]

I want to thank the hon. member for Québec for her motion, because in it she asks this House to support a principle which is dear to my heart: economic equality between women and men.

I want her to know that I have been active in women's groups for 30 years, and there is not a single objective we have pursued with as much energy and dedication as that of economic equality for women. The process is a slow one, and I believe there are other women in this House who would agree and who have fought these battles for many years. The process did not start with this generation. It started much earlier.

The economic problems of the past ten years and the priorities of our Conservative predecessors caused the circumstances of many women to decline, often forcing them to live in poverty and dependency.

The Acting Speaker (Mr. Kilger): Order, please.

I would like to know whether the minister is taking part in the period for questions and comments after the speech by the hon. member for Québec.

[*English*]

Is the hon. minister speaking on debate?

Mrs. Finestone: On debate.

The Acting Speaker (Mr. Kilger): I am wondering if I could oblige. Following the intervention by the hon. member for Québec, there was a 10–minute period of questions and comments.

[*Translation*]

Mrs. Tremblay: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Kilger): Order, please. Today, pursuant to Standing Order 81(22), all members have a 20–minute maximum and speeches are subject to a 10–minute period of questions and comments.

A point of order was raised by the hon. member for Rimouski—Témiscouata.

Mrs. Tremblay: Mr. Speaker, we were advised that since the hon. member for Québec was the mover of the motion, there would be no limit on her speaking time and no period for questions and comments. Subsequently, the secretary of state would be able to speak to the motion as well, and then other members would have a 20–minute maximum, and so forth. That is what we were told, if I am not mistaken.

The Acting Speaker (Mr. Kilger): With respect, I was simply following the Standing Orders. If the House agrees to proceed in this way, the Chair will of course interpret this as being the will of the House, and we will proceed accordingly.

Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): I will now recognize the secretary of state, and I apologize for interrupting.

[*English*]

Mrs. Finestone: I am sorry, I missed that.

The Acting Speaker (Mr. Kilger): I wanted to tell you that the Chair was simply applying the applicable standing order. If it is the wish of the House to continue as has been suggested by the secretary of state and hon. members opposite, certainly the Chair will adhere to that. On debate, the hon. secretary of state.

Mrs. Finestone: Mr. Speaker, the purpose of this very important day and the excellent choice of the opposition day subject matter encourages us to allow as many people as possible to speak in the House. Presumably that is why we went ahead with what would seem to be a contradictory situation. I thank you for your openness in accepting the decision of the House.

[*Translation*]

I think the time has come to renew our commitment to women's economic self–sufficiency and become even more dedicated to achieving economic equality and equity in the labour market.

• (1055)

It is a fact that women's equality, and equity and justice for all can only be achieved through economic independence. We are also aware that economic equality is both the basis and the measure of the status of women in our society.

Women must have a place in the job world, receive equal pay for work of equal value and contribute their fair share to our collective wealth.

[*English*]

I feel privileged to be part of a government which is determined to accelerate the advancement of economic opportunities for women. I am honoured to serve under a Prime Minister who is committed to that goal.

The Liberal philosophy has always been based on fairness, equity and social justice. The Liberal tradition is rich in accomplishments and success toward women's equality.

The last Liberal government brought us the Canadian Human Rights Act, the Canadian Charter of Rights and Freedoms and initiated the Royal Commission on Equality in Employment in 1983. The same government appointed the first woman to the Supreme Court of Canada, the first woman Speaker of the House and the first woman Governor General of Canada.

Now in a little more than 100 days our Prime Minister has appointed the first woman Deputy Prime Minister, the first woman Government Leader in the Senate and the first woman Clerk of the Privy Council.

For the first time we have had a government sensitive to the different impact of programs and policies on women. It is a government willing to ensure that gender perspective is taken into consideration in all the proposed changes whether they are fiscal, social or juridical in nature.

[*Translation*]

We are aware that women make a tremendous contribution to our society and our economy. The economic disparities that affect women however, are related to a number of factors.

First of all, women do much work that is not remunerated. Whether they do volunteer work in the community or take care of elderly parents, all women spend a significant part of their lives helping others without payment, out of love and dedication.

Second, women today still shoulder more than their share of the responsibility for their families and their homes. I am often amazed to see how young men, and especially young fathers, share parental and household tasks. According to the statistics, however, women still do most of the work.

The third disparity hinges on the kind of jobs where women tend to be concentrated, the so–called pink ghettos. In employment sectors like office work, sales or services, 80 per cent or more of the employees are women. Generally speaking, these jobs do not pay as well as jobs in sectors where men are more numerous.

Finally, women face attitude problems. When they mention cases of clearly discriminatory behaviour, the answer is often: "I do not see what the problem is". I am afraid people will have to learn to see, and this is particularly true in cases of sexual harassment and sometimes even in cases of violence against women.

[*English*]

I hope that every member in the House realizes how important it is for our country that women achieve economic equality. It is a matter of fairness and justice but it is also a true economic issue for all Canadians. In times of economic restructuring and increased international competitiveness, we have to make use of the full potential of all our citizens.

I wish my hon. colleague had included in her motion the other designated categories of Canadians who are also struggling on the road toward equality, both socially and economically. I am referring to visible minorities, aboriginal peoples and persons with disabilities. Those are areas where I must be an advocate at all times and members will agree being an advocate for those people is very important. In each one of these groups there are women who must face double and sometimes triple factors of discrimination. Women politicians have a particular responsibility and a special opportunity to break down these barriers.

• (1100)

We can reach out to other women. We can help level the political playing field for them. We can call for action and get action. It may not always be as fast as we would wish. We can do this in partnership with men and we can do this from both our riding perspective as well as the perspective of our province and our country. That is our job. The total country is ours.

[*Translation*]

That brings me to the second part of the motion presented by my friend from Quebec, who is asking the government to implement measures, in areas of federal jurisdiction, to guarantee women equity in employment, wages and living conditions.

First, I would like to remind my colleague that, in our famous red book, we made three definite commitments in that respect.

To start with, for the Employment Equity Act to be really effective, it must apply to the largest number possible so as to broaden its impact. I believe that members will agree with me on that. Now, for my second point.

[*English*]

We will through our human rights legislation enlarge the legislative authority to initiate investigations of employment equity issues.

Third, federal contractors should be subject to mandatory compliance with the principles of the Employment Equity Act.

I remember when that act came into the House. It had some very big holes in it. I hope, as we put in a mandatory review period which is coming up shortly, that we will have filled those

holes with legislation before we even get to the review stage because they were very obvious by their absence.

We believe that the federal contractors program presents a good opportunity to demonstrate our commitment to the principle of employment equity. The message is loud and clear. If one wants to do business with the federal government, one must implement employment equity in the workplace. That means fair jobs based on merit and those based on merit will get a first choice and open access to that job application.

As I have mentioned before in the House, this rule applies to our infrastructure program as well. Our representatives at the selection committee have all been instructed to look into the employment equity aspect of every project and to take this into account in their final recommendations.

I believe that this plan toward a more equitable working environment for women answers my colleague's motion for the most part. She knows, like every Canadian knows by now, that if it is in the red book it will happen because we are now quickly turning our promises into action.

[*Translation*]

I believe that the plan I just outlined directly answers the request made by my colleague from Quebec in her motion.

However, I would like to add a couple of points. First of all, I firmly believe that legislation, agreements, regulations and policy statements are useful, if not essential, to bring us closer to economic equality and social justice.

Nonetheless, I am convinced that without a reasonable consensus among citizens and without the active participation of all Canadians, we will progress at a snail's pace. However, if we all strive towards the same end, in a joint effort, we will progress by leaps and bounds.

Therefore, I would suggest to Canadians that they put this International Women's Day to good use by drawing up a list of initiatives we could take to improve the status of women in our country.

[*English*]

Government cannot do it all. It takes everyone to participate, men and women in all sectors of our society.

[*Translation*]

After seeing, these last few days, business and union leaders jointly and severally approve a recommendation package aimed at improving women's working and living conditions, I cannot help thinking that there is light at the end of the tunnel. It is only a matter of time.

[*English*]

My second thought deals with a degree of opportunities. I am dedicated to pay equity and enhancing working conditions for women, but first women have to be able to find a job. This is where this government is being the most helpful to women. By making job creation and growth its top priority, the government is providing women with the basic essential opportunity to reach out for economic independence and equality.

I have to point to the small and medium sized business undertakings in which we are going to ensure access to capital, where over 30 per cent of those businesses belong to women, where they are twice as successful as men and where 85 per cent of all new jobs are created in the country. This will indicate to everyone that we have a strong commitment to women.

• (1105)

We on this side of the House believe that a strong economy is the key to women's economic independence and we believe that a strong economy is based upon the full and fair participation of all our citizens. It is true that the greatest resource we have in the country is grey matter, intellectual property, and 50 per cent of it rests in the heads of women.

This government knows that for Canada to prosper it must take full benefit of all the talents of all of our citizens and ensure that all Canadians are treated with fairness and equity. This is precisely what we intend to do.

On February 7, 1994 the leader of the government in the House set forth the principle that the decision of this government as to how to vote on any motion would be determined on the basis of the merits of the motion. In accordance with that principle, in accordance with openness and right of obligations and actions in this House, and in keeping with the spirit of parliamentary reform, I am happy to inform the House that it is the intention of the government to support the motion now before us.

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, on behalf of the whip of the Reform Party, I would like to advise the House that pursuant to Standing Order 43(2) our speakers on the motion will be dividing their time.

In speaking on today's opposition day motion which addresses the economic equality between men and women, I am drawn back to my 30 years in the classroom where I hope I successfully taught our young people that they did not deserve special treatment because they were women or that the young men did not deserve special treatment because they were men. I hope I set high standards in my classroom. The only qualifications for achievement were hard work, the ability to respect all fellow students and the ability to accept responsibility.

By now it is obvious that while I hold women in high regard, I also hold men in high regard. Part of this respect comes from my father, a military man of four wars: the Irish rebellion, the first world war, the Palestine uprising and the second world war.

I do not remember him telling any of his nine children, six of them girls, that there were any restrictions on what they could do with their lives. I only remember one strong message given to each of his children: a man or a woman is worthy of their hire. Do not be asking how much pay you are going to get. Work hard, your employer will like your responsible attitude. If you treat others as you wish to be treated, this usually holds true.

My mother never went out to work, enjoyed her home, raising her children, president of the PTA, and encouraged all her children to work hard. Although she never learned to drive, she encouraged her children to, and her daughters to carry their own weight in society. I remember while she was on the PTA our school board served hot lunches every day to each student through the help of volunteer parents and the community. The government did not pay for these hot lunches.

Why am I saying all this? There are a lot of members in this House who, like me, are over 50 and who can attest to these strong teachings given to us by our parents of all cultures and all nationalities. These parents if still alive are grandparents and some great–grandparents. Many of us here today are grandparents. 1994 is the year of the family and I can think of no better way to celebrate International Women's Day than to pay tribute to grandparents around the world.

In many cultures our senior citizens are treated with much more respect than here in Canada. They are given a position of honour and respect in the family. If we look at various cultures around the world we see the importance of grandparents in raising children. With the British Columbia Indians, for example, traditionally the grandparents raise the young people. Also in the Chinese culture and many other cultures around the world.

Throughout the history of mankind societies throughout Asia, Europe and North America, all of them, had concerns for the children. Throughout all these societies, whether a modern society or aboriginal people, there was always a place in the old days where the elders were respected. The elders helped train the children. They passed on tradition, culture and heritage. It went way beyond that. It went to the point of giving the feeling of security, the feeling of love and warmth.

• (1110)

In today's world of broken marriages and single parents we need the support and the stability of our grandparents more than ever before.

In this year of the family there are no special interest groups. Rather we must look at the whole family from the youngest to the oldest. It is very significant that grandparents seem to have a real natural regard and concern for grandchildren.

Not so long ago this subject was debated in the Alberta legislature. Mrs. Hughes quoted a study by Jim Gladstone at the University of Guelph. He conducted a study in 1986 that reinforced the importance of grandparents to grandchildren. The report concluded that when marriages break down grandmothers have more contact with their grandchildren than perhaps ever before. Gladstone believes that this means that grandparents have an innate tendency to respond to the needs and the emotional upheaval of their grandchildren and their children.

Previous research on children of divorces suggested that young children have very little opportunity to talk about the breakup.

Gladstone goes on to say that through the child's unique relationship with the grandparents they can obtain the kind of counselling, comfort, reassurance that they need providing they have access, continuous access.

Therefore there is a necessity for creative legislation that protects access for both grandparents. We can that see that grandparents have a great deal to contribute to the life of these children of broken marriages.

I understand that article 611 of Quebec Civil Code states:

> In no case may the father or mother without serious cause place obstacles to personal relationship between the child and grandparents.

This is in Quebec civil law. It is the only province thus far that has enshrined it in law.

We also need to look at precedents in legislation. For example 50 states in the United States have similar types of legislation. Last week I had the honour of meeting with Nancy Wooldridge, president of Canadian Grandparents Rights Association, British Columbia Branch, formed in 1986. Nancy Wooldridge successfully defended her rights as a grandparent in the courts in 1984.

The purpose of the association is to promote, support, and assist grandparents and their families in maintaining or re–establishing family ties and family stability where the family has been disrupted, especially those ties between grandparents and grandchildren.

We could give many practical examples of how grandparents have been obstructed through the court system from contacting children when they could have had a very positive effect on them. The Grandparents Rights Association has many documented cases.

Again because of time we are not going to go into them today. In many cases it is a personal tragedy for the grandparents but more important for the grandchildren who are deprived of this most important asset.

Therefore it is important that we have legal protection for our grandchildren. We can recognize that all grandparents are not beneficial to grandchildren but there are times when they should have direct access. However this can still be established by the courts. We do not suggest we change this.

This would be a very positive step toward protection and development of the child. It is something that lawmakers in Canada could contribute to. I am asking the government in any consideration of future legislation to consider including the rights of grandparents in a fair and legitimate manner.

I would be remiss if I did not recognize the past efforts of other parliamentarians who have brought to the House the concerns of grandparents. The hon. member for Ottawa West, one of our Liberal members, presented petitions and Stan Wilbee of the last Parliament presented Bill C–332 to amend the Divorce Act to protect the rights of grandparents as well as grandchildren. Now is the time for all members of the House to recognize the rights of the complete family in this 1994 year of the family.

Tomorrow I will be presenting a petition containing over 3,000 names in continuing support for the complete family and in support of our grandparents. At this hour I am awaiting news from British Columbia that my seventh grandchild has been born.

I would like at this time to move:

That the motion be amended by adding immediately after the word "conditions" the following:

"through measures that support equality of opportunity without resorting to gender discrimination of any kind"

• (1115)

The Acting Speaker (Mr. Kilger): I wonder if I could ask the assistance of the member for Mission—Coquitlam to be assured that I understood clearly the terms made by the secretary of state regarding the agreement between parties on the intervention by the member for Mission—Coquitlam. I believe the member for Beaver River will have five minutes of questions and comments. Is that in the next round?

Mrs. Jennings: That is correct, Mr. Speaker, five minutes questions.

The Acting Speaker (Mr. Kilger): The amendment has been deemed receivable.

Miss Deborah Grey (Beaver River): Mr. Speaker, I know we are not allowed to talk about who is not in the Chamber, but let me flip that around and say that on this day of women's issues I will make mention perhaps of who is in the Chamber. Before I started I counted 16 men and five women. I am proud to say that three of the women are Reformers here in this caucus. When we talk about women being important, we think we are. We would encourage all to be here and listen to this.

I grew up in a single parent family in the greater Vancouver area. I would like to pay particular mention and tribute to my mother who raised, probably by the scruff of the neck, four daughters and one son. I pay tribute to her today because things were difficult back in the sixties doing that. It was the anomaly back then to be a single parent family. It almost seems like today we are strange if we grow up in a two parent home.

In honour of my mother, Joyce Levy, I thank her for the job she did of raising four girls and one boy in greater Vancouver in the sixties when times were tough. It was difficult.

I believe that any success our family would experience was because my mother said: "You are special regardless". She had four girls and one boy, but we were all treated equally. The success that any of us has experienced in our lives today is because she said: "If you think that you can do something, I believe you are competent, I believe you are able, go for it". It was not: "You are a girl, so we think you should have special status".

I am grateful for that. I am sure that all of us here who were treated that way in a family when we were growing up are grateful We are not here in the Chamber today because we are women necessarily.

I can think of nothing sadder than my campaigning in Beaver River, going door knocking and saying: "Hello, my name is Deborah Grey. I am your candidate for the Reform Party. Please vote for me because I am a woman". Nothing would be sadder for any of us in this Chamber, whether male or female, than to be able to appeal to the pity of someone to vote for us on those grounds.

The secretary of state mentioned in her remarks that she was elected by the women of Canada. We as women in this House were not elected by the women in our ridings. I do not think there would be enough to carry the vote, frankly. I live in rural Alberta and I know that as many women as men voted for me.

I was not elected to the Chamber by women to talk only about women's issues. I am here to talk about the economy, fiscal restraint, farming, the oil industry and everything else that we think is important in the constituency of Beaver River and all across Canada.

Let us not continue to make these ridiculous delineations between women's issues and men's issues. I suspect that some guidelines and some division lines have been drawn.

• (1120)

Let me refer a little more closely to what the Reform Party feels about the traditional lines of women's issues. We believe that our party's position is quite different from the traditional parties' positions in that we do not maintain a separate organization for women members. In the Reform Party women are dedicated to the same goals as men. These goals are fiscal, political and constitutional reform. I do not think there are any

lines to be drawn between women and men when we look at the things that are happening across the country.

Reformers prefer to work together on these issues, searching for realistic solutions which are practical and acceptable within the framework of a democratic, individualistic society.

Our party does not regard any political questions as being purely women's issues. Child care is not gender exclusive. It is a social, family and financial issue. Job and pay equity are not gender, age or ethnic exclusive. They are employment issues and should be dealt with as such.

If we see ourselves going down the road to talk about affirmative action, pay equity, special status for some, we can see where that road would lead us. Let us back up to the fork in the road and say these are issues we need to deal with in terms of absolute equality for all Canadians. It is a slippery slope that we go down if we say child care, job and pay equity are specifically women's issues.

What about sexual and domestic violence? They are not gender, age or ethnic exclusive. They are purely criminal and law enforcement issues and we should deal with them as such, not just breaking them off as women's issues. Then we see that it becomes a special interest group and dear knows we have enough of those in the country. I am not part of a special interest group. Let me make that very clear in *Hansard* forevermore.

The Reform Party believes that the issues of child care, job and pay equity and family violence are of equal concern to the majority of both men and women in society and we should start treating them as such. The other federal parties prefer to separate many important issues into specifically women's issues. This approach has led to the segregation of women into a special interest group.

I am not a special interest group. Let me say it again because I feel that strongly about it. I am a woman and I am proud to be a woman. First and foremost I am a Canadian and I would like people to think in this Chamber as well as in Beaver River and right across the country that perhaps I am here because of some capabilities and some abilities and specific skills, not just because of my gender. This place will sink when that happens.

I resent being told that because of my sex I am entitled to special considerations. For what? It is demeaning. It is an insult to my intelligence and a presumption that I am unable to compete on my own abilities.

I would like to expand on my statement on child care. We recognize that since only women bear children they often make choices about their lives that are different than those of men. For women who wish to devote their energy to child raising, a public policy framework sympathetic to families is necessary. My colleague talked about this being the international year of the family.

Let us look at the family. The family is the basic unit of our society, far more natural than it is to just hunker down with the women and say that we will look at those issues specifically. This should include generous maternity leave and re–entry provisions to make it possible for women to combine a career and family.

Our party supports child care programs that are based on financial need, not the method of child care chosen; programs that subsidize children and parents, not institutions and professionals. Therefore when we are always labelled as being anti–day care that is not the truth. We are in favour of child care but let us target it to the people who need it most and to people, not institutions and the professionals.

While some parents believe that day care is a viable option others prefer to care for their children within their home. The Reform Party advocates policies which permits parents to decide how best to care for their own children. We believe they should have that right.

For those unfortunate cases in which families break down, and I realize that they break down and I alluded earlier to the fact that I come from a single parent home, the federal government should assist provinces in developing reciprocal arrangements for enforcing realistic support payments from non–custodial parents.

Initiatives in this direction would be in line with the Reform philosophy of individual responsibility and would help reduce the dependence of single mothers on family assistance.

I turn to the issue of women in the workforce as we are in the Chamber, which for economic reasons includes a large majority of Canadian women. The Reform Party advocates a free and open labour market in which people are judged on their personal achievements.

• (1125)

Promotion on the basis of merits, not quotas, should govern the advancement of both men and women. This quest for statistical parity between men and women damages the very fabric of our society by compromising the merit principle.

Let me say again that any woman who sits in the Chamber, at the table, in the chair or in a seat as a member of Parliament should be here on merit and not because of some hiring false quota that says we will have so many women sitting in the Chamber, at the table, in *Hansard*, in the translation booth or whatever. We advocate enlightened personnel policies to end condescension and harassment toward women and to develop mutual respect in the workplace.

The Reform Party consistently supports the philosophy of treating people according to their individual merits and achieve-

ments. Our goal is to maximize individual freedom for all Canadians within the restraints of responsible citizenship.

I will say a few words with respect to sexual and domestic violence in closing. The Reform Party believes these issues should be dealt with by a legal system based on common law principles in which sentencing is a more adequate penalty and deterrent. We have spoken at length in the Chamber about what inadequacies there are in the laws and regulations in our country. We need to tighten those up so that there are really serious deterrents for people who are tempted to go after spouses and batter them or whatever.

We are looking forward to the day when all Canadians are treated equally and able to strive for their fullest potential regardless of race, language, culture or gender. Let us move ahead. Let us not get hung up with terminology. Let us move ahead to find real solutions to these issues that affect all of us, men and women alike.

Mr. Peter Adams (Peterborough): Mr. Speaker, I have heard a good deal with which I can agree but I became a little confused with the amendment. I listened to it as carefully as I could. Perhaps I did not get the full sense of it but any action we might take with respect to the motion on the Order Paper today might not involve gender bias. That is how I understood it.

The member was speaking of directing our efforts toward the people who need our help most. It seems to me that when we talk about child care, apart from the children, the people who need help most are women. When we talk about single parents we know the vast majority of single parents are women. Therefore they are the ones who need support.

We think of some of the areas that the members opposite mentioned in which women are moving and making progress but in which they are still behind. An example would be in science and technology, in colleges and universities and in the workforce.

It seems to me that at the moment, although goodness knows we do need improvements in science and technology and education of all sorts, the people most in need are female students. They have moved in other areas such as the arts and the humanities but they have moved least in science and technology.

Similarly, if we look at the professional schools of all sorts, we would discover that women are still in the minority. I realize that there are other groups that need our support but women are the people who need our assistance most.

In the general area of income, we can obviously break out all sorts of groups that are in the below average income category. However here is this mammoth group which is the majority in the country, females, and the statistics all show that it is significantly behind the other large group which is males as far as income is concerned.

In my constituency, over two–thirds of women with children of school age work at the present time. They represent a low income group in my riding. I wonder if the member or the members opposite would care to comment on this point. How do we proceed on these matters without identifying women as people who are at the present time in need of support so they can move forward in these areas?

• (1130)

Miss Grey: Mr. Speaker, in the time remaining I want to thank the member for his question but mostly for his comments.

In terms of our amendment we need to come up with what we think is a sensible definition and in fact the interpretation of employment equity.

Where I live in rural Alberta it is very difficult to find the exact slots for people who are qualified, who have merit and who have some personal achievement in some of these areas. The minister referred earlier to the fact that in this whole infrastructure program we need to make sure every category is filled by employment equity. That is very difficult to do in many parts of rural Canada. Therefore let us determine what our interpretation is.

I disagree with the fact that we should have artificially imposed quotas on employment equity right across the country. The hon. member made reference in his comments to the sciences. Let us make sure we realize that women are very capable in the sciences.

Maybe we should have educational programs and teaching faculties to say that women are very qualified to be engineers and scientists. Let us make sure that is permeated through society. I do not know the problem would be solved by saying that we demand *x* number of women in those faculties. We in the Chamber need to make sure our legislation and regulations are sensitive to that, but I do not know that imposing artificial quotas will go the distance in terms of finding real answers to it.

The member also commented on the fact that women are in lower paying jobs generally. We have seen all the studies. We have looked at both sides of the issues. Let me just sum this up by saying the following. I am a high school teacher by trade. I believe many women, myself included, choose to go into careers that are more humanities oriented. Perhaps it is because of our individual and special gifts we as women bring to a situation, the idea of consensus building rather than confrontation.

Many of those are low paying jobs. Therefore we need to realize that we do not just look at the numbers on these charts but we look at some of the reasons behind it. Women as child bearers obviously take a particular time out of the workforce. Maybe they are not anxious to get into careers that have to come before family, children and husbands. We need to pay particular attention to that.

Maybe that is one reason there are not as many women in the House as some people would demand. It is very difficult to be away from home. I know it is hard for every member but I find it particularly difficult to get on the plane every week and come here to Ottawa. I do not know if that is because I am a woman or because I am a homebody or because I am a newlywed. Who knows. I am finding it more and more difficult every week. However we need to be careful about the reasons there are not as many women in the Chamber rather than say we are going to fix the problem from on high.

The problem needs to be solved with each of us in our home communities. We need to encourage women to choose careers in the sciences or perhaps politics, not because they are women but because they are capable and have real abilities in those areas.

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I know it is unusual for me to answer after I have spoken and someone else has spoken on debate after me, but I understand the hon. member wanted to hear from both members.

Last year I listened to a woman with a career very high in the workplace speak on women's issues and their importance in the workforce. The item I picked up more than anything else is that those figures are grossly distorted. The reason is that women work part time in most cases. For many of them it is because they have to and for others it is because they choose to stay in the home and their only opportunity is to work part time. This pulls us way down when looking at those statistics. They are way out of whack and we have to look at them all carefully.

The Acting Speaker (Mr. Kilger): Before resuming debate, I am going back to the earlier intervention by the member for Mission—Coquitlam. I was touched when she shared with us that at some time during the course of this day she might once again be a grandmother. If I recall correctly it will be the seventh time. I join members on both sides of the House in saying congratulations and best wishes to mom and dad. We wish your new granddaughter or grandson a long, happy and healthy life.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I would like to take this opportunity to mention the presence in the gallery of my wife Louise and two of my daughters, Marie–Hélène and Marie–Christine. I should also add that my other daughter, Isabelle, a student at McGill University, and my son Jean–François join me in stressing the importance of this day for all Canadian women.

• (1135)

On this day, March 8, I would like to talk about an issue of extreme importance to women and which we have to address if we are to give a true meaning to the word equality. I am referring to violence against women.

The very existence of this violence shows clearly that there is a power relationship underlying a serious imbalance and the absence of effective equality. Violence against women is an integral part of our social structure.

The tragic massacre at the École Polytechnique on December 6, 1989 brought back to the fore a brutal and far reaching reality and we are still torn apart by the whole thing.

This situation required action. In August 1991, the federal government set up a Canadian committee on violence against women. This committee was co–chaired by Mrs. Marthe Vaillancourt, a respected person in the field and also the director of the Centre d'aide aux victimes d'actes criminels in Chicoutimi, and by Mrs. Pat Freeman Marshall.

The committee did a lot. Hearings were held all over Canada. A final report was submitted in July 1993. From these hearings in 139 communities across Canada, as well as submissions and research documents, we gained a better picture of the situation of women. The committee proposed 494 recommendations in a 500–page document.

A framework had to be established and the committee defined violence against women as all forms of violence committed by men, as opposed to marital and family violence.

Violence takes different forms. It can be psychological, sexual, physical, financial and spiritual. Some aspects are unfortunately more familiar than others. There is no hierarchy in that list of various forms of violence; all forms of violence against women are to be banned, whether they are threats, rape, incest, unrequested sexual fondling, blows, withholding of money, contemptuous attitude towards one's personal beliefs, etc. Our tolerance of violence against women generates costs, human, financial and social costs.

Let me quote the final report of the committee: "A Quebec study compared the health of a sample group of women and children who had left a violent environment with women and children of a comparable group who had not experienced violence. It concluded that: The health of these women and their children was distinctly different from that of the general population, and they were affected first of all by problems of mental health".

We can see also that there are no case detection measures and that diagnostics are often false. Financial costs impact on health care and work–related costs and also on the judicial system. Let me quote the report again: "The costs of one sexual offence,

where the offender serves three years in prison, can be very conservatively estimated at more than $200,000''. The Final Report of the Canadian Panel on Violence Against Women first describes the problem and its various aspects and, in a second part, presents a national action plan.

• (1140)

That national action plan comprises an action plan for equality and a zero tolerance policy. The action plan for equality makes recommendations on two main aspects of the issue: on the one hand, improve the economic status of women which is directly related to violence against women and, on the other, acknowledge and treat women as independent persons. Emphasis is to be put on eight specific areas: right to equality, equal access to the legal system, equal participation in politics and the civil service, improvements to processus aimed at promoting equality for women, economy, family, taxation and transfer payments.

Finally, the zero tolerance policy involves a responsibility structure for the implementation phases and an application model. This policy is based on the premise that no form of violence is acceptable and that sufficient resources must be allocated to eliminate violence against women.

In my riding, according to the 1992–93 statistics released by the Centre d'aide aux victimes d'actes criminels of Chicoutimi, spousal abuse and sexual assaults make up close to half of all complaints made pursuant to the Criminal Code. Note that 82.3 per cent of crimes are made against women.

At the national level, a comprehensive survey of 12,300 Canadian women conducted by Statistics Canada and made public in November 1993 provided eloquent information about violence against women. In Canada, more than one out of two women suffered physical or sexual abuse at least once during her adult life. In a great majority of cases, the assailant was known to the victim. The definition of an act of violence which was used refers to actions considered offences under the Criminal Code of Canada.

According to Statistics Canada, physical assaults vary from threats of imminent bodily injury to assaults causing serious bodily harm, while sexual assaults vary from sexual interference to violent sexual assaults causing serious injury to the victim.

This survey also shows that one in four Canadian women reported being abused by her current spouse or a previous one. The most recent national survey conducted in 1980, which was highly criticized for being speculative, indicated that one in ten women had been physically abused by her spouse.

Most of the 10 per cent of women who declared being victims of violence in the 12–month period preceding the survey were young women, between the age of 18 and 24.

The survey also shows that men tend to be more violent if they were witnesses to violence against their own mother.

• (1145)

Alcohol plays a major role since, as the study indicated, the assailant is intoxicated in more than 40 per cent of violence cases. One in five acts of violence mentioned in the study was severe enough to cause injuries, a quarter of which demanded medical attention. It is also noted that nine out of ten assaults not only caused physical injuries to the victim but left emotional scars as well.

Fear is on the mind of a good number of women whose spouse is violent. It is made worst by the prospect of finding themselves in a potentially violent situation. Thus, 83 per cent of women reported being afraid to enter alone an underground parking lot. Seventy–six per cent are afraid to use public transportation at night. Sixty per cent do not feel safe walking alone in their neighbourhood at night. Only 14 per cent of violent acts and no more than 6 per cent of sexual assaults were reported to police. In only a third of the reported cases, charges were laid against the assailant.

Further to this study, the Secretary of State responsible for the Status of Women stated that her government would launch a national campaign to heighten public awareness and take steps to force the violent spouse to leave the marital home. She promised in the same breath to better finance organizations for battered women and their children. As we say, desperate times call for desperate measures. One does not put a poultice on a gaping wound. These figures are very revealing and we deplore the fact that such a sad situation can exist in a country like Canada.

The budget allocated to the Canadian Panel on Violence Against Women was $10 million. A great deal of money and energy has been invested in this initiative, and the situation as it is depicted requires a follow–up on this report. Furthermore, the survey conducted by Statistics Canada, at a cost of $1.9 million, shows the extent of the problem.

Violence against women can now be measured. It is a serious problem that we must address despite its complexity. Community groups have shown us the way. At the moment, there are 360 shelters for battered women across Canada, and waiting lists to get in these shelters are often very long. The services provided are sensitive to budget cuts. Eighty per cent of these shelters were opened after 1980 and 95 per cent of them have less than 20 beds.

In the vast majority of cases, the services provided are short–term, as 70 per cent of the women remain in these shelters less than 20 days on average.

• (1150)

Beyond emergency services, we must offer more to women. We need to adopt a more reactive approach. The status of women in our society is directly related to their economic situation, among other things. Equality is also a matter of money. Let us take, as an example, pay equity and access to housing.

Women deserve the same treatment as men, and the violence that they have to suffer in our society clearly indicates that we have a lot of work to do. We must not think that it is a present–day problem. Let us remind ourselves of the suffragettes who fought for the formal recognition of women's political rights.

In 1931 and 1964, successive reforms to the Lower Canada civil code guaranteed full legal capacity to the married woman. In fact, in 1931, the introduction of reserved property allowed a woman to administer the proceeds from her work because it was said that many men would go off and drink their wife's savings. Unfortunately, there are numerous examples and, not too long ago, women had to fight for their rights.

The violence that they experience is a dramatic situation to which we cannot remain indifferent. It is very tempting to be legalistic, but we must go beyond that. To a systemic problem we must bring systemic solutions.

In the 1994–95 Estimates, Status of Women Canada plans to launch the following project: Co–ordination of the preparation of the federal program concerning the equality and security of women in co–operation with federal departments and other partners. This will incorporate the government response to the report of the Canadian Panel on Violence Against Women.

Status of Women Canada was given the mandate to produce the government response to the panel. That response will be submitted in the form of a federal program concerning gender equality and women security.

Finally, the co–ordination of a national public information campaign geared towards prevention will be pursued in order to eliminate the circumstances that promote violence against women. In view of the magnitude of the problem, the proposed action only allow the government to make an act of faith.

We are no longer trying to prove that there is violence against women; people are convinced that it exists. The consultation exercise has taken place, the problems have been identified and solutions have been suggested. What is the government waiting for to implement the national action plan that was tabled here in this House?

Mr. Bill Graham (Rosedale): Mr. Speaker, I would like to congratulate the hon. member for Chicoutimi for his speech. Surely I can say that all members here agree entirely with his comments on violence against women and the measures we should take to prevent such violence.

What I would like to tell the hon. member is this: I believe he is right when he addresses the issue from a national perspective. He referred to Canadian activities to lessen the problem. He did not separate the women from his riding or his province from the other Canadian women. What I would suggest to him is that the women of his province or Canada should not be separated from the world they live in. I come from a riding where there is a high proportion of immigrants, and we know that the problem is international as well as national or provincial.

• (1155)

Therefore, my question to the hon. member is this: Given the complexity of the problem and the fact that it is a national and an international as well as a provincial issue, does he not agree that the initiatives required to correct the situation and better protect the women of Quebec and Canada should not be measures co–ordinated at the provincial, national or international level, but federal measures taken right here, together, because it is our responsibility?

Mr. Fillion: Mr. Speaker, I thank my hon. colleague for his question and comment. I must stress that in my presentation on the status of women, I have not taken a provincial political point of view because some would have said that the Bloc Quebecois wanted to use the issue to its advantage, that it wanted to score some political points.

When I speak about the status of women, in my mind I know that problem concerns the riding of Chicoutimi, the ridings of my friends from the other side, all my colleagues' ridings, the province of Quebec, all the provinces in Canada and Canada as a whole. Given the amounts spent on the preparation of that report dealing with many subjects, which was requested by the Canadian government and cost $10 million, at a certain point we should use that document as a basis for discussion and as a basis for dealing equally everywhere with violence against women.

Now how should we go about addressing the issue for all of Canada? What kind of committee could we create to make sure we are more alert? I leave it to those who will speak on the issue today to make some suggestions. I think that such a process is an important one; it is important to find solutions to the problems women are faced with.

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria): Mr. Speaker, I would like to take a few moments, not to ask questions, but rather to make a few comments following the remarks I just listened to.

I would point out that the fact that these gentlemen rise and talk about violence against women is proof that it is a societal

issue and not a women's issue. In the eyes of any self–respecting man or woman, this issue concerns us all and not only feminists.

I would also like to say how pleased I am to see the Bloc member going beyond party lines when talking about abused women. I do hope that in future debates on common issues, we will be able to count on their support.

I would like to conclude by telling Canadian men that the respect they feel for themselves automatically translates into respect for us, women.

Mr. Fillion: I thank the member for her remarks. You can be sure, Mr. Speaker, that what I said is not a one–day thing. I made my career in teaching. I spent 34 years of my life with teenagers. Through the years, I met a great number of parents who would come and confide in me regarding the many different kinds of problems their teenage daughters were experiencing and I always listened very carefully to them. My job as a teacher taught me that, beyond political partisanship, everybody must join the fight against violence.

• (1200)

In any case, I am grateful for a job which allowed me to celebrate every day, 365 days a year, for 34 years, this event we mark once a year, on March 8, Women's Day. Thus, I directly carry this over into my family life, with my three daughters, my wife and my son. As you can see, I am in very good company.

Mr. Peter Adams (Peterborough): Mr. Speaker, I have a very short question to ask. I also want to congratulate the member for Chicoutimi on his speech. I am very interested in what he had to say, since I too have a daughter, who studied at McGill University.

My question is about comments made by Reform Party members. Does my colleague believe that the issue of violence against women only implies a need for more or less organized action, or that it is rather a matter of legislation and policies giving the preference to women?

Mr. Fillion: Mr. Speaker, if I understood the question correctly, I must say it is not a question of giving preference to women in legislation, but simply of wishing to ensure their equality with men in every sector of society. Then, whether we are looking at wages, social housing or equity in employment, the main thrust will be that our legistation must reflect the equality of men and women once and for all. At some point, men and women should be considered simply as human beings.

I want to mention in passing that I have relied heavily on data prepared by Statistics Canada since some had criticized the figures contained in the report on the status of women. These figures were later adjusted, to a certain degree, to reflect today's reality and the data available from Statistics Canada.

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, I welcome the opportunity this motion gives me to salute International Women's Day. It is important for the House to mark this day and to recognize the significant progress that has been made in Canada over the years toward greater equality of women and men.

[*Translation*]

So, I am very grateful to have an opportunity to mark International Women's Day.

[*English*]

I can assure hon. members of my government's commitment to continued progress in the field of equality. That commitment is clear from our red book "Creating Opportunity". Whether we talk of women and health, or of streets that are safe for women, or of day care, the underlying principle is one of equality between women and men.

Basic to all progress is the prosperity of Canada, and pleased is the minister responsible for infrastructure to be implementing, in co–operation with other levels of government, a program that will put many Canadians to work. Directly and indirectly this program will contribute in the short term and through long lasting benefits, to the economic growth which will ensure the greater equality of men and women.

• (1205)

I want to talk today most especially about employment equity within the federal public service and particularly about employment equity and women.

[*Translation*]

In this context, I would like to pay tribute to a particular woman, namely my parliamentary secretary.

[*English*]

Members of the House will be aware Treasury Board has legislated responsibility for employment equity within the public service because of the persistence of my parliamentary secretary, the hon. member for Ottawa West. She was in very large measure responsible for ensuring that the Public Service Reform Act passed in December 1992 contained an amendment providing specifically for employment equity.

This amendment is important in its own right because it will advance employment equity throughout the public service. It has however a further importance. The Government of Canada has an obligation to serve, I would suggest, as an example in such matters of great significance. The amendment conveys a message to all Canadians, women and men, that equity in employment is crucial to the full economic and social development of Canada.

The law sets out four designated groups that have encountered employment barriers. These are women, aboriginal peoples, persons with disabilities and visible minorities. Women are a designated group in their own right, but they are about half of those other three groups as well.

If we discuss employment equity for aboriginal peoples we include aboriginal women. Progress for women as a whole must also be progress for any group that is disadvantaged.

The point of employment equity in the public service is to increase the representation of members of designated groups in those jobs in which they are currently represented to a lesser extent than their participation in the Canadian labour force.

It was a Liberal government that introduced one of the first programs designed to achieve this goal within the public service. The special measures program, as it is called, put in place in 1983–84 has contributed in a major way to increasing the number of women, and of men and women of the three other designated groups within the public service. The special measures program has continued over the years as a motor of the employment equity program.

Last December I had the honour to preside over a meeting of Treasury Board that approved the continuation of this program over the course of the next four fiscal years. In total almost $70 million will be allocated to the new special measures initiative program as it is now called.

[*Translation*]

I strongly believe that the renewed program will help to ensure employment equity within the public service.

[*English*]

Two particular programs have been of importance to women. First, the women's career counselling and referral bureau of the Public Service Commission counsels women who have the potential to rise into the executive ranks. It evaluates their management skills and refers women to appropriate competitions. The bureau cannot of course claim credit for all the progress that has been made, but there has been a real and notable increase of women in the executive group of the public service.

In 1983 women were 5 per cent of the executive level. By 1988 women's representation had more than doubled to 12.3 per cent. As of March 31, 1993 women were 17.6 per cent of the executive group, including a good number at the second highest level.

In addition there has been a steady increase in the number of women in what is called the feeder groups, that is standing in the wings and waiting to take over from the executives who will be retiring in the coming years. The public service is providing leadership in this area not just for the government but for the whole country.

The second aspect of the special measures programs designed especially for women is the OPTION program. The purpose of this program is to encourage the recruitment of women for what are called non–traditional occupations. A non–traditional occupation is one where the representation of women is under 30 per cent. Again there has been encouraging progress. In all these areas progress has been made but there is still is a lot more work that needs to be done.

• (1210)

The progress is not always measured by numbers alone. The program has particular importance because through strategic placements, the way is open for women to become employed in areas that traditionally were almost closed to them. Let me give an example of what can be done in the area of non–traditional occupations.

In 1992 the former Department of Energy, Mines and Resources received an employment equity award for its achievement on the recruitment of women in the science sector. Under its young scientists program that department has increased the number of women scientists by 63 since 1989.

Various departments also have bridging programs for women. Women occupy the vast majority of positions in the administrative support category. However it has not traditionally been an easy matter for a woman to move from the position of a secretary to a junior administrative officer and so on up the ladder. Bridging programs provide women with the training and the skills necessary so they can compete for more responsible positions.

[*Translation*]

It is essential that women be given access to the training which will help them secure the advancement they deserve.

[*English*]

The renewed special measures initiatives program will provide even greater encouragement to employment equity within the public service. Programs that were successful in the past such as the OPTION program are being continued. A new flexibility has been introduced so that individual departments can receive the assistance they require to carry out on their own individually tailored programs to assist women and members of all those other designated groups to achieve better representation within the public service.

Employment equity is all of these things but it is more as well. It is an attitude. It is a recognition that women and men are equal and that each of them can in her or his own way provide high quality service to the Canadian public as a member of the public service. It means that a man can easily take orders from his boss, a woman, that a woman has an absolute right not to be harassed

in any circumstances, that a secretary could be a man and that all women and men are treated with dignity.

We recognize that employment equity must be an integral part of human resource management. It is not something separate to be considered only after essential matters have been taken care of.

Managers are being trained to understand that Canada today is a diverse country. That is its strength and the public service must reflect that diversity if it is to serve the Canadian people intelligently and well.

For women there are other factors as well and legislation and policies are in place to provide for them. For example, pension provisions that discourage part time work and the taking of child rearing leave have been repealed.

Flexible work arrangements are in place in recognition of the fact that it is women who still carry the major burden of household responsibilities. Telework may be of substantial help to women whose situation makes it difficult for them to leave the house for extended periods, for example.

Job sharing may provide for many women an opportunity to participate in the public service that they otherwise would not be able to do, or elsewhere in the economy that is not available to them at this point.

Let me say that these are not concessions that are being made to women or to any other members of any of the designated groups in the employment equity program. Employment equity implies that barriers to the employment of any member of society have been dismantled and all can compete on an equal footing.

• (1215)

With employment equity we in the federal government still expect to recruit the best and the brightest, but we shall be ensuring that the candidate pool is as diverse and as rich as possible and reflects what this nation's composition is all about.

If some training is required to diversify and enrich the candidate pool, we will provide it where we can. That is the meaning of employment equity and of equality.

We will have other occasions in which to discuss the growing role and equality of women in Canadian society and within the public service. I want to assure the House today of my own personal commitment, a commitment that goes back through the years that I spent in municipal government, to the principles of both equity and equality for women. I am pleased to have had the opportunity to participate in this debate today.

[*Translation*]

Thus, I am very pleased to reiterate in the House my commitment to employment equity, and equality between women and men.

[*English*]

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I acknowledge the hon. minister's comments. I would like clarification on one part of the hon. minister's analysis. To me there seems to be something of a flaw.

The hon. minister related a whole host of impressive statistics regarding the executive group of the public service from 1983 to 1993. They show an impressive movement for that executive group. The minister went on to say that men and women are equal. If we are equal I would like to ask the hon. minister why we as women must be strategically placed. That does not necessarily explain that enhanced equality of opportunity and recognition based on merit is achieved through strategic placement. I would like the hon. minister to comment on that part of his discourse.

Mr. Eggleton: Mr. Speaker, I used those statistics to indicate that we have advanced a fair bit. I also said at the point where I gave those statistics to the House that we still have a long way to go.

Obviously we want to put the most qualified people in all of our jobs. We want to make sure that those who have experienced barriers to those opportunities have those barriers removed in order to provide the kind of training and preparation that is necessary to give them every opportunity to be able to advance into those ranks.

The statistics indicate that we have come a fair direction but we still have a fair direction to go. I certainly would welcome the hon. member and any other member of the House giving suggestions and ideas about how we might better achieve that.

This has been a learning process for all of us over the years. Perhaps it has been rather slow in appearance to many people, perhaps these changes have been too slow to come about. Certainly there is an increasing acceleration, as the statistics indicate. On top of that, there is a greater awareness and desire to find new mechanisms, new methods and new means of training and preparation for providing, as I said in my remarks, that pool of people from all of the different employment equity groups—women, aboriginals, disabled and visible minorities—in order to have a public service that better reflects the composition of our population.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I just have a couple of comments.

First, as a member of the Reform Party caucus I am proud to serve in Parliament alongside the women members of the Reform Party, women who were elected as MPs to serve in Parliament not because they are women but because of their ability, determination and ambition. I feel very proud to say that I regard the women members of the Reform caucus first as members of Parliament and second as women. I appreciate them very much.

• (1220)

In listening to the hon. member's comments I heard phrases about employment equity, equality, et cetera. Really what I heard was quotas. I heard affirmative action. I heard about concessions.

I suggest that quotas have nothing to do with equality and everything to do with political correctness. If the government were serious about equality it would concentrate more on breaking down the barriers wherever they exist and inviting people of both genders, visible minorities, aboriginals and the disabled, to apply for jobs based on their ability, merits and qualifications for the job rather than talk about providing specific training for members of these four groups the hon. member mentioned so that they can be encouraged to fill some sort of quota that the government may have in mind for the public service.

I submit and suggest to the hon. member that the government would be far better off to look solely at the abilities of people when it comes to filling public service jobs rather than the gender or cultural heritage or whether or not they are disabled. That is what Canadians are all about, the equality of all, which is understood to be a given. The thing that has been most destructive in our country has been the separation into different groups by governments past and caused dissension amount the Canadian people.

I suggest that embarking on a path such as the hon. member has suggested is a path that leads to affirmative action and quotas in hiring. If we take a lesson from the United States we can see what kind of social problems that has caused. I hope it does not happen in our country.

Mr. Eggleton: Mr. Speaker, I am astounded at "understood to be a given" that equality exists in the country. Unfortunately there have been a lot of barriers for visible minorities, women and disabled and aboriginal people. They have not had the opportunities.

We have a composition in the public service that in past has not represented the composition in the population. There have been barriers to employment and barriers in terms of pay opportunities. These are facts that do exist and have been substantiated time and time again by many studies.

We are simply trying to break down those barriers. I never said quotas. I never used the word quotas at all. I talked about training. How do you equate training and quotas? Training is to help people. Training is provided for all people, men, women and all of the target groups I talked about today, training to help prepare them for jobs that can help them to rise higher in the service, to be able to perform to the best of their abilities.

Surely there is nothing wrong with that. How does the member equate that to quotas? I never said anything about quotas. We are trying to prepare people to do the best they can, to be able to advance in the public service and to give them the kind of training and support they need so that we will have an even bigger talent pool to draw from when we need to advance people. That surely is going to be to the benefit of the people of the country in terms of the public service we would provide.

• (1225)

[*Translation*]

Mrs. Maud Debien (Laval East): Mr. Speaker, first of all, I would like to wish a wonderful International Women's Day to all my female colleagues in this House.

I am proud of the solidarity which unites us today, in this House, where we wanted to be elected because we believed we could influence political decisions and protect the interest of the population of Canada and of Quebec.

Women make up 52 per cent of our population. I firmly believe that it is the duty of a responsible government and members who were elected to represent their constituency to respect and guarantee equal opportunities and equal rights for men and women. The fact that there are not as many women in this House as there could be, shows how difficult it is for women to get into politics.

I am also very pleased to make my first speech during a debate held on the International Women's Day. The status of women has always been a main concern of mine and my involvement as a founding member of the Centre des femmes de Laval gave me the opportunity to better understand the daily problems and the dramas some women have to deal with. Often, these women can only rely on the community resources made available to them by the women's groups to help them to take charge of their life to become independent and more aware of their own situation.

Allow me, on this special day, to reiterate my support and send my best wishes to all women in Laval, and especially to my female constituents in Laval East. I would also like to mention the wonderful work done by women organizations in Laval and all the volunteers who care for the well–being of women in Laval.

Like several other organizations, women's groups play a primary role by advocating changes to improve the standards of living of women.

I was able to appreciate the quality of services provided to women in need, such as crisis centres, counselling services, referral services, shelters, health services, training, emergency services, and the list could go on and on.

It is also the first time in federal political history, that Laval has female MPs. I want to take this opportunity to pay tribute to those women who work with such dedication at La Maison Le Prélude, Le Centre des femmes, Le Centre d'accueil pour les femmes victimes de violence, the AFEAS, Le Cercle des fer-

mières, Le Club des femmes d'aujourd'hui, Laval au féminin, Pause Carrefour–Santé, and other centres.

I want to thank the volunteers and the workers of those various organizations which offer women a place where they can feel a sense of belonging and solidarity.

The active contribution made by women to improve the quality of life for Canadian and Quebec societies takes many dimensions. In the past, women have shaped Quebec and Canadian societies, whether by making an economic and social contribution with their work at home or in the workplace, or through their entrepreneurship, their initiative, their dedication and their skills. Today, women are increasingly more present in all sectors, thereby continuing to play a major and active role to ensure the collective prosperity of our societies.

Throughout history, the movement to promote women's status has always sought a greater recognition of the principle of equality between men and women. If the status of women has improved over the years, although a lot remains to be done, it is because of the efforts and initiative of women's groups. Let us not forget that women fought hard to have their rights recognized.

Women often had to fight powerful religious and political institutions, as well as the press of the time.

• (1230)

Women's groups have been the driving force behind change in the area of social, political and economic justice in our societies.

The first women's organizations called for basic rights: the right to a higher education, the right to equality before the law, the right to vote. Great Canadian and Quebec women laid the groundwork for equality and for the right of women to participate in all spheres of activity. Their tenacity, commitment and determination gave rise to new hopes, struggles and victories. While some of these women's names are inscribed in the history books, others still echo in this noble House, reminding us of the ideal to uphold and encouraging us to continue following in their footsteps.

At this time, I would like to recall several of the women's groups and pioneers who, through their dedication, sense of justice and fairness, were responsible for the emergence of important women's rights movements. They include Thérèse Casgrain of the League for Women's Rights, Marie Gérin–Lajoie of the Provincial Franchise Committee for Women's Suffrage, Carrie Derrik of the Montreal Suffrage Association, Grace Ritchie England of the Local Council of Women of Montreal, Idola Saint–Jean of the Alliance canadienne pour le vote des femmes, Laura Sabia of the Voice of Women, Léo Roback, the well–known feminist and activist, Laurette Slone of the League of Women, Madeleine Parent of the textile union, Azilda Marchand of AFEAS, the women's association for education and social action, Nellie McClung who fought for women's suffrage in Western Canada, Bessie Starr and Emily Stowe who, as early as 1888, spearheaded the drive for the recognition of women's rights, and, last but by no means least, the celebrated Agnes Macphail.

However, the history of women quickly brings us back to reality. Despite the major gains made, women's groups still must fight today, in 1994, to maintain what they have achieved and to have their rights recognized. Indeed, in the past few years, under the guise of deficit and debt reduction, we have witnessed an unprecedented conservative backlash and a move to push women back, whereas they still have substantial gains to make.

In their day–to–day lives, women are still confined to job ghettos where, of course, they earn lower wages. According to the report of the Canadian committee on the status of women, one in seven women, or 71 per cent—works in one of five professional categories: teaching, nursing and other health care professions, office work, retail and the services sector. The percentage of women working in non–traditional sectors such as manufacturing, construction trades, transportation and communications and handling in fact dropped from 13 per cent in 1981 to 10 per cent in 1991.

This same report also mentions that 85 per cent of salaried women work in service industries, as compared to 62 per cent of men. Moreover, 14.8 per cent of the female labour force works in production sectors. Not only are women confined to job ghettos, but in cases where they perform similar work of equal value to the work done by men, they are paid far less.

Another example of disparity is access to the job market. If accessing the job market is difficult for men, it is even more so for women. Among other things, the provisions aimed at facilitating the entry of women into the labour force are inadequate. For example, daycare services are inadequate and there is a lack of alternative measures such as more flexible work schedules, adapted career paths and family leave.

• (1235)

The result of the difficulty for women to access the labour market is dramatic: 55 per cent of the poor are women and, among them, the poorest are single mothers. Statistics show that one Canadian family in five is a single–parent family, 82 per cent of which are headed by a woman and 61.9 per cent are living under the poverty line.

Do you know, Madam Speaker, what the annual income of unemployed single parents was in 1991? Scarcely $12,000, which puts them well below the poverty line. These are generally women like those you will find in shelters and transition centres, who have to rely on support agencies.

Here is another fact. Our seniors who, through their hard work, sacrifices and generosity, have helped build this country find themselves in a similar situation. The report I quoted earlier

indicates that nearly 50 per cent of women 65 years old and over have less than minimum subsistence income. While 85 per cent of older men receive pension benefits, only 50 per cent of women in the same age group do.

The list of cases where women invariably come off the losers is long: violence, inadequate job training, social housing shortage, unfair taxation. Allow me to say just a few words on the subject of taxation, as it speaks volumes.

We all know that actions are planned regarding tax women have to pay on support payments which, sadly, they all too often do not receive. On the other hand, their estranged spouses can claim a deduction for all amounts paid in alimony. How can such inequity be justified? We often hear that it is intended for men, to induce them to obey alimony orders. I would like to remind this House that about 75 per cent of estranged spouses still do not pay.

With the recession, deficit and debt always looming in the background, the dominant economic discourse would have us believe that excessive costs associated with social needs are the cause of all our problems. But this premise is incorrect. The cost of our social programs has not increased in over ten years. Social programs are not responsible for the skyrocketing deficit and debt. The Canadian debt crisis was brought about by government mismanagement. The deficit is growing because the government refuses to put in place a fair taxation system, because its monetary policy maintains interest rates artificially high, thus making the debt service charges increase and creating more unemployment, and because the government refuses to reduce waste and overlap.

The women and women's groups mentioned earlier decided to get organized and to act to get equal rights. They showed the way. If women have been able to find help, comfort and justice, it is thanks to other community groups that have since joined in. As I said earlier, in 1994, women's groups still have to fight for their survival. The budgets and attitudes of the previous government, which seems to be the source of inspiration for this Liberal government, jeopardize the very existence of such groups. We have as evidence the 5 per cent cut announced by the finance minister in various support programs, in addition to the 25 per cent reduction these groups have sustained since 1989. Their budget was slashed from $12.5 million in 1985–86 to $10 million in 1993–94, and it will be even less if we believe the Minister of Finance. This is unacceptable, as the initial funds provided to these groups were already clearly insufficient.

• (1240)

The 400–odd women's groups are active in many areas—including physical and mental health, employment, single parenthood, violence, and aging—which would cost a lot more to manage if the government was directly responsible.

By pulling out and encouraging groups to get funding from other groups, the government shows its ignorance of the realities in these organizations. Most of the time, this forces women to spend a lot of time and energy on fund–raising, when this time and energy would be better spent on improving women's living conditions and, in the end, the well–being and quality of life of all Canadians and Quebecers.

True, the private sector sometimes supports women's groups and associations, but only as long as they provide direct assistance services to the population. But what about awareness groups demanding economic equality, equity in employment and wages, parental leave, preventative withdrawals, child care services, in short, better living conditions for families? The private sector rarely subsidizes lobby groups. By gradually withdrawing their financing, the government once again penalizes the most disadvantaged, a group where women are in the majority.

Is it not important to question the cuts introduced by the previous government, that the current government apparently wants to maintain and even deepen? Is this not a disguised way of muzzling women's groups that make claims and exert pressure? Should we not question the gag method designed to prevent them from criticizing government policies?

I would now like to make a comment about interest groups. Contrary to what some people think, women's groups are not interest groups. As the National Action Committee on the Status of Women rightly stated, the interests of 52 per cent of the population are not special interests but public interests. The promotion of social, political and economic justice does not have anything to do with the lobby for multinationals, banks, family trusts and businesses that do not pay taxes.

In its throne speech of January 18, the government expressed its intention to change its relations with lobbyists. Canadian and Quebec women would like the government to clarify what is a lobby and what is an interest group and who are their members.

Finally, I would like to say that the involvement of both levels of government in the area of subsidies to women's groups and organizations in Quebec, like in many other sectors affecting women's lives, creates overlap and duplication in programs and structures, leading to a waste of public funds.

I personally think that Quebec women's interests would be better served if there were only one level making decisions and distributing funds. It also makes it impossible for Quebec to develop a consistent policy on the status of women.

• (1245)

For example, the dual jurisdiction in family law often leads to inconsistencies. The federal Parliament has jurisdiction in marriage and divorce matters, while Quebec can legislate on solemnization of marriage and on property and civil rights. Quebec cannot in these conditions initiate a reform process that could give it a unified family court.

In closing, I hope that this day of reflection and debate on the status of women will allow women to continue their long march towards equality and independence.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to speak on today's motion especially because it is International Women's Day. All members should keep this very important motion in mind.

I would like to make some comments today about the economy and women's place in that economy, not the place that is defined for us, but the place we define for ourselves. It is a place that is equal, just and co–operative. It is one that gives us choices and allows us to determine our own vision of who we are and who we want to become as individuals in society. I want to talk about what we can do as parliamentarians, as men and women in the House to bring about the fundamental change which is required if we are to make that vision a reality.

Many people get nervous when we talk about fundamental change. It is very threatening to some. All kinds of excuses will be put forth as to why we cannot bring about real change. Sure, maybe there can be a program or two, a pay raise here or there, but tamper with the big stuff, talk about structural change and the alarm bells go off. Obviously someone has a good thing going but it sure is not the women of Canada.

This is not to suggest we have not made extraordinary gains. International Women's Day is about some of those gains.

Today we look at our universities with some satisfaction. Half the undergraduate students are women. Forty–one per cent of medical students are female; 48 per cent of law students are women; and 47 per cent of business students are women. One–third of all businesses started in Canada are started by women. The success rate of those businesses is very high and exceeds those started by men.

In all other areas however, women still lag far behind. Only 17 per cent of university professors are women. Only 18 per cent of members of Parliament are women. Only 1 per cent of corporate executives are women and one of them was so successful she was named "Man of the Year". Women also continue to be grossly underrepresented in engineering and in the sciences.

Sometimes people ask me why we need to have 50 per cent female politicians, 50 per cent female engineers and so on. It is just common sense to me, common social sense and common economic sense. Our society can no longer afford to ignore the expertise and knowledge of half of our population.

Women have always played a key role in the economy as unpaid labour. This invisible cheap labour feeds and cares for the family, for the male paid workforce and raises future workers. It is called a labour of love. We know love is a part of it but so is exploitation.

Money too often has been the measure of worth in our society and because women's labour has not been paid it has been historically undervalued. Because that work has been undervalued, far too often women have not been valued. That lack of worth has a whole array of consequences going beyond our lower paycheques. Women still make 69 cents on the dollar of men in our society.

• (1250)

We see it as well in the lack of commitment to women's health care needs and the controversies over breast implants, breast cancer and the overmedication of women. We see it in continued violence against women, victims of abusers in a too often abusive society. We see it when a woman cannot get the police to enforce a peace bond against her violent partner, yet the laws are always there to protect property in times of strikes. We see it in the twisted notion that somehow rape is not a war crime. That is changing to some extent but we recognize how much more there is to do. We see it in sexual harassment being treated as a joke by some.

That is the kind of thinking which has to be challenged and changed. Who is making the rules? Who says it has to be this way and who says it cannot be changed? Many people who have profited from the way things are are the ones who are saying it cannot be changed.

Some people will remember when slightly under 10 years ago former member of Parliament Margaret Mitchell mentioned in the House that one in ten women suffered from spousal assault and many members laughed. We have a way to go. Today people would not laugh. We have to go beyond the rhetoric to implementing real programs and take the trend in attitudinal change into real action. The reality is that the world has changed in many ways. Society has changed. It is time for politics to catch up.

We know child poverty is a tremendous problem and shame to Canada. We have been sanctioned by the United Nations for child poverty. Poor children have poor parents. In Canada unlike many of our trading partners 58.4 per cent of single parents, the vast majority of whom are women, still live in poverty. Opportunities and choices are too often denied to them. It is not because people say they do not value the family. It is because the structural changes that would fundamentally attack these issues in our society have not been made.

There are three important ways to broaden these choices and to expand those opportunities. They are pay equity, employment equity and a national child care program.

I would like to deal with the issue of child care. No doubt there is a link between the ability of women to participate in the workforce and the availability of accessible, affordable child care.

In a past career I worked for a children's aid society. After a number of years I was struck by the view that our society is not a very child loving one. We do not structure our society in a way that values our children and our future. The lack of this reasonably rich and resourceful country to come to terms with the need for affordable, accessible child care is one example of our failure to value families and children.

Child care is not a charity issue. In many ways it is not a social issue. It is an economic issue. It must not be seen solely as a woman's issue. Child care is the responsibility of everyone in society. It is central to the functioning of our economy. Looking at studies from other countries it is very easy to see the correlation between the availability of child care and the ability of women to participate in the workforce.

Other important steps can be taken to ensure women's economic equality. Labour legislation can be passed making it easier for workers to organize in sectors where women predominate and where work is very often part time, casual or temporary.

• (1255)

We can take it upon ourselves as legislators to see that part time workers, whose numbers are increasing and a large percentage of whom are women, receive adequate pensions and other benefits to ensure a more stable future.

There can be labour standards with flexible and comprehensive leave policies that recognize family responsibilities and the rights of same sex couples.

We hear much from different parliaments, not just in Canada but abroad as well on the question of family values. I ask each person today to examine their consciences in terms of how our actions show we care about families. If we really cared about families we would have child care. We would have appropriate labour legislation. We would ensure the family is valued not by rhetoric and not by simply longing for the long past nuclear family, if it ever existed, but by recognizing the situation as it is today and valuing the choices people make and valuing our children.

We can have a clear definition of sexual harassment in labour legislation. The legislation can set clear policies for handling complaints and discipline.

On the economic front we can make low interest rate loans more readily available to co–operatives and small businesses, many of which give women a greater say in their own economic future.

We can find ways to value unpaid work. We can encourage young women and girls to study math and science. We can include women's studies as part of core curriculum and ensure post secondary courses accommodate women's needs.

We can provide training programs to move women into trades and technologies. Those programs can be made available to women in both rural and urban areas.

I would like to say a word about the focus needed for women in rural areas. The availability of training and educational opportunities is often more difficult. It is something our society has not really come to terms with. Our rural economy and the needs of rural women must be a focus for members of the House.

We must ensure as well there are adequate old age security and income supplements so that older women do not have to live in poverty. Older women make up a disproportionately large percentage of those living in poverty.

We can build more low cost housing so that women have a safe place to call home. We can make sure that health care meets the needs of women, not just those of drug companies. Women must be given choices in those health care needs. That means more funding for planned parenthood, more research into safe and effective contraception and ensured access to abortion services not just in urban hospitals but in community based clinics across Canada.

True economic equality for women will come about only through these and other initiatives. That economic equality will go some way in addressing the imbalance of power between women and men in our society, an imbalance that contributes to violence against women.

We will not be safe, be respected, get child care, get equal pay or get better health care unless we as women and men, as parliamentarians and decision makers, take leadership on these issues. Too often there has been a tendency for the House not to take leadership on these issues.

I must say many men in this House have supported the kinds of equality measures I am talking about. It gives me great hope that together we can accomplish the kind of equality which will enhance our society, our families and our country. Equality and social justice require a true commitment not just from governments, not just from parliamentarians but from society as a whole. As parliamentarians we have a role to play. We help to formulate legislation which very often not only addresses inequities but leads the way. It takes more than that; zero tolerance for violence in our society for example.

• (1300)

There is much we can do outside the House to support and promote equality for women. As women, we have to value our own experiences because sometimes we undervalue them, and recognize that someone who runs a home can very likely run a business or a country.

Second, I would say that those of us who have had some small success in our careers have a responsibility to be mentors to younger women who will follow us. It is by our example that we can begin to redefine what is of worth in our society.

I have had the opportunity to speak over the last six years on International Women's Day, both in the House and across the country. We have seen many sad things in the House as well that we have acknowledged having taken place. All of us remember the Montreal massacre, and it was of credit to the House that members supported December 7 as an official day of mourning.

These are important statements that have been made by parliamentarians. Today is the day we should rededicate ourselves, men and women, to use the power we have, in the House and outside, to promote true equality.

I have been involved for many years in the women's movement and I know that words do not change much, but the language we use can change the way we think about things. We have had some rather regrettable examples in the House of Commons where people forgot that. It does matter what we say; it does matter what we do.

I believe the issue of women's equality is inextricably linked to the equality of everyone in our society—aboriginal people, visible minorities, persons with handicaps—and that when we tolerate structural inequality, as I believe we have at the moment in our society, we are ignoring a very basic political fact. Today we look at what is happening in South Africa where racial injustice was not only ignored but was promoted for many years. It affected every person in that society. It affected international relations.

We do not necessarily have a sterling record on women's equality internationally. Members will remember that last year Canada was deemed the number one country by a United Nations report, the best place to live under a whole series of criteria. It also added that if the status of women was factored in we dropped to eighth.

As the debate went on, I noticed that report was used to say, quite rightly, that we are that kinder, gentler society that others might long for. I rarely heard anyone mention the equality of women and the second part of the report which made a very negative observation about our society.

My party supports the motion put forward by the Official Opposition. However we would like to see parliamentarians do more than simply support it verbally by giving speeches, but by what we do and what we undertake to do as individual members of Parliament and as political parties.

People will recall that during the previous session of Parliament some of the recommendations of the Electoral Reform Commission were accepted. One section was not and I would like to suggest to the government that it show its commitment to equality. The Electoral Reform Commission recommended that political parties receive a rebate based on the number of women they nominated as candidates. That acknowledged an acceptance of the fact that we do not have sufficient numbers of women in political life.

• (1305)

I would also like to see the government restore core funding to women's centres that provide many of the services, often sadly at a fairly low wage rate, to the communities across the country which help to deal in preventive, educative and counselling ways with the issues which most people here I am sure will say they are concerned about: violence against women in our society, poverty, and so on.

I would make a plea for the government not just to give a nice speech today but to acknowledge the contribution of women: women who run transition homes, women's centres, counselling centres, and what that means to our society as a whole.

In conclusion, in supporting the motion I would like to say that International Women's Day is not a day simply for women. It is a day when we can recommit with actions, and in this forum with legislation, that truly will work toward redressing the imbalance between men and women in society.

We have seen positive changes over the years. I am pleased that many men share the goals that we who have worked in the women's movement for equality for many years have promoted. Only together and through our role as parliamentarians can we show the rest of the country that the leadership, the elected members, take the motion seriously, will act on it and not just support motions but support legislation when needed.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to begin by saying to the leader of the New Democratic Party that I support everything in her remarks. I was listening to her speech in my office while working on another issue and I came over here because I felt that she, as always on this issue, is right on track.

I would like to comment on a particular part of the hon. member's speech where she talks about women in business. In the United States right now women owned or partnered businesses employ more people than all the *Fortune 500* companies combined. The emerging force is women as the real leaders in entrepreneurship in North America, not just in words. It is reality. The facts and statistics are there. It is one of the reasons

why the Minister of Human Resources Development is going to be supporting momentarily the opening of Canada's first women in business centre in downtown Toronto. We can see the tremendous success that is emerging from women owned or partnered businesses.

We are finding that one of the most difficult issues facing women who are either starting a home based business or moving from a home business into a larger business is that the financial institutions, the banks, do not get it or cannot seem to read the statistics of success. Canadian bankers will say that women repay loans better than men. This is all statistically recorded. Still we hear that women owned or partnered businesses have a very difficult time in accessing capital.

• (1310)

In the member's opinion or because of her experience, could she give us some reasons why financial institutions are so restrictive in their attitudes when they are loaning money to women who want to start or expand their businesses?

Ms. McLaughlin: Mr. Speaker, I guess I could give a psychological analysis as well as a financial one.

Part of it comes back to the fact that historically as well as to some extent now, women's work is not valued. Some decision makers in financial institutions, men or women, are having a bit of trouble making the link that women can actually be successful in a variety of areas. As my friend says, we know the statistics about the success of women in business.

I have heard this from my constituents and had the experience myself perhaps seven or eight years ago where I could not get a credit card unless my spouse signed to say that I was a good person, a good financial risk or something. The fact that I was divorced seemed to be not understood by the people who were asking.

It is attitudinal in our society. It is one of the attitudes we have to address. I speak to may women across the country, professional women, women who are moving from home base to larger enterprises. They have a terrible time getting funding. It is a very real problem.

I would say to my friend that there are many analyses I could make but the best would be for the government which according to the budget is going to be sitting down with financial institutions to make sure that it raises this very important issue for funding for women entrepreneurs. I am sure if my friend is there he will do that. I ask that the government make this a priority as well.

I was struck, and I mentioned it briefly in my comments, that at the end of last year the *Financial Post* put out a magazine that had 200 of Canada's top executives. We have to remember that the most influential chief executive officers of the country probably carry some political clout as well as business clout. Two of them were women.

This is also illustrative of the business community as a whole, not just the financial community. It has to recognize two things, not just the value of women but the reorganization of the work place that values—it would be of advantage to men as well—family roles.

That would go equally for the House. We might think about how schedules are arranged and those with family responsibilities, men and women, can be assured that there is more time to carry out family responsibilities by the very schedule we set here ourselves.

I have spoken to many women who are concerned, particularly in business and in politics, about taking senior positions because of the kind of humanless work environment that tends to be constructed in our society. That is a real issue for the future which all of us might want to give some attention to if we truly believe in involving more women in both of those arenas.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I rise today to address the opposition's motion encouraging the government to recognize equality between men and women and to implement necessary measures to ensure this in the area of federal jurisdiction.

• (1315)

On this International Women's Day it is truly a privilege for me to address such an important issue here in the House. However before I begin I would like to thank my mother, Irene Lemak, for deciding to have me, raising me, putting up with me, looking after me and loving me. Thanks, Mom.

Back to the motion, it is our duty as members of Parliament to address the problems of equality that women face in the workforce, encourage co–operation and protect the rights of all Canadians.

Economic equality can only exist between men and women when employment in the country is truly based on individual qualifications, experience, motivation and not gender. In this system the individual who is best qualified for a job, male or female, would get the job.

However the fact of the matter is that true equality in this form remains an ideal in Canada and not a reality. It is time for women in the country to be given the respect, the pay and the opportunities they deserve. This means that as a government, members of all parties should work to review the problems associated with sexual harassment and discrimination in the workplace and correct any wrongs that surface as they are discovered.

We must explore the problems associated with maternity leave and the difficulty that many women face in re–entering the workforce. It must be a balanced approach with the needs of the

employer also factored in. Currently the system that exists seems to recognize the problems and it seems to work.

Before I became a member of Parliament I ran businesses for 25 years. A lot of times this problem surfaced and by allowing the women to have maternity leave, have their baby and holding their job open to them for a period time of three to five months to make a decision as to whether they wanted to come back, this seemed to work. Out of six such pregnancies I had four female employees who decided to stay at home and two who came back. Perhaps a system like this has improved.

We must examine the discriminatory problems associated with child care and the rights of stay at home parents who are not entitled to the same rights as those who pay for child care outside the home. We must acknowledge the fact that there is a social stigma attached to stay at home mothers which implies that they are not on the same level as those who work outside the home. We must recognize the value of the contribution of those women who work at home and give them the opportunity to pursue any direction they choose.

Having a child should not be directly influenced by the government with various incentives through legislation. For instance, Calgarians Jim and Laurie Boland were recently told in Federal Court by a judge who had to make the decision that a parent who chooses to be at home with their child is not entitled to the same privileges as those who pay for child care.

The Income Tax Act admittedly denies the Bolands equal benefit under the law, but because stay at home parents are not a "a discrete and insular minority", as used by the judge they are not protected by the Charter of Rights and Freedoms.

This is legal discrimination and this must stop. If the motion today is intended to address problems like these, I would encourage the government to get on it right away and introduce legislation to make a judge's ruling unnecessary in situations like this one.

Parents should be free to choose the form of child care which best suits their situation as opposed to having government reward one choice over another.

In this International Year of the Family it is my intention before the year is over to introduce a private member's bill on the topic of equal financial assistance to all families regardless of the type of child care arrangements that they have made.

Let us build a country in which taxation and the options for employment are fair, a country in which opportunities flourish for individuals and employment is based on qualifications, experience and motivation, not gender.

If the motion suggests that affirmative action should be legislated in the workplace as a fixed percentage then the Reform Party opposes it. A lot of speakers earlier today pointed this out.

• (1320)

Women are not a special interest group. My caucus colleague from Beaver River mentioned this number of times. She said it twice and so I will follow her leadership and mention it twice as well. Women are not a special interest group. Affirmative action leads to reverse discrimination and not equality. Women are people just like men and should be respected as such.

It is time that extremes, the extreme males who are called male chauvinists and the extreme females who are called feminists, come together and eliminate that hardness and that extremism from both ends and come together and recognize each other as human beings. Respect and understanding are key.

In conclusion, I believe that women in the home, in the workplace and in general deserve more respect, not quotas. Perhaps a good beginning would be, especially in this year of the family, a definition of family in which we subscribe to some of those values in an ever changing world that existed in prior years when we had commitment and we had a sense of direction.

Perhaps a family could be defined as two people who are related by blood or through marriage or through adoption. This would cover a lot of the situations for single parents, for marriages and other situations in which the parents are deceased and siblings live together. These are the things I feel we should address this year.

As my final words, I do not think we should gloss over the problems that exist between men and women. I believe we should recognize them, face them head on and try to resolve them through respect and understanding, rather than through legislation and affirmative action.

The Acting Speaker (Mr. Kilger): Before resuming debate I wish to inform the House that, pursuant to Standing Order 33(2)(b), because of the ministerial statement Government Orders will be extended by 18 minutes later this day.

Mr. Grant Hill (Macleod): Mr. Speaker, the motion in front of the House today is one that someone may wonder about, specifically why a male would stand on this issue at all, thinking that it might be an issue only for women. I would like to state initially that as a Reformer I believe in equality of opportunity for every single Canadian but not equality of outcome.

I would like to comment on what qualifies me to speak on this issue. First, I was raised by a wonderful mother. Second, I have a sister whose love and affection I value. Third, I am a husband of 28 years, very happily married. Fourth, I am a father of seven children, only one a daughter. I have six sons, an imbalance

maybe in my life. Finally I have professional qualifications which have allowed me to be close to women and their problems for all my adult working life.

I would like to make some observations. One observation is that women live seven years longer on average than men. I have wondered in one sense why women would want to be equal to men in that regard. We have a shorter lifespan than women.

The second thing I would like to comment on is an observation that I have made from my time as a student in university. In my initial class there were 106 of us, but 14 of my classmates were women. I graduated back in 1968. I have watched the enrolment in university in my faculty very carefully. Today I find that the enrolment in the faculty is virtually equal.

• (1325)

I have asked myself what the change has been since 1964 when I entered college and today. Has it been a legislative change? Has there been a change in legislation that would require the university to have men and women treated as equal? There has not been such a legislative change at all. There has been what I call an educative change, a change that has allowed us to recognize that women's qualifications in the faculty that I graduated from are absolutely equal.

Another observation I would like to make is in a sense a bit of a myth exploder. I have heard figures bandied about that women are paid much lower than men on average and that for equivalent work they do not do as well as men. One thing that is missing from this equation, however, is if we compare men who were never married with women who were never married, the results are virtually equal for pay and have been in that regard equal for a long time. Those observations I would like to leave with the House at the start of my comments today.

I would like to address what marriage does to the equation. I look back to the days when my grandparents were raising their family. It was a traditional, old time Canadian family. My grandfather worked on a dairy farm, outside. My grandmother was the housekeeper and worked inside. She did the gardening, the housework, the cooking, the sewing, the yard chores, the house renovations, gave piano lessons, prepared for church. There are some who say that those duties were not at all equal. There are some who say there was an equality there. I asked my grandmother whether she felt there was any inequality there. She said there was an inequality, my poor grandad had all the hard work and she had all the enjoyable work.

In the modern family today things have changed dramatically. There are often two working parents who have to leave the home, go outside the household, and it is very difficult for a mother to nurture the children and do that only. With those working parents when they get married the most natural thing that happens is that they decide to have children. When the children come along there are certain negatives that relate to the mother as far as the job situation is concerned. When she is pregnant often morning sickness comes along and she has difficulty even getting to work during that period of time. She goes through childbirth and there is a period of time, some six weeks plus, in which she is incapable of working. In many cases there are mothers who decide that they will stay home and nurture the baby, breast feed, care for in a way that only a mother can care for the newborn baby.

There are cases in which there are medical problems that crop up. High blood pressure can be a problem with the post–partum period. There are other issues, problems with the placenta, problems that require the mother to be out of the workforce for a fairly long period of time.

When these issues ensue the mother automatically takes a drop in income. The father generally goes out and may even find extra work. The statistics I hear which say that men and women are not equally treated in our society in some cases are aberrations. I would rather have the statistics of never married men and women compared to see if we have equality.

I hear from both the Liberals and the Bloc members a desire to engineer socially, to move toward what I think are very well meaning principles. I do not agree with the final result but I know that the motives are good.

I want to bring up an example of a type of social engineering that I came across which I think is wrong headed social engineering.

• (1330)

With regard to social engineering, in the early 1900s there was a small community in Alberta called Brule. This community was based on coal mining and coal mining alone. It was a thriving community. In fact when the first world war came along the community boomed. People moved in, built homes, and had a real solid community. They had enough access to humanity. There was a theatre and a bowling alley.

The future of Brule looked very bright. However the coal reserve ran out. The very fine seam of coal they had literally ran out. It took six months until the community of Brule was non–existent. Everyone had moved away. They sought employment where employment was.

I wonder what would happen to Brule today if exactly the same thing occurred. I imagine that Brule would have had an influx of social workers who would come in to take care of the problems of alcoholism that would ensue from unemployed miners who wanted to stay exactly where they were because they had nice homes and all the amenities. I am quite convinced we would have a department of all kinds of things looking after the social needs and concerns and worries of the people of Brule. We would need somebody there for economic displacement, somebody to make sure the post office was looked after and some-

body to make sure that the school had all the advantages of the schools in the larger communities.

The social engineering that would keep Brule there today did not keep Brule there when it died. The community of Brule today is non–existent. Even the homes were taken down, disassembled, and taken to a community fairly close by. Brule was literally gone.

I think in our haste and great desire to do well that we sometimes socially engineer ourselves into the corner.

I would conclude my comments by saying as I said at the start, that I heartily support the equality of opportunity for everyone in Canada. I do not support the equality of outcome. My desire is to make sure that we do everything we can to prevent the impediments that will prevent the equality of opportunity. That goes for every single Canadian, man or woman.

Mr. Paul Szabo (Mississauga South): Mr. Speaker, I listened with great interest to the member's comments. I thought I would suggest one initiative that Canadians might consider to see the member's reaction.

Very typically when we have two spouses working and there are dependent children which require day care the net income to the second spouse entering the workplace after day care costs is very nominal.

Given that the value of the net pay to that second spouse does not generally reflect the value of the work provided in the workplace, I wonder if the member would consider the merits of an arrangement whereby a working spouse could either transfer income or pay a salary to a spouse in the home who is managing the family home and caring for dependent children. In that way there would be earned income in the hands of that second spouse, allowing them to have economic independence and the ability to purchase RRSPs, et cetera. Also it would free up a job, free up a day care spot and maybe recognize for the first time in our Canadian society the value of a spouse in the home.

I wonder if the member might comment on the general merits of recognizing the value of the woman in the home.

Mr. Hill (Macleod): Mr. Speaker, I would prefer, rather than recognize the woman in the home or even in fact the man in the home by paying or doing something of that nature, making sure that the income tax system did not downplay the contribution of the spouse in the home.

• (1335)

The Income Tax Act is discriminatory for those who have a spouse at home. My preference would be to do this the least legislative way as possible. In my mind the use of the Income Tax Act in that way would be more appropriate. I thank the member for the question.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, my question is for the hon. member of the Reform Party. Did he actually say that men and women who never got married and do the same job have equal pay?

Does the hon. member believe that male and female nurses get the same wages, that female lawyers are paid just as much as male lawyers in some firms, that female and male physicians earn the same income, that female and male employees doing the same clerical work are paid the same salary, that female and male partners in a firm reap the same benefits? In short, does he think male and female employees doing the same job have equal pay throughout Canada?

[*English*]

Mr. Hill (Macleod): Mr. Speaker, never–married men and never–married women statistically have exactly the same earnings Canada–wide. The member is correct and that is what I said.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I am happy to have the opportunity to participate in this opposition day debate on a motion that we all support.

There is no question about the fact that we in this House are constantly working at initiatives that bring knowledge and sensitivity to providing economic equality between men and women.

To begin with, I would like to talk about a personal experience that I had in my riding about a year ago. A group of women from the riding came to see me on a Saturday morning. Most of them were on social assistance at that time. They were telling me, first of all, that they were all educated but were victims of a rather rough economy in the last few years. They had their own strengths in terms of entrepreneurship and felt with a little bit of assistance they could start their own business. They asked whether our office could give them some help in starting their own business.

I was not really equipped at that moment in time but said that I would look into what the Federal Business Development Bank did in terms of supporting women who wanted to start in business. Within a month we set up a little conference, women in business, on how to start one's own business.

We expected that at the first meeting perhaps 40 or 50 women would show up, women who would be interested in starting their own home based business, a corner store or a specific craft that they wanted to market or sell.

About three days before the event we started getting letters, applications and requests to come to this meeting. Over 500 women showed up for this women in business conference on how to start a business. During the question and answer period I listened to the frustration that women have in starting their own business. Our educational system is not geared toward being

sensitive on how to help women get into business. Our financial institutions are not geared toward helping women who want to start their own business.

• (1340)

In the statistics in terms of women who are either leaders or at the board level of our major businesses in Canada, as a country we have really not supported women in senior positions in this country.

This first meeting led to subsequent meetings where we brought in executives from among the few women around our city who were experienced in business. We asked them if they would be mentors for others who wanted to start, who wanted to learn, who wanted to advance or who wanted to upgrade their skills. We developed a series. After about four or five of these meetings, and I do not think we had a meeting with less than 300 women, we discovered that this need for a business centre for women was absolutely essential if we were going to really give this area of women's entrepreneurship a real solid footing.

The Minister of Human Resources Development in the last couple of weeks has given us some tentative support for getting this going. It is an example of a concrete initiative.

Right now women owned or partnered businesses employ more people in the United States than all the *Fortune 500* companies put together. When we are facing a period of deep unemployment in our country I believe that by making sure that the resources that will support women getting into business are there will go a long way in getting people back to work.

We talked in the last budget about all the initiatives related to small business. We have to be very specific when we go into these various areas that we are sensitive to making sure that whether it be in the banking area or whether it be in special education or retraining that the whole area of women in business is looked at.

As the leader of the New Democratic Party said earlier today, this is an area where all of us are going to have to work at with a little bit more focus. I do not think that there is any way that we can be proud of the record in this area right now.

My remarks are going to be very short today. The message is that we are going to do our best in our industry committee, especially in the area with banks. We will make sure that all of these issues that are related to small business have very special focus, especially on the needs that women require in order to get into the area of entrepreneurship.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I listened with interest, as I always do, to my hon. friend's comments. I find myself once again agreeing with much of what he had to say. I know that he is concerned, dedicated and very committed to the points that he makes.

I wonder if I could make a suggestion. Part of the mandate of the new government and perhaps the new Parliament is to review the Federal Business Development Bank's operations and to ask questions about the kind of job that it is doing, the kind of emphasis that it places in terms of its lending portfolios. I think a lot of us have concerns about the role that it is presently playing and would like to see it in a whole new mandate.

• (1345)

I think one of the more positive initiatives is the CASE program, the counsellor assistance program, where experienced entrepreneurs, experienced business people, assist and lend their expertise and talents to those starting up new ventures and new businesses and the like.

Does the hon. member see a role for the FBDB to play in providing support, particularly for women entering the world of business and entrepreneurship, and could this be a leadership role that that bank could take on that would then encourage the other lending institutions of Canada to follow suit in one way or another?

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I thank the member for his question. He raises a good point.

The Federal Business Development Bank right now is doing some work in the area of assisting women in business. I cited the example that we had in the riding. They provide this service for any member of Parliament who would like to have a town hall meeting to assist women who want to start their own business. The Federal Business Development Bank will assist any member of Parliament who wants to take on that initiative.

Their counsellor assistance for small enterprise is a good program, but the problem is that it has limited resources. Even though the counsellor assistance for small enterprise charges the business approximately $40 an hour to operate, it costs approximately $80 an hour to manage this particular section of the Federal Business Development Bank. With the budget constraints, that program which is so vital is really restricted in terms of its ability to serve the needs of small enterprise.

I believe, and I think this deals directly with the member's question, that the Federal Business Development Bank's role has been too restricted. I know that there are many members of that bank who would like to be full–fledged competitors of the major financial institutions in he country. We are certainly going to listen to them in the industry committee over the next 60 days.

Whether it be the Federal Business Development Bank, mutual funds, pension funds, le Fonds de solidarité, any funds that can assist women in business, small business in general, any

funds that can compete with the traditional financial institutions in this country, I would support amending the legislation in a way that would allow them to compete with the banks.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, all judges of superior courts and courts of appeal in all Canadian provinces and territories are appointed on the recommendation of Cabinet. The Cabinet also designates the judges of the Supreme Court, the Federal Court and the Tax Court of Canada. The government therefore has the political responsibility for appointments to courts of superior jurisdiction across the country.

Today, there are 951 federally–appointed judges. Of that number, 123, or less than 13 per cent, are women. Statistics obtained from the Office of the Commissioner for Federal Judicial Affairs reflect the level of egalitarian concern shown by successive governments during the past 30 years. In the Supreme Court of Canada, which rules on issues of national importance, only two of the nine justices are women. In the Federal Court of Canada, which was established to judge cases involving federal legislation and federal responsibility, both in first instance and on appeal, only five out of a grand total of 35 judges are women.

• (1350)

In the Tax Court of Canada, which may be asked, for instance, to rule whether a woman employed by her spouse is eligible for unemployment insurance, only three of the 25 judges are women. In the country's ten appeal courts, out of a total of 126 judges, the government appointed only 23 women.

In the case of the Quebec Superior Court, the Courts of Queen's Bench of Alberta, Manitoba, New Brunswick and Saskatchewan, the Supreme Courts of British Columbia, the Northwest Territories and Yukon, and the trial divisions in Newfoundland, Prince Edward Island and Ontario, the figures are even more telling: out of 756 judges, only 90 are women.

There are no women on the New Brunswick and Prince Edward Island Courts of Appeal. The five judges of the Superior Courts of Yukon and the Northwest Territories are all men. In New Brunswick again, only two out of the 32 judges on the Court of Queen's Bench and the Appeal Court are women.

Even in Ontario, which has more than 25,000 lawyers, Liberal and Conservative governments appointed only 34 women out of a total of 277 judges of both courts.

One could say that judges are lawyers and that far more men than women belong to the provincial bar associations. This was indeed true in the fifties and sixties, but in any case I would say, first of all, that male/female ratios among lawyers are not relevant when appointments are supposed to reflect society as a whole.

I would also say that this particular argument is becoming less and less factual. The Barreau du Québec has 17,000 lawyers, of whom 35 per cent are women, while the Ontario Bar Association has more than 25,000 members, 20 per cent of whom are women, the ratio increasing to more than 45 per cent among lawyers who have practised law for less than 10 years.

In future, we could assume that the government should have no trouble finding 100 women among the 42,000 lawyers in both provinces for the positions that become available.

Mr. Speaker, the present profile of Canada's judiciary reflects the intolerable discrimination suffered by women in the law profession in this country. One wonders whether this discrimination arises from a political will to keep women out of the judiciary or simply from a mistaken conviction in our society that women had no place in the courts.

In any case, the result is the same, and it is high time we corrected this imbalance by systematically appointing women to the positions that become available in the future.

Ontario was the first Canadian province to admit women to the bar, when it passed special legislation for the benefit of Clara Brett Martin on February 2, 1897.

Quebec was the last province to amend its statutes to admit women to the bar in 1941. It is hard to imagine in 1994 that in 1940, it was perfectly normal and natural to exclude women from social life. It was a time when discrimination was institutionalized. Most women themselves felt it was necessary, and the fact that they were excluded from important positions was accepted as a matter of course.

We cannot explain the imbalance in the ratio of men and women in the judiciary on the basis of their actual numbers within the provincial bar associations. This argument is irrelevant, because there are so few positions to fill that the government can easily find suitable women among the thousands of female lawyers.

• (1355)

Who could argue that it would be impossible for the government to find the right persons among the 6,500 female lawyers in Ontario and the 5,000 in Quebec?

The role of higher Canadian courts is to sanction the laws, to interpret the fundamental texts and very often to decide on controversial issues in our society.

It is totally inconceivable and unacceptable that women should be almost systematically excluded. I urge this House and the government to recognize that time has come to correct this historical aberration.

I urge the government to select and appoint at least 80 per cent women to the positions which will become vacant in the magistrature under federal jurisdiction over the next few years. I am asking for a policy and a law that would facilitate access of

women to the bench, in order to correct the imbalance that has existed since Confederation.

I am only repeating a principle of our law: That justice be rendered and that it appear to be rendered in the eyes of both men and women of Canada.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I rise with pleasure to congratulate the member for Saint–Hubert on a speech for which she did a lot of research, a speech which dealt with the number of judges in Ontario, Quebec and throughout Canada. I commend her for her research and I support her when she says that the federal government should appoint more and more women judges so that justice is done for everyone, women as well as men.

I congratulate the hon. member for Saint–Hubert.

Some hon. members: Hear, hear.

Mrs. Venne: Mr. Speaker, after so much praise, I must tell you that I do not know what to say to my colleague. Of course, I thank him. I think that he got the message.

Earlier, behind me, someone was whispering to me that I did not talk about notaries, although I am a notary, quite simply because now lawyers are appointed judges, but I could also ask the Minister of Justice to appoint notaries—that would not embarrass me at all.

[*English*]

Mr. Paul Szabo (Mississauga South): Mr. Speaker, I thank the member for the comments. They were most interesting. In my experience I have heard what can best be described as blatant discrimination in terms of appointees with regard to the old boys networks such as the legal profession and the appointment of judges.

Would the member please comment on the realities of our society? When I go into a bank the majority of tellers are women. When I go into a corporation and look at the secretaries, the majority are women. When I go into a supermarket and look at who the clerks are, the majority are women. I suppose the examples go on and on, classical stereotype positions that seem to be prevalent in our society.

I wonder if the member feels that equity for women in our society is something to be legislated or mandated on the basis of a quota system or whether it should take into account primarily the ability to do the job. Perhaps the member would comment on that.

• (1400)

[*Translation*]

Mrs. Venne: Mr. Speaker, in some cases, like the one I mentioned about judges, yes, I propose that in future at least 80 per cent of the judgeships that become open be filled by women. You can call that a quota, although I hate the term, but it can certainly be used.

In other cases, of course, if the same number of people apply for a position, the qualifications of each applicant can certainly be evaluated, as one should always do.

We have always been given the following objection: "Oh, you want to favour women, but you do not want them to be as competent as men". Unfortunately, I am often inclined to say "as competent as males", because I find using that kind of argument very sexist. Of course women are as competent as men, in all fields.

The Acting Speaker (Mrs. Maheu): It being two o'clock, the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

INTERNATIONAL WOMEN'S DAY

Mrs. Elsie Wayne (Saint John): Madam Speaker, on this International Women's Day I appreciate the opportunity to recognize women from my riding who have contributed to the success of their community.

Dr. Eileen Travis was the first president of the Saint John Board of Trade; the Hon. Shirley Dysart, the first woman Speaker of the Legislative Assembly of New Brunswick; Mrs. Mary Munford, the first female Common Clerk of the first incorporated city in Canada, Saint John, New Brunswick; and Mrs. Anna Boyle, a woman with 12 children who works tirelessly to improve the quality of life for persons with disabilities. The Sisters of Charity of the Immaculate Conception provides vital outreach and support for social services.

As 1994 is the International Year of the Family it is important that I mention the work of the Saint John Council of Women. The council is constantly striving to improve the health and well–being of families in Saint John.

Finally it gives me a great deal of pleasure to inform the House that the first YWCA was established in Saint John, New Brunswick, in 1870 by Agnes Blizard.

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[*Translation*]

DAY CARE SERVICES

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Madam Speaker, day care services do not meet the growing needs of families in Canada and Quebec.

The lack of day care spaces and the cost often prohibitive of this essential service is causing a prejudice to women. In many cases, they cannot work outside the home. Not only are they deprived of their right to work, but also, for those who are single parents, they are being condemned to poverty.

However, I want to pay tribute to the courage and dedication of the day care employees who do a tremendous job looking after our children, and this for far less than adequate wages.

In this year of the family, it is high time that government acts and invests in a day care network rather than keep saying it is important.

* * *

[*English*]

JUSTICE

Ms. Val Meredith (Surrey—White Rock—South Langley): Madam Speaker, I would like to address an issue of concern to all of society.

In British Columbia three recent murder trials have produced a very disturbing trend. In each instance those accused were acquitted or convicted of a lesser charge of manslaughter because they had been under the influence of drugs or alcohol. In at least one current murder trial this defence will likely be used.

Unfortunately, not only is the substance abuse defence in vogue for current trials, but individuals already convicted of murder are now appealing their conviction, citing this defence. If this trend continues it will be difficult to get a murder conviction in Canada.

While the legal profession may defend this trend as being in step with the current law and legal precedence, the general public is outraged.

If the government were serious about its promise to protect women and children from violence it would change the law to make people responsible for their actions.

* * *

INTERNATIONAL WOMEN'S DAY

Mrs. Bonnie Hickey (St. John's East): Madam Speaker, I want to take this opportunity today, International Women's Day, to speak on the future of young women in Canada.

• (1405)

Young women face the same pressures as their male counterparts when they consider their future. They are concerned about obtaining a quality education and about having employment opportunities. However they face the added pressures of being women in a society that is not always receptive to their needs and is often hostile.

I urge the government to take into account the unique needs of young Canadian women as it addresses the overall social and economic needs for our society.

If we are ever to obtain full equality we must first obtain economic independence. We must improve our education and training opportunities for women and we must provide them with employment opportunities.

INTERNATIONAL WOMEN'S DAY

Mrs. Beryl Gaffney (Nepean): Madam Speaker, today is International Women's Day. I would like my colleagues to join with me in giving special prominence to the dedicated work carried out by stay at home mothers.

Women at home with children must deal not only with the isolation and stress of 24–hour a day child care responsibility, but also with the invisibility of their work.

Stay at home mothers are dismissed by employment experts as persons with no employment record, no history of promotion and no record of job skills. They have no set hours, no holidays, no sick leave, no pensions, no safety regulations and no rights to negotiation.

Census statistics provide the data used by all levels of government to develop policies and programs for society. Yet unpaid work in the home and in the community is not included in the national census.

As a result few community resources have been available for women caring for children because such caring is neither recognized nor understood as work.

Mothers at home clearly have rights and these rights must be recognized.

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[*Translation*]

INTERNATIONAL WOMEN'S DAY

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria): Madam Speaker, I would like to take this opportunity to salute all women and young girls who choose to fulfil their potential.

I want to mention the presence in our gallery of my daughter, Andrée–Julie, who, even at her young age, sees the future from a different perspective than I or my mother did.

In 1994, we will be celebrating the 75th anniversary of the right to vote for women in New Brunswick, a right they acquired on April 17, 1919. Forty–eight years later, a woman was elected for the first time in our province and 68 years later, two francophone women were elected members of the New Brunswick legislature.

I encourage women to participate in politics. There are no women's issues, as there are no issues concerning only men; there are only collective problems which must be addressed collectively.

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INTERNATIONAL WOMEN'S DAY

Mr. Michel Gauthier (Roberval): Madam Speaker, on this International Women's Day, the Bloc Quebecois members want to acknowledge the exceptional work of all those who decided to

help women and children victims of violence by establishing a great network of shelters.

These women have given our society an absolutely essential kind of resource and they continue to give generously of their time and energy so that this network may really play its role in supporting women and children who are victims of violence.

What a marvellous thing to devote one's talents and resources to justice and human dignity. Hats off to all the women who give of themselves to establish and operate these shelters for victims of violence.

The members of the Bloc Quebecois want to assure you of their total support in your efforts to reach your goals.

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[*English*]

INTERNATIONAL WOMEN'S DAY

Mrs. Diane Ablonczy (Calgary North): Madam Speaker, I rise on the occasion of International Women's Day to express my personal appreciation for the opportunity to live and work in Canada, a country in which citizens have the freedom to pursue personal and professional goals with few systemic barriers based on distinctions such as gender or racial and linguistic background.

Where our laws and the actions of our governments discriminate against anyone today, let us change those laws and actions and pursue the goal of equal treatment for all Canadians.

Our pursuit of fairness and open opportunities for all Canadians should command our strong support and commitment, not because we are women or men or happen to have any other identifying characteristic, but because we are Canadians.

• (1410)

I urge all members of our society to continue to work together to move away from an emphasis on difference and special status. It is my belief that our proudest moment will be when we as Canadians can truly celebrate equality of citizens day.

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INTERNATIONAL WOMEN'S DAY

Hon. Audrey McLaughlin (Yukon): Madam Speaker, today on International Women's Day I ask the House whether women are truly advancing in our society.

I use three key measures through which we might decide the answer to that question. The first one is with regard to poverty and women. Latest statistics demonstrate that over 58 per cent of female led single parent families live in poverty and over 45 per cent of unattached elderly women continue to live in poverty.

The second measurement is violence against women. Every 17 minutes there is a sexual assault committed in Canada, 90 per cent of those victims are women, the rest are children. That means three assaults during the time of question period.

Finally turning to employment and women, women in full time work still earn less than 70 per cent per hour of what men earn. We must have, and I challenge the government to bring in, a full national child care program to assist women and men in our society and to put special emphasis on visible minority, aboriginal and immigrant women who suffer double discrimination in our society.

* * *

SHEILA GENAILLE

Mrs. Anna Terrana (Vancouver East): Madam Speaker, today on the occasion of International Women's Day we have in the House Ms. Sheila Genaille, president of the Métis National Council of Women.

Ms. Genaille is sixth generation Métis and a strong advocate of Canada and aboriginal peoples. She has a long experience in federal, provincial and Métis government processes.

The research director of the Métis Nation of Alberta, Ms. Genaille has been instrumental in helping the Métis find their proper place in history by managing the Métis Cultural Centre and developing and collecting historical and cultural information pertaining to the Métis.

Ms. Genaille has been the president of several organizations, including the Louis Riel Historical Society and the Edmonton branch of the Alberta Geological Society. Currently Ms. Genaille is the Minister of the Status of Women and Minister of Culture for the Métis Nation Provisional Government.

On International Women's Day it is an honour and a privilege for me to pay tribute to a woman who has performed in an outstanding manner not only for her peoples but for all Canadians.

On behalf of all my colleagues in the House I wish to congratulate and thank Ms. Genaille for her efforts and commitment.

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WOMEN IN SPORT

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Madam Speaker, it is my pleasure to address the House on International Women's Day on behalf of women in sport.

Saskatchewan's Sandra Peterson served as my inspiration. This past weekend Sandra's rink won the national women's curling championship, the Scott Tournament of Hearts, for the second consecutive year.

As the only female MP from Saskatchewan, it gives me great pleasure to extend my congratulations to Sandra Peterson, Jan Betker, Joan McCusker and Marcia Gudereit.

The Peterson victory made the front page of the Saskatoon *Star–Phoenix* sports section in colour. Public recognition is crucial to the advancement of women in sport to provide self–validation for the individual and role models for our young girls, to enhance public funding and economic opportunities for women in professional sports.

* * *

[*Translation*]

INTERNATIONAL WOMEN'S DAY

Hon. Lucien Bouchard (Leader of the Opposition): Madam Speaker, today I would like to join my colleagues in stressing the invaluable role women play in society and in our private lives. Far from being a day to give men a clear conscience, March 8 must go beyond symbols and remind us of how much remains to be done for the women's cause.

It is fitting to stress achievements, but it is even more important to renew our commitment to bring about this long–awaited sex equality. Democracy, justice and humanism require the implementation of economic and social conditions which will enable women to reach their full potential and reconcile their many roles.

This new awareness is even more important for us, MPs and party leaders, in a House where only 18 per cent of seats are held by women. Let us recognize in that figure a deficiency of our democratic system and a serious political failure that must be addressed urgently.

* * *

• (1415)

[*English*]

SARAJEVO

Mrs. Jan Brown (Calgary Southeast): Madam Speaker, this is written to acknowledge our collective responsibility to the human good.

It is called:

And Sarajevo Makes Me Cry
Hatred is not a contradiction
But a gruesome paradox
Cultures squeezed together no longer benign but malignant
Enmeshed in the bloodied pulp of accusation,
The living and the dead.
After–burner eyes that hold such surprise
A brief shock of pain
The sweet breath of fire
Savage passions, indecent, finally expelled
Like torched paper
To blow apart in the wind
And emerge as blood–pools
This withered generation
Small sad voices.
Our world sits on its haunches
Watching Evil's root
Envelop the thin veneer of civilization
And the deadly seeds of war scatter our history
Conflict becomes a relationship of severed parts
choking on its grief.
Our world of relevance gone mad
Where even the onlookers
Fully misunderstand.

* * *

INTERNATIONAL WOMEN'S WEEK

Ms. Judy Bethel (Edmonton East): Madam Speaker, during International Women's Week it is important to recognize the achievements of women who have come to Canada from different parts of the world. The story of immigration in Canada is the story of Changing Together, a centre for immigrant women in Edmonton.

This year the centre will celebrate 10 years of service. It is a place where immigrant women come together to help each other realize their full potential through active participation in Canadian life. It is women helping women through English language classes, job training and search skills, information and referral services and cross–cultural friendship.

* * *

INTERNATIONAL WOMEN'S DAY

Ms. Paddy Torsney (Burlington): Madam Speaker, Canada is on the cusp of change.

Increasingly Canadians are aware that our country must evolve to the point where women are recognized and accepted as full and equal partners. Raising awareness is the first step but concrete action must follow for Canada to progress.

As a woman member of Parliament I encourage all of my colleagues to recall the positive changes taking place as the participation of women in this Chamber has increased.

I am awestruck when I think of our foremothers, Nellie McClung, Agnes Macphail, Therese Casgrain, their work and their sacrifices as they struggled to acquire the vote for all Canadians, to have us recognized as persons within the Consti-

tution and the challenges they faced as solitary women of Parliament.

What has been achieved to date must not be forgotten. While women are present at every level of government, I must remind everyone that only 120 of the 3,771 MPs who have been elected since Confederation have been women and 53 of us are here today.

Today is International Women's Day and as members of Parliament from every region let us work together for equality for all Canadians.

ORAL QUESTION PERIOD

[*Translation*]

STATUS OF WOMEN

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Madam Speaker, my question is directed to the Deputy Prime Minister.

Liberal unemployment insurance reforms will set us back 20 years, because to establish benefit levels, public servants will have to determine the number of dependent children. This means that women on low incomes will be the first to suffer as a result of these reforms.

Would the Deputy Prime Minister agree that these changes aggravate the injustice to women by putting the onus on them to prove they have dependent children?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Madam Speaker, the reason why we are increasing unemployment insurance benefits by 3 per cent for low-income individuals is that many women who are single parents should be getting more unemployment insurance benefits. That is why the Minister of Human Resources has increased disposable income for women, and especially for single parents whose responsibilities are considerable.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Madam Speaker, does the Deputy Prime Minister realize that her reforms will reduce to 55 per cent, not raise to 60 per cent, the level of benefits for unemployed women, since their incomes are often the family's second income?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Madam Speaker, most women who are single parents have only one income. That is why they are single parents. And these women will receive 60 per cent.

• (1420)

Before the election, they were getting only 57 per cent. However, thanks to the Liberal Party's reforms, people on low incomes will get an increase, and this is being done to help women who are single parents and carry a considerable financial burden because they are raising their children on their own.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Madam Speaker, the Deputy Prime Minister will agree there are women in Canadian society who are not single parents. There are also women on low incomes, or who are unemployed, in households where the man is the sole bread winner. With this reform, the government perpetuates the myth that a woman is financially dependent on her spouse. Will the Deputy Prime Minister admit it and say so, once and for all: yes or no?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Madam Speaker, the hon. member seems to be talking out of both sides of her mouth. We have introduced reforms that will increase amounts paid to people on low incomes. People who have a second family income will get 55 per cent. But all individuals who are below the average, in other words, most women now receiving unemployment insurance benefits, will get an increase, thanks to Liberal reforms that reflect the recognition that those who are less well off should get more.

Mrs. Christiane Gagnon (Québec): Madam Speaker, my question is for the Minister of Finance.

Not only does his budget attack the Unemployment Insurance Program, but it is completely insensitive to unemployment and job instability affecting women in particular. In March of 1993, the actual rate of unemployment among women was over 20 per cent.

Does the Minister of Finance not agree that his budget not only reduces UI benefits to women but also contains no job creation strategy to give them a glimmer of hope?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Québec): I want to take this opportunity, on International Women's Day, to congratulate you, Madam Speaker.

First of all, this budget does foresee job creation, and women are certainly included. When you look at all the funds going to training, the pilot projects often referred to by the minister and the rollback of UI premium rate, which will foster job creation, you can really see this budget truly creating employment, and employment for women, Madam Speaker.

Mrs. Christiane Gagnon (Québec): Madam Speaker, will the minister stop burying his head in the sand and admit that his infrastructure program, which is creating mostly temporary employment, gives absolutely no hope to women seeking employment?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Québec): On the contrary, Madam Speaker. First of all, many women do find work in so-called conventional infrastructure. And within the broader definition given by the President of Treasury Board, if you think of the much broader definition of

infrastructure used with regard to Atlantic Canada for example, there are many jobs open to women, in tourism for instance.

On the other hand, we must not forget that the majority of businesses starting up, the small and medium–sized businesses, are run by women and that they are more successful. So, basically, in our budget, the emphasis is on small business creating jobs for women.

* * *

[*English*]

MEMBERSOFPARLIAMENTRETIRINGALLOWANCES ACT

Miss Deborah Grey (Beaver River): Madam Speaker, my question is for the Deputy Prime Minister.

Yesterday my colleague from Calgary Centre asked the Prime Minister about the gold–plated pension plans for MPs. In his response when the Prime Minister talked about salaries for MPs and NHL hockey players, he failed to mention one important difference: NHL hockey players do not have five–year no–cut contracts.

• (1425)

The question was about pensions, not salaries. Does the Deputy Prime Minister believe that after just six years of service MPs deserve a pension for life?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Madam Speaker, I am really happy to receive the question, in particular on International Women's Day.

One of the things that makes the presence of women in the House so unique this time is that we can use lots of analogies. Hockey may be one we want to stay away from because many hockey players get no–cut contracts.

Miss Deborah Grey (Beaver River): Madam Speaker, we have noticed that pension payments for members of Parliament who served in the last Parliament have increased dramatically. We need to come to terms with this regardless of how amusing it may seem.

The Prime Minister often boasts of the swift action he took on the EH–101 helicopters and the Pearson airport deal.

Some hon. members: Hear, hear.

Miss Grey: When may we on this side of the House applaud just as uproariously when the government acts swiftly on the outrageous cash–for–life pension plan for MPs?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Madam Speaker, the public is rightly concerned about the compensation of members of Parliament and I in no way intend to diminish that debate. That is why the very first action of the President of the Treasury Board was to set up a parliamentary committee so all members could have input into this most important issue.

However the member and the new members who are getting a handle on the workload of this place do a disservice to the Canadian public when they leave the impression that somehow we are here because of a cash–for–life lottery.

If I wanted to make money, I would take my talents and brains and apply them in lots of other places where I would not be dependent on a pension but would be remunerated far more per hour for the work than I do in this place.

Miss Deborah Grey (Beaver River): A further supplementary question, Madam Speaker. We are talking about fairness of pension plans in the public sector as well as fairness for members of Parliament. There is a huge difference.

Statistics Canada reports that a 30–year old working Canadian may reach retirement and find there is no money left in the Canada pension plan to offer him or her a secure retirement. Is the Deputy Prime Minister prepared to stand in the House and tell that 30–year old Canadian that untold millions of dollars will be made available to MPs for gold–plated pensions but there will not be enough for people who worked far more than six years in other professions?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Madam Speaker, I have a six–year old Canadian who I fully expect to be working outside the home for most of her adult life. Obviously I and every other member of Parliament want to make sure that she has the security she needs and deserves. That is why we have promised to take a look at the issue.

The hon. member is throwing around these figures about the way we are making ourselves rich in Parliament. Obviously her colleague right behind her is in receipt of two pensions and we want to make sure that when we do parliamentary reform it is fair. We want to involve all members in the discussion to ensure that issues like double dipping are dealt with and make sure that pension reform is fair. It is important to restore the public's faith in the system.

We are not in this place to make a buck. I wish the Reform Party members would start to understand that.

Some hon. members: Hear, hear.

* * *

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Madam Speaker, my question is for the minister of defence.

The government is using the fact that it must significantly cut Canadian military expenditures to justify the closure of the Collège militaire de Saint–Jean and the transfer of training activities to Kingston.

• (1430)

Does the Minister of National Defence not recognize that budget cuts are no justification for the government's decision since activities are not being eliminated, but merely transferred from Saint–Jean to Kingston?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, that is not quite accurate. The hon. member knows we have been decreasing the size of the armed forces. In fact in the recent budgetary statement the size of the armed forces will go from about 76,000 at present to 66,700. It goes without saying there will be a reduction in the number of officers required.

It is not true to say it is simply a rollover, taking the people from St. Jean and putting them in Kingston. There is an overall reduction. That is why we need to centralize in one particular location.

[*Translation*]

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Madam Speaker, can the minister tell us clearly what kind of savings the current government intends to realize by transferring activities from Saint–Jean to Kingston and can he give us some figures?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, I would be pleased to show the hon. member the figures if she would come to the standing committee next Tuesday when I will be appearing and defending the estimates for the Department of National Defence. She can have all the answers she wants.

* * *

PENSIONS

Mrs. Sharon Hayes (Port Moody—Coquitlam): Madam Speaker, my question is for the President of the Treasury Board and was inspired by a large group of women and men, the Armed Forces Pensioners Association of Canada.

The issue facing them has been festering since October 1992. That issue is the stonewalling of their many attempts to gain approval from Treasury Board for a group dental plan paid for by payroll deductions. This will not cost taxpayers one cent but simply will allow these pensioners to have a better and more efficient system.

In the 50th anniversary year of D–Day, is the President of the Treasury Board prepared to implement this plan on behalf of those who have served our country so well in the Canadian Armed Forces?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Madam Speaker, I thank the hon. member for advance notice of the question.

Over the years in addition to statutory deductions made from the payroll there have been numerous requests with respect to charitable organizations, social recreation associations, credit unions, et cetera, for deductions to be made at source. It is to the point where it has stretched the limit of our personnel resources to be able to cope with them.

My officials have undertaken a comprehensive review of these deductions requested by third parties. That review is just about complete and will be coming shortly to my attention. We will certainly take into consideration the concerns of the pensioners from the armed forces group and others who have very worthwhile causes and terrific needs to be met on behalf of former employees.

Mrs. Sharon Hayes (Port Moody—Coquitlam): Madam Speaker, just as a reminder, the hon. minister's own colleague, the Minister of Finance, stated in a letter dated January 25, 1994 that he too recognized the association's desire for a prompt resolution and decision.

I would ask that the minister be specific as to when these armed forces pensioners can expect to have an answer and their plan implemented.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Madam Speaker, I expect we will be in a position to answer that question in the very near future. As I indicated a few moments ago the study is nearing completion. It will be examined shortly by Treasury Board and we will give it every consideration.

I again thank the hon. member for the question.

* * *

[*Translation*]

STATUS OF WOMEN

Mrs. Pauline Picard (Drummond): Madam Speaker, my question is for the Minister of Justice. In a report published today, the Canadian Advisory Council on the Status of Women is concerned about the considerable increase in applications for excision in Canada, excision being the sexual mutilation of girls.

Does the minister intend to follow up the recommendation of the Canadian Advisory Council on the Status of Women to ban by law any genital mutilation of girls?

• (1435)

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Madam Speaker, any act of violence against women is unacceptable in Canadian society. We are committed to put an end to this form of discrimination and violence against women. I assure you that we read the report that was released and that we will educate women in those communities through the Department of Health so that they know what practices are acceptable and what practices are not here in Canada. I hope that they will understand that it is not acceptable, here in Canada or anywhere else in the world.

Mrs. Pauline Picard (Drummond): Madam Speaker, does the minister not think that a specific law criminalizing the practice of excision would be more advisable?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Madam Speaker, it is the advice of the Department of Justice and indeed my own initial view that the present sections of the code are sufficient to prohibit the conduct described and to render it criminal activity.

I agree with the hon. Secretary of State for Multiculturalism and the Status of Women that our focus should perhaps be on education and proactive steps to alert health care professionals and others who see evidence of this conduct so that it is brought to light, investigated, punished and thereby prevented.

May I say that in view of the statistics presented by the council in its report released today and in view of the case that it makes for a specific prohibition in the code, I am happy to take a fresh look at the question. England has a specific prohibition against such practices. I shall look at it afresh with the Department of Justice.

I will be happy to let the hon. member know within the month what position we take concerning the suggestion she has made.

* * *

DIVORCE ACT

Mrs. Daphne Jennings (Mission—Coquitlam): Madam Speaker, my question is for the Minister of Justice.

In view of the fact we are in the year of the family and the roots of families who now have small children have begun with grandparents, would the minister consider bringing in an amendment to the Divorce Act which would require judges to consider the access rights of grandparents to children in a divorce action?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Madam Speaker, let me first express my gratitude to the hon. member for Mission—Coquitlam for her consideration in furnishing advance notice of the question.

I acknowledge the importance of the subject matter. Sadly, given the incidence of dysfunctional families in this country today it is often the grandparents who are the principal source of stable and continuous guidance and care for children. That must be recognized.

Last year the Department of Justice initiated a broad process of consultation concerning the custody and access provisions in the Divorce Act. That process ended on December 31 by which time we had received hundreds of submissions. Among them were submissions that went directly to the point raised by the hon. member. We are now in the process of examining those submissions.

There will be a federal–provincial–territorial meeting with attorneys general and ministers of justice from the provinces toward the end of March. This subject is on the agenda. We will give it consideration. I am certainly open to the suggestion. I will keep the hon. member abreast of the developments in respect of the issues she has raised.

Mrs. Daphne Jennings (Mission—Coquitlam): Madam Speaker, I will be presenting over 3,000 petitions tomorrow in support of this.

Would the minister also consider a further amendment to the Divorce Act that would give the grandparent who is granted access the right to make inquiries and to be given information as to the grandchild's health, education and welfare?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Madam Speaker, I will be happy to add that to the matters under consideration. Again I will let the hon. member know what it is we discuss with our colleagues at the provincial level.

* * *

[*Translation*]

STATUS OF WOMEN

Mrs. Francine Lalonde (Mercier): Madam Speaker, my question is for the Minister responsible for Public Service Renewal. One of the most important questions for Canadian women is that of equal pay for work recognized to be of equal value. There is even an act forbidding any discrimination of this type in Canada. As an employer though, the federal government does not abide by it. A study has clearly shown that more than 80,000 women in the public service are not receiving as much as men for work of equal value.

• (1440)

Is the government planning to give the proper example to employers on the subject of pay equity by committing itself to true wage parity between men and women working for the public service?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Madam Speaker, pay equity is a priority of this government. We want to ensure that women in fact all people are paid in a fair and equitable fashion according to the duties and responsibilities they carry out. We are a pay equity employer.

There is a dispute on the extent of some of the back pay required to bring some of the classifications up to date. That matter is before a tribunal and also is the subject of some examination at Treasury Board. It is hoped we can bring about a settlement with the bargaining agents of our employees.

However we believe in and give priority to pay equity.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Madam Speaker, given these conditions, does the minister recognize that in freezing all government employee salaries by means of the budget, the government is penalizing Canadian women even more because it is thereby confirming imbalances that already exist within its own compensation structure?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Madam Speaker, when my colleague delivered the budget to the House he indicated in bringing the deficit down it was necessary to freeze salaries for a further two years.

We are anxious to bring that to an end sooner if at all possible by finding efficiencies in the delivery of programs and services, and to examine roles and responsibilities as my colleague to my right is doing. Hopefully we will be joined in that exercise by our employees and their bargaining agents so that we can at the earliest possible time restore the opportunity for all of our employees to enjoy salary increases.

I might add that over the last few years even though there has been a salary freeze in three of the four years, because of the incremental increases on average increases of about 3 per cent have been going to our employees.

[*Translation*]

Mr. Nick Discepola (Vaudreuil): Madam Speaker, my question is for the Minister of Public Works and Government Services. In my riding, which has a population of 110,000, 80 per cent of whom are francophones, there is no emergency shelter for abused women and children. For the moment, battered women must seek refuge on the West Island, a mostly English area, and far from the family environment.

[*English*]

I implore the minister to recognize that measures must be taken to rectify this urgent matter. On this International Women's Day will the minister assure the battered women of the riding of Vaudreuil that they will obtain the necessary support for the construction of a desperately needed women's shelter with the shortest possible delay?

[*Translation*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I thank my colleague for his interest in this important issue.

[*English*]

The hon. member raises a fundamental question all members of this House must confront. Canada Mortgage and Housing has been at the forefront of providing financial assistance with regard to emergency shelters as well as self–contained units. At the present time we are in negotiations with the province of Quebec regarding eight additional shelters. I would be happy to take the hon. member's representations on notice.

I do want to say to all members of the House that as legislators it is time for us to look at all possibilities in terms of those who are the victims of family violence.

• (1445)

I find it passing strange that women and children must leave the family unit while the spouse, the husband in most instances, remains in the family unit. I think it ought to be the other way around.

* * *

FARM CREDIT CORPORATION

Mrs. Jan Brown (Calgary Southeast): Madam Speaker, my question is for the Minister of Agriculture. My concern is for the small business sector, specifically the family farm.

The Farm Credit Corporation is designed to provide financial assistance to Canadian farmers to help establish viable farm enterprises. This purpose is strangely at odds with the outrageous statistic that the Farm Credit Corporation, a crown corporation, owns 1.250 million acres of indebted farmland.

Will the minister agree in the House today, based upon his election promise, to immediately undertake the long awaited review of the Farm Credit Corporation and put a stop order on further evictions until the review is completed?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food): Madam Speaker, I thank the hon. member for her question and thank her for her courtesy in providing me with advance notice of the question.

During the 1980s almost $1 billion in accumulated farm debt in the Farm Credit Corporation was effectively written off by the Government of Canada. This was followed by a policy review beginning in 1989 which resulted in a new mandate for the Farm Credit Corporation which was accepted I am told with broad support in the House of Commons at that time and brought into effect in the spring of 1993. That new mandate includes the

enhancement of rural Canada by providing specialized financial services that are related to farming.

In our election platform last fall, we proposed three new financial instruments to assist farmers: an agricultural equity development program, a vendor loan guarantee program and a long term mortgage program, including certain protections against interest rate fluctuations.

I am pleased to tell the hon. member that the Farm Credit Corporation is now making substantial progress in devising the details of these new instruments, as we had undertaken to do in the fall of last year. I hope to be in a position to make some specific announcements this spring.

Mrs. Jan Brown (Calgary Southeast): Madam Speaker, I thank the Minister of Agriculture. I have a further supplemental. This is quite a specific issue.

Today in New Liskeard, Ontario, a family is living a nightmare as they await eviction from their family farm on Thursday, two days from now, March 10. This business enterprise represents a perfect example of a system gone wrong when 117 per cent of the farm's value has been offered but has been refused by the Farm Credit Corporation and no reason has been given for such a refusal.

Will the minister agree to an immediate cessation of any further action on this particular eviction until a full review with all of the parties present is held?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Madam Speaker, I am sure the hon. member will appreciate that it would be inappropriate for me to comment on specific FCC cases on the floor of the House of Commons.

I do want to assure her that I will insist that the Farm Credit Corporation deal with all of its clients in a fair and balanced way, taking into account the legitimate rights and interests of the farmer clients involved and also taking into account the fiscal integrity of the corporation which I am sure is important to the hon. member in the Reform Party.

* * *

[*Translation*]

STATUS OF WOMEN

Mrs. Monique Guay (Laurentides): Madam Speaker, my question is for the Deputy Prime Minister. In its recent budget, the government imposed a five per cent cut on all Canadian volunteer organizations. When she was in the opposition, the Deputy Prime Minister vehemently opposed cuts imposed by the previous government to volunteer agencies, including of course to centres for women who are victims of violence.

Now that she sits on the other side of the House, does the Deputy Prime Minister intend to fight with the same determination the despicable cuts imposed by her government to volunteer organizations in its last budget?

• (1450)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Madam Speaker, obviously when Canadians ask the government to tighten its belt, it creates problems. It was not easy to close military bases; it was not easy to impose a salary freeze to federal civil servants, including women who are at the bottom of the wage scale.

Our job is certainly not an easy one but we have to do it. If Canadians have given us a mandate, it is because they want us to make the right decisions, given the financial situation in which we find ourselves right now.

Mrs. Monique Guay (Laurentides): Madam Speaker, how can the Deputy Prime Minister think she is credible when her point of view and her attitude change completely, depending on where she sits in the House?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Madam Speaker, if there is a woman who has been defending the rights of women in this House it is certainly not the one opposite who does not even want to be there. I think it is important that we work together to ensure that women have their place everywhere, including in the House of Commons. This is what the Liberals fought for before the last election, unlike the party opposite.

I might add that, thanks to the initiative of women such as the hon. Secretary of State, no cuts will be made to budgets for women's programs. Indeed, not one penny is taken out of the budget allocated to the minister responsible for the status of women, and I have this information directly from the minister responsible, because women in our caucus do a good job.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

Ms. Val Meredith (Surrey—White Rock—South Langley): Madam Speaker, my question is for the Solicitor General.

One provision of the government's budget was to eliminate the incremental pay increases. While most people can accept this for senior employees and managers, in some areas it hits particularly hard.

One of the hardest hit groups will be the recent RCMP recruits who when they leave Regina are paid approximately $30,000.

Prior to this freeze incremental pay would see their salaries rise every six months, recognizing their training so that at the end of three years they would be making a first class constable's salary of approximately $50,000. With this budget the new recruits will be frozen at approximately $30,000 for two years.

Does the minister find it acceptable that this budget targets the low salaries of junior members of the RCMP as an area to save money?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Madam Speaker, I do not accept the hon. member's premise that this budget targets the salaries of RCMP constables. The budget deals with a freeze of salaries of public servants generally while maintaining their employment which is not the case for a lot of people in the private sector, although we are working to create jobs for Canadians generally.

I will be happy to review the situation with the President of the Treasury Board.

Ms. Val Meredith (Surrey—White Rock—South Langley): Madam Speaker, recently a 35–year veteran of the RCMP described to me that this policy is the greatest attack on the morale of the RCMP members that he has seen in his career.

Is the minister prepared to accept the inevitable drop in the morale of Canada's police force as a result of this effort to save money on the backs of those members who can least afford it?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Madam Speaker, I again reject the premise of the hon. member's question. The budget is not an attack on RCMP constables or any group of public servants.

However, I will be happy to review this matter with the President of the Treasury Board. I have greater confidence in the morale of the RCMP than the member. I am sure that is the case for all members on this side of the House.

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CENTRES OF EXCELLENCE

Mrs. Sue Barnes (London West): Madam Speaker, my question is for the Minister of Health.

During the fall election campaign many members of the Liberal Party campaigned on the creation of a network of centres of excellence on women's health. We need to develop a women's health curriculum, promote and conduct research on women's health issues, develop health policies and recommend health programs.

• (1455)

On behalf of the men and women of Canada I would like to ask the Minister of Health what steps has she taken to date to implement this very important agenda.

Hon. Diane Marleau (Minister of Health): Madam Speaker, we are proceeding with the centre of excellence for women's health as outlined in the red book.

Right now we are in the process of outlining specific criteria and an application process. We expect to issue the call for application by June and to select a successful applicant in the fall. We would like the first centre to commence its work early in 1995.

One of the centre's initial tasks will be to determine the most important health issues for women and then to undertake further work on these issues. The ultimate objective of the centre is to increase the responsiveness of the Canadian health system to the health needs of women.

It is a known fact that only a small percentage of medical research funding in Canada has been directed toward women's health research. While the centre will address this problem, we also want to work more closely with other research funding bodies in order to encourage them to send money in the direction of research as well in women's health.

* * *

[*Translation*]

STATUS OF WOMEN

Mrs. Pierrette Venne (Saint–Hubert): Madam Speaker, according to the Office of the Commissioner for Federal Judicial Affairs, as of March 1, 1994, the federal government had appointed 951 judges to Superior Courts and Courts of Appeal. Of these 951 judges, only 123, less than 13 per cent, were women. This situation shows a total lack of foresight within the process used until now to select and appoint judges to the bench.

Mr. Young: That is terrible.

Mrs. Venne: Madam Speaker, I would like to be able to put my question.

Mr. Bouchard: It is the Minister of Transport.

The Acting Speaker (Mrs. Maheu): Order, please. The Minister of Transport.

Some hon. members: Oh, oh.

The Acting Speaker (Mrs. Maheu): Order.

Mrs. Venne: Madam Speaker, my question is not for the Minister of Transport, but for the Minister of Justice.

To what extent do the minister and the cabinet intend to encourage from now on the appointment of women to the bench?

The Acting Speaker (Mrs. Maheu): I think the hon. member knows she did something usually considered unacceptable.

I would ask the Minister of Justice to answer the question.

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Madam Speaker, the question that has been raised is important.

We are not going to preserve and maintain the confidence of the public in the system of justice and the judiciary unless we have a bench that is representative of Canada not only with respect to gender but also with respect to the diversity of Canada's society.

As the minister in this government responsible primarily for bringing forward recommendations to cabinet for judicial appointment, I shall make it my business to ensure that we bear in mind the need for gender balance as well as the reflection of diversity on the bench in Canada.

It is true to say that there are not enough women judges in the federal courts today and that perhaps reflects the appointment practices in the past. So far as this government is concerned we are going to bear in mind the need for gender equality as well as representativeness generally in appointing judges to the federal bench.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert): Madam Speaker, the gap is so significant that to fill it we would need to award all new appointments to women, but I am not asking for that much.

Will the minister recommend that, for the next several years, at least 80 per cent of all positions becoming vacant be filled by women?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Madam Speaker, I do not think the answer lies in attaching specific numerical or mathematical quotas in terms of the appointment of judges and I do not propose to approach it from that perspective.

• (1500)

I give the House my assurance that gender equality and representativeness are important considerations that will be brought to bear every time we make recommendations to cabinet. May I invite the hon. member's attention to the appointments made by the government to date. May I ask her to observe that fully half of those appointed since we took office are women.

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CANADIAN FLAG

Mrs. Diane Ablonczy (Calgary North): Madam Speaker, my question is for the Minister of Foreign Affairs.

When an official news conference is held at one of our embassies or high commissions is the display of the Canadian flag discretionary at such an event?

[*Translation*]

Hon. André Ouellet (Minister of Foreign Affairs): Madam Speaker, it seems to me quite obvious that the Canadian flag should be on display.

* * *

CENTRE OF EXCELLENCE FOR WOMEN'S HEALTH

Mrs. Maud Debien (Laval East): Madam Speaker, my question is for the Minister of Health.

The government has announced on several occasions—in the red book, in statements by the minister and in the budget speech—the creation of a centre of excellence for women's health, without giving further details. A short while ago, she was asked about this centre, but she could not provide a satisfactory answer.

If the minister cannot talk about the mandate and priorities of such a centre, could she tell us what its budget will be?

Hon. Diane Marleau (Minister of Health): Madam Speaker, we are presently preparing the criteria for the first centre of excellence for women's health. It will only be the first of several we want to establish in the near future, because it is essential that we deal with the question of women's health.

* * *

[*English*]

ETHICS COUNSELLOR

Ms. Margaret Bridgman (Surrey North): Madam Speaker, my question is for the Deputy Prime Minister.

It is reported in the *Globe and Mail* today that Mitchell Sharp is expected to be appointed as the government's first ethics counsellor.

During last fall's campaign the party opposite promised to consult with the opposition parties prior to appointing an ethics counsellor. Can the Deputy Prime Minister inform the House if there will be consultation with both opposition parties prior to this appointment?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Absolutely, Madam Speaker.

* * *

INTERNATIONAL WOMEN'S DAY

Hon. Audrey McLaughlin (Yukon): Madam Speaker, my question is for the Deputy Prime Minister.

On International Women's Day there are many things the government could do to improve the equality of women but I

want to propose to the Deputy Prime Minister that her government undertake two very simple things that could be done right now.

They concern two actions of the previous government. First, would the government agree to withdraw the appeal of the previous government on the ruling of the Canadian Human Rights Commission that the federal government be ordered to institute the pay equity settlement to female public sector workers. Second, the previous government denied the right of employees of members of Parliament to collectively bargain. A large majority of those employees are women. Would the government act on that issue as well?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Madam Speaker, first I would like to congratulate the member who is the first woman leader of a national political party. She has been a role model for all women in Canada.

Some hon. members: Hear, hear.

Ms. Copps: Second, on the issue of the specifics of the court challenge we are exploring the possibility of discontinuing that challenge. The matter is now before the President of the Treasury Board.

On the issue of employee bargaining I can assure the hon. member that each member of Parliament is free to address this matter in his or her own way. In fact in the last Parliament the assistant in my office was one of those who was very active in the organizing process.

The member would agree that on the issue of freedom of a member of Parliament's office I do not think it is the responsibility of the government or a particular political party to decide for the whole House but rather individual members of Parliament have the right as any Canadian does for their employees to seek to organize.

* * *

• (1505)

[*Translation*]

WOMEN REFUGEES

Mrs. Eleni Bakopanos (Saint–Denis): Madam Speaker, my question is for the Minister of Citizenship and Immigration. In the red book, the Liberal Party of Canada committed itself to extending refugee status to women persecuted on gender grounds. Previously, women refugees victims of violence and abuse in their country of origin were deported and forced to return to this dangerous environment.

[*English*]

In the context of International Women's Day I wish to ask the minister what the government is doing to fulfil its commitment to refugee women.

[*Translation*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Madam Speaker, I would like, first of all, to thank my colleague for Saint–Denis for her question and her interest in immigration and refugee matters.

[*English*]

First, I am very proud that Canada is the only country with guidelines in its refugee determination system that permit women to make claims based on gender persecution. One hundred and fifty women have made such claims. Over 70 per cent have been accepted.

Second, since 1988 we have had a women at risk program that allows us to select those women who are most at risk and most vulnerable in their societies in our overseas selection of refugees. The international community has much more work to do because the majority of international refugees are women and young children, while the majority of refugees selected by countries are male. We have miles to go before we sleep.

* * *

PRESENCE IN GALLERY

The Acting Speaker (Mrs. Maheu): I wish to draw to members' attention the presence in the gallery of Ms. Bettie Hewes, Deputy Leader of the Opposition of the Legislative Assembly of Alberta.

Some hon. members: Hear, hear.

The Acting Speaker (Mrs. Maheu): I would also like to recognize the presence in the gallery of the Mayor of Edmonton, Ms. Reimer.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—STATUS OF WOMEN

The House resumed consideration of the motion and the amendment.

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Madam Speaker, it is on March 8, 1911, that for the first time ever, many countries decided to pay tribute to the courage and tenacity of women.

This acknowledgement of women's role in our society did not happen by chance; it was due to the relentless efforts of female pioneers who had decided to fight the poverty, inequity, and violence their sisters were faced with every day of their lives.

I want to salute the relentless efforts of these women who have been and are still fighting so that equality among human beings, men and women alike, may one day be a reality.

I want to wish all Quebec and Canadian women, and especially the women in my riding of Laval–Centre, a very happy day. They can count on my unfailing commitment to promote and fight for their rights. We still have a long way to go.

Women's economic situation, in Canada as well as in Quebec, is tragic. They are the first ones to be affected by the ravages of poverty, this scourge which has become rampant in our so–called developed society.

• (1510)

The situation is even more tragic for women who are single parents. More than anybody else, they bear the brunt of the present economic crisis.

We can only paint a rather dismal picture of the situation. Statistics and columns of figures show the extent of the problem. However, figures do not reflect the increasingly desperate situation of these families, these women who are fighting for their survival and their children's. Spurred on by the economic crisis, the government goes to war, but instead of targeting poverty, it targets the poor.

The latest budget speech and the planned reform of social programs are blatant examples of this. The government seems to remain insensitive to the plight of the hundreds of thousands of women who are the sole support of their family and who do not have a hope to make it without the government's help.

Very often, if they work outside their homes it is because financially they have to. It is to be able to survive that these women, who support their families, have to rely on the government's assistance. According to the latest figures—

[*English*]

Mrs. Wayne: Madam Speaker, I am sorry to interrupt the hon. member, but I would ask a question of Madam Speaker.

All through question period I waited to ask a question. I have not been afforded an opportunity to ask a question in the House since I was elected. You had said—

The Acting Speaker (Mrs. Maheu): I am sorry, I do not find this to be a point of order. I remind the hon. member that she was on statements. She was eighth on the list for questioners and we did not get to number eight. I tried everything I could to get as many people on as I could today. We went over the time for question period by almost five minutes. I am sorry but I did everything I could. I do not think we should interrupt debate. That could have waited until after the hon. member had finished.

[*Translation*]

Mrs. Dalphond–Guiral: Madam Speaker, according to the most recent statistics available, in 1991, there were 1,883,140 families in Quebec. Of that total, 268,000 were single parent families and, of those, 82 per cent were headed, as you have guessed, by women.

In Canada, the situation is similar; Statistics Canada data indicate that one family out of seven is a single–parent one. Women who are heads of single–parent families are more likely to be poor than men or women living in any other types of families: nearly 62 per cent of them live below the poverty line. In 1990, female single parent families had the lowest income, on average $26,906—gross income of course—compared to $42,953 for single parent families headed by men. The incidence of poverty in single parent families headed by women is clear. Within a mere two years, the income of these families has dropped by about $3,000.

Single mothers must often take on complete responsibility for the physical, material and psychological well–being of their children. Such a reality explains why the recent trend reveals that some important changes have occurred in the social fabric of Canada and Quebec.

• (1515)

According to Statistics Canada, being a single parent usually results from the failure of a marriage and from child care being entrusted to the mother. These mothers are often younger and their education level lower than that of fathers who head single–parent families. These young mothers must work to support their children and therefore, have to leave school. They cannot acquire the necessary skills to get good quality jobs and consequently, cannot hope for a better income. They find themselves limited to low quality types of jobs.

According to the National Action Committee on the Status of Women, a staggering number of unemployed single mothers were living on a gross annual income of barely more than $12,000. These are 1991 figures. Everyone will agree that this is well below the poverty level.

Almost all the available income of these women came from the state, in the form of family allowances, unemployment insurance benefits, social assistance, retirement pensions and other types of benefits.

Poverty is a vicious circle which is very difficult to break without outside help, particularly if you are a woman who is a single parent and who must work to ensure her survival and that of her children. Yet these women are most likely to find underpaid jobs. They are classic victims of the precariousness of employment and the division of work, a modern calamity for a society in constant evolution which strikes young workers and women.

Another economic burden supported by single mothers is the excessive cost of housing. According to Statistics Canada, 54 per cent of single parent families were renting the dwelling in which they lived. The rate is much lower for men who are heads of single parent families, since it is around 37 per cent. What is alarming is the fact that 56 per cent of single parents who are women spend more than 30 per cent of their income on housing, while, and so much the better, only 32 per cent of single parents who are men spend the same proportion of their income on housing.

Today, on March 8, we must acknowledge that the situation of women is tragic. The era of collective impoverishment has very much arrived and the question is how long it will last. In the meantime, Canadian women are paying the price. Everyone in this House agrees that poverty is a problem which must be solved. We must go to the root of that problem right now. The government has not only a political and administrative responsibility, but also a moral responsibility towards Canadians. Wishful thinking, white books, sham policies and political programs which turn from red to blue with every possible nuance no longer have their place in 1994.

This government can, if it wants and especially if it so believes, show the way by facilitating access to education and employment for single mothers, and that includes, among other initiatives, the setting up of a national day care network which would be primarily available to those families who need it the most. And, Madam Speaker, as you know, these families are the ones headed by women.

• (1520)

Another measure could be taken to improve the financial situation of single mothers. An increasing number of women are being economically discriminated against because of a provision of the Federal Income Tax Act concerning the taxation of support payments made to the parents who are given custody of the children and who are women for the most part, as we well know. We will not have to mention it anymore, since it is becoming so obvious. Right now, the tax reform undertaken by the government does not address the issue.

The principle according to which any deductible amount for the payer, that is the ex–husband, is added to the income of the recipient, that is the single mother who has custody of the children, dates back to the 1940s. At that time, Madam Speaker, we were both quite young.

Everyone will agree that our society has changed significantly during the last 50 years. The government must accept its responsibilities and reconsider this principle which greatly affects the financial security of single mothers. Those are only a few of the measures which could improve the financial situation of women, of their family and of all members of our society.

The wealth and the vitality of a society largely depends on its concern for the young. Healthy kids make for healthy families. The basic needs of an individual must be fulfilled for him or her to grow. Our young people need to be well–fed, to be well–housed, to have some place warm to go, and to be loved in order to grow and become reliable and happy adults.

During the Year of the Family, I think it is the responsibility of members of this House and of this government to do whatever they can to ensure all families in Quebec and in Canada enjoy the best health possible. I am convinced that on this day, March 8, our leaders have listened a bit more carefully to the needs of our society.

Madam Speaker, what I should have told you earlier is that, starting with my speech, our interventions will last ten minutes.

[*English*]

Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Madam Speaker, I am very pleased today to join my colleagues in saluting International Women's Day.

[*Translation*]

I am very pleased to join you today to celebrate the International Women's Day, which gives us the opportunity to acknowledge all the progress made by women as well as the improvements yet to come. We are lucky to live in such a prosperous country as Canada, but Canadian women still have a long way to go to live in all the comfort enjoyed by Canadian men.

[*English*]

While we celebrate the achievements of women and generate new energy and co–operation for continued progress and growth, our commitment to a goal of economic equality for Canada and everywhere in the world must remain strong. We want Canada to continue to be a world leader in the pursuit of this goal.

Canada will continue to set an example for the world in its defence and respect of the rights and freedoms of individuals. The right of women to be treated equally with men without discrimination is enshrined in the Canadian Charter of Rights and Freedoms and specified in the Canadian Human Rights Act.

• (1525)

As we speak about equality, we speak often about social equality and we speak often about political equality. Increasingly however we as policy makers and we as women realize that political and social equality will remain elusive goals until we have economic equality.

In recent years, the pursuit of economic equality for women has been linked to a simple but important concept, equal pay for work of equal value. This concept goes beyond the notion that

men and women should be paid the same when they are performing the same work.

The reality is that men and women tend to do different kinds of work, for whatever traditional reasons that has happened, that is the reality. Whether they are performing the same or different work, they deserve to be paid fairly. We need to find ways to measure and compare the value of work that is significantly different.

I have to ask a question. Why is a dog catcher paid twice as much as a child care worker? How does the work performed by a secretary compare to that performed by an electrician? Is it worth more or is it worth less? We now have the tools required to make that assessment and to ensure that when jobs are found to be of equal value appropriate wages, equal wages, are provided.

The federal government is the largest employer of women in this country. For that reason this government wants to show employers across the country that it is simply good business to pay men and women fairly and to pay them equally if they are performing work of equal value.

After all, a fair wage will allow employers to recruit and retain qualified workers who will contribute to the quality of their service or product into their competitive edge. More important perhaps, a fair wage will enable women to become full partners in the economic growth of our country.

Women expect to receive fair wages for the work they perform. They deserve to receive fair wages for that work and this government is working toward that goal.

Since the proclamation of the Canadian Human Rights Act in 1978 that enacted and enshrined the principle of equal pay for work of equal value or pay equity, the government, the Canadian Human Rights Commission, unions and employees have worked toward making it a reality.

Many complaints have been resolved co–operatively. Many others and far too many others have been the subject of long and bitter battles. This has been a period of learning, a period of trial and error. This government wants to build on these experiences and ensure that equal pay for work of equal value is achieved through the joint efforts of all interested parties.

In 1985 in the public service a joint union–management study on equal pay for work of equal value was undertaken in the federal public service. Today the results of the study are being contested in front of the Human Rights Tribunal. I do not need to tell anybody who is familiar with the whole progress of that case that it has indeed been long and contentious and that we sitting on the other side of the House objected to the strategies and tactics of the previous government in what we felt was delaying the work of that tribunal.

However the Human Rights Commission does have the responsibility to investigate all complaints of violations of the Canadian Human Rights Act and to order corrective actions where it concludes that violations have occurred.

This Liberal government fully endorses the important role of the Human Rights Commission and of human rights tribunals in protecting Canadians from discrimination and eliminating discriminatory practices.

In spite of the continuing debate, a lot of good came from the joint union–management initiative on equal pay. It was the first time that a joint endeavour had been undertaken to implement section 11 of the Canadian Human Rights Act.

A great deal was learned. Until now 70,000 employees in predominantly female occupational groups received approximately $317 million in retroactive equal pay adjustments. Approximately $81 million is paid in ongoing annual adjustments.

• (1530)

Overall since the enactment of the federal equal pay legislation over $500 million has been paid in equal pay adjustments in the resolution of various complaints. Much has been achieved and much has been learned. We as a government continue to work toward a full resolution of the issue.

The achievement of equal pay for work of equal value requires the use of a common tool to evaluate all jobs whether they are performed predominantly by men or by women. That tool must be gender neutral. It must not be based on the traditional differences in what roles women have assumed and what roles men have assumed. It must recognize the value of all aspects of the work performed whether traditionally by men or by women.

This is why this government will pursue efforts undertaking to develop a universal classification standard in the federal public service that is gender neutral. Many dedicated persons have already committed their time and effort to this project. It is not an easy task to revamp the whole job evaluation system of an organization the size and complexity of the Public Service of Canada.

We want to ensure that the universal classification standard is the right tool to achieve our goals of simplicity, transparency and fairness. When we are satisfied that it is, we will implement it to ensure we have a durable basis for the resolution of pay equity issues.

After the Canadian Human Rights Act was passed in 1978 many provinces followed suit and enacted legislation on equal pay for work of equal value. The more recent provincial models are more prescriptive and specific than the model we adopted early on at the federal level.

As a result of the growing interest across the country in the achievement of pay equity, there is a growing library of ideas, experiences and jurisprudence in this field in Canada today.

However, equal pay for work of equal value remains a field rife with controversy. Parties in every part of the country debate over the right evaluation tool or plan, the right job data, the right wage comparison methodology.

I can assure hon. members today that this government is interested in results. Government is looking for real, realistic and realizable means of achieving this important goal for the economic equality of Canadian women. We are continuing to address equal pay for work of equal value complaints and issues as they arise. We will use whatever creative means are necessary to ensure that fairness and equity are achieved.

Already the President of Treasury Board has engaged in dialogue with public service unions. We welcome their suggestions on any matter that may enable us to reach a definitive and co–operative solution to pay equity complaints.

[*Translation*]

Indeed, this government wants to establish ties of co–operation and trust with union representatives in the federal Public Service. We are going through hard economic times and we must co–operate to minimize the impact on employees, while continuing to provide quality service to all Canadians.

[*English*]

Some hon. members know the Canadian Human Rights Act applies to employees of the federal government, crown corporations and private companies under federal jurisdiction such as banks and telephone companies. It covers approximately 300,000 women workers. I am confident the implementation of equal pay for work of equal value in the federal public sector will set a precedent for similar progress in industries across the country. That is why it is so important we get it right.

On this important day I am pleased to play a part in the resolution of the economic concerns of Canadian women. I am determined to help make progress toward the economic equality of women with their male co–workers. Equal pay for work of equal value is only one step, albeit an important one in achieving this economic equality.

• (1535)

I have long been appalled by the wage gap reported in an industrialized country as prosperous as ours. Full implementation of equal pay for work of equal value will not fully close that wage gap, but it will go a long way. Unequal wages do not fully explain the wage gap.

One of the major problems is the concentration of women in certain occupations which are usually low paying. Women remain concentrated in traditionally female jobs. In 1991 over 50 per cent of women in Canada were concentrated in clerical, sales and service jobs whereas just over 20 per cent of men were in those occupations. Coincidentally these happen to be among the lowest paid jobs in our society.

To achieve economic equality equal pay for work of equal value programs need to be coupled with diversification in the work choices available to women. Just as important is the need to eliminate all types of employment discrimination so that women have equal opportunities based on their ability to move into management, to move into any kind of job that is suited to their talents, their abilities and their interests.

We often hear and there have been comments to this effect in this House today that employment equity is discriminatory. Employment equity eliminates discrimination. Employment equity ensures that only one's ability matters in whether one gets hired or promoted or advances in employment.

[*Translation*]

Economic equality for women in Canada and elsewhere can only be achieved with a combination of programs such as pay equity and employment equity. I personally intend to play an important role in these fields and to challenge all employers in Canada to be models for the whole world of employers who treat their female employees equally.

[*English*]

I thank you for your attention. I compliment all my colleagues who participated in this debate today.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Madam Speaker, I listened carefully to the hon. member's speech and I was particularly interested in the whole issue of employment equity for women because I have two daughters who will be in the work force in a few years and, after the question period we just had, I was wondering what message we were sending to young people growing up when we say that the fight against the deficit is preventing us from correcting pay inequities.

A moment ago, the deficit was given as a reason for not acting and not correcting an unacceptable situation. Fifteen years ago, other reasons were given and in ten years, still other reasons will be given if we do not correct the situation immediately. So for the sake of young women now in the education system who will be on the labour market in the 21st century, could you not tell us publicly that your government's present position should be changed and corrected to put equity ahead of the deficit?

Mrs. Catterall: Madam Speaker, I have the pleasure to inform the hon. member that I too have two daughters who work in professional jobs and I hope that their future will be a little more comfortable than what the previous generation had to put up with. So we share an interest in women's future prosperity. I think that the President of the Treasury Board clearly indicated in this House that pay equity is not an option. There is no choice between pay equity and fighting the deficit. The two are separate. We are looking for ways to correct that. As I just said,

we invited the unions to talk with us about finding a solution for pay equity. I hope that they will come and meet with us to pursue these discussions in order to come up with a solution finally. We did not use the deficit as an excuse for not solving the problem.

• (1540)

[*English*]

Mr. Dick Harris (Prince George—Bulkley Valley): Madam Speaker, I listened with great interest to the hon. member's comments. For the most part I appreciate what she had to say.

I do have a concern in one area. It is when the hon. member talks about pay equity for jobs of equal value. The government is embarking on a formidable task. As I understand the proposal the government is intending to defy decades upon decades of experience where the marketplace has established the level of wages to be paid in any particular occupation.

To give an example of this, my wife works part time in a ladies fashion store in my home town of Prince George. She works very hard and puts in long hours. In my opinion she gets paid about one–third of what she is worth. Nevertheless she likes the work so she does it. I believe she works every bit as hard as an electrician for example who earns $25 an hour plus benefits.

The question is: Could that retail store afford to pay her $25 an hour if my opinion stands that she works as hard as an electrician? The answer of course is no.

This idea of trying to equate the wages a tradesperson makes with the wages of someone in a totally different job category where the wages have been determined by years of market experience is almost an impossible task. One cannot say a secretary should make the same as a painter because they are two different occupations and the level of the painter's wages has been set by the market.

Another interesting point is it seems to me when all these commissions come up with their findings they never ever say the wages in a particular category are too high and should be lowered. It is always the other way around. It is remarkable there has never been an instance in my understanding where the pay scale has been overvalued in a job and that pay scale should have been brought down to match a job of equal value. It is always the other way around and wages are raised.

I am not saying people should not earn as much as they possibly can. As a matter of fact because of our tremendous deficit and debt which has been incurred with the help of this government and the previous government people have to earn more money. The taxation levels are so darn high that the disposable income is now hardly enough to get by.

• (1545)

It is not a question of high wages. We are talking about job valuation. I believe the government is attempting to defy years upon years of market driven levels. It is embarking on a formidable task. I believe that it is going to be almost impossible to come up with a plausible conclusion to this study.

I would like to ask the hon. member if her government intends to try to defy all this history and come up with this new formula, reinventing the wheel, so to speak.

Mrs. Catterall: Madam Speaker, perhaps I can give the hon. member some specifics on this history that I think we intend to defy. Since 1978, over a decade and a half, equal pay for work of equal value has been the law in this country but it is still far from the reality.

We intend to defy history. Why should this government be exempt from legislation that applies to every other employer in the country?

We intend to defy the tradition that has ensured that women are poorer than men throughout the country; that has ensured that women are concentrated in the lowest paying jobs in this country; that has ensured that the largest percentage of single parents, women, live in poverty as well as their children. We intend to defy those traditions.

The member has commented that the market has determined these things. He mentioned a personal example. It may be fine for his wife, if he wants to bring her into the debate this afternoon, to work for less than a living wage. It is not fine for a woman who has to support her children.

Perhaps the member can tell me why a dogcatcher gets paid more than somebody who looks after the welfare of children, twice as much I might say. He might have a reasonable explanation for that.

The fact is that we have traditionally had a society in which men have done most of the money making work and in which women have traditionally done most of the unpaid work. That unfortunately has carried over into the labour market in which the work most often performed by women is seen as less valuable; in which the salaries of women have been seen as peripheral to the economic well–being of the family. For many families that is no longer the case. The exploitation of women doing work of equal value for less pay is no longer acceptable. It is not.

The market does not always establish fairness. It is up to a society to take some leadership in establishing fairness.

[*Translation*]

Mrs. Monique Guay (Laurentides): On this International Women's Day, it is with great pride that I take the floor in this House. This day set aside for us is, in my opinion, essential and it has the added advantage of providing an opportunity to reflect on the situation of women in our society.

Those 24 hours devoted exclusively to women increase the awareness of people and make us more aware of our problems—those very real and numerous problems we are faced with every day.

In a letter dated February 8 to the Prime Minister, the Advisory Council on the Status of Women provides a list of 17 priorities requiring analyses and policies at all levels of government in order to set up a framework based on equality. Equality is the operative word that we should always keep in mind when we are called upon to take a position, to make a choice, to set policies or to initiate action.

• (1550)

These 17 points proposed by the Council deal with well known areas. However, when you group them in some ways or when you try to relate them one to another, you realize that being a woman in our society is a major handicap. Job creation, safety at home and in the community, status of native women, women's health and health care, income security, wage parity, daycare services are areas where we suffer unfairness, iniquities and indifference.

As a woman member, I consider myself privileged to have the tools which allow me to protest on behalf of my sisters. Every opportunity I get, I consider it my duty to draw the attention to the situation of women. I believe all women members should do the same. Moreover, our actions within our caucuses should always be aimed at improving the condition of women.

Despite our demands and our actions, despite the efforts of women's groups, the situation is not improving very fast. The slow pace of reform and the lack of strong and specific measures to deal with urgent problems clearly demonstrate that decision–makers are very reluctant to promote women's causes.

What bothers me most with this passive and indifferent position towards women is that we are failing to respond to the legitimate expectations of 52 per cent of the population. Women are a majority in our society. Given this 4 per cent majority over men, I feel that we have an obligation to meet women's needs. Alas, in actual fact, the reality is something else entirely.

This situation brings us to question the role of women in the system. Power and representation, particularly at the political level. Our presence in legislative bodies.

First finding: 53 out of 295 members of this Parliament are women. Since 1980, our numbers have increased. We went from 17 female members of Parliament to 27 in 1984, 39 in 1988, and 53 today. It is an interesting increase but one that is clearly insufficient.

While women make up 52 per cent of the population, we only constitute 18 per cent of members in this House. On the other hand, while 48 per cent of the population is composed of men, our male colleagues account for 82 per cent of members in this House. These figures show that the current Parliament and those of the past—when numbers were even more disproportionate—do not reflect at all the male–female ratio in the population.

This underrepresentation clearly puts women at a disadvantage. It also raises the whole issue of women's political representation. Before going any further on this, I want to point out that this imbalance also exists in the Cabinet. Only 6 out of 31 ministers and secretaries of state are women. This underrepresentation also prevails in every major sector of activity. Power is certainly not in the hands of women.

Faced with this statistical evidence, this Parliament is certainly not a microcosm or miniature version of our society. This numerical imbalance, combined with long–standing male dominance, affects all women's issues. It has become imperative for us women to show our feminist beliefs and to politically represent women if we want our lot to improve.

Our male colleagues are rather reluctant to embrace the idea of representing the female population.

• (1555)

For the purposes of a study conducted in 1993 by Manon Tremblay and Réjean Pelletier, 24 elected female representatives and 24 elected male representatives were interviewed. Sixteen of the 24 women, or 66.7 per cent, agreed that they had a special or additional duty toward the female population. As for the men, more than three in five, or 60.9 per cent, felt that women representatives had no obligation to maintain closer ties with women voters.

Since the majority of male representatives believe that we, women elected representatives, should not give greater consideration to women, we can only imagine how they must view women in general. The status of women is surely not at the top of their priority list. Far from it.

I also read with interest in the 1993 annual report of the Lobbyists Registration Act that women's issues rank 42 out of 52 in terms of the number of times raised by lobbyists. In other words, this issue is not very important to them. Women's issues do not, therefore, benefit from this important access to the government. While it may be true that women's groups do not have vast financial resources, it is equally true that lobbying is a predominantly male field.

I will say no more about the ability and willingness of men to espouse women's causes. I know that some of my colleagues are not part of the statistics quoted here and are staunch supporters of our cause. However, the fact remains that on a daily basis, women are confronted with serious problems to which no solutions are being advanced.

I have no doubt that if women held 52 per cent of the seats in this House, things would be quite different. Some studies indicate that women show more humanism and develop ethics of responsibility in the performance of their duties. This concern for the person is evident from the remarks of this female member of Parliament who was quoted in the Tremblay and Pelletier report as saying that: "Our management of political power relies much more on understanding and feeling for the human element, the people, I would say, and we are more aware of the consequences of our actions—We see things differently. Our femininity comes into play and gives a much more humane quality to politics".

There should be more women in politics. It is becoming imperative, if we are to see more humanism and feminism in politics, with humanism setting the human being and human values above everything else and feminism seeking improvement of the condition of women in our societies.

When they look at the situation in their ridings, all the hon. members of this House can see that the country is in dire need of humanism and feminism. Poverty, misery, violence and isolation affect an increasing number of people. They are becoming pervasive and, if nothing is done, the process will soon be irreversible. Soup kitchens, shelters for battered women, child abuse centers, housing problems facing families, street children as well as lonely and less and less cared for older people speak loudly of unfeeling governments and their lack of regard for human values.

These serious problems did not crop up overnight. They have been around for far too long already. Lawmakers are aware of them, yet they do not act on these inhuman conditions often, actually very often, affecting the status of women. One day, it is all going to blow up in our faces. And governments will reap what they have sown.

Let us face it, and studies back up this statement, we would be facing a very different situation if more women were and had been in power. Let us have more women in power, by all means. Imagine a Parliament, the make–up of which would be the opposite of this one, a Parliament with 82 per cent women and 18 per cent men. Why not?

• (1600)

The truth of the matter is that women continue to face gender–based obstacles. That is why the Canadian Advisory Council on the Status of Women recommended the reactivation of the Royal Commission on Electoral Reform and Party Financing, with a mandate to review and report on matters raised by women groups in their briefs to the Commission.

In closing, here lies a colossal challenge that we must take on. Fundamental changes are required, and what better place than Parliament to act upon society as a whole! It is up to us, men and women who are not blinkered, to make it happen.

[*English*]

Mr. Jim Gouk (Kootenay West—Revelstoke): Madam Speaker, the hon. member who just spoke has obviously spoken with a lot of personal passion as to her feelings on this matter.

Although there have been many inequities in the past and no doubt some forms of discrimination, one cannot make that right overnight. It has been suggested that 52 per cent of the constituents in this country are women. Why do they need special concessions in order to have the amount of elected representatives proportionate to the number of people who are out there if they have 52 per cent of the vote?

It seems that women get to make these choices as well. There should be no obstacles placed in front of a candidate seeking election, male or female. However, given that 52 per cent, the majority of all the voters, are women why then do we have to provide special incentives and special clauses for women in order that they get elected?

There were some suggestions made that I heard a number of times that one has to have more women as members of Parliament since one cannot have representation for women with men since men are not able to properly represent women's issues. Does that suggest that wherever we have a riding with a woman representative the men's issues are not looked after? I think not and I would not agree with that any more than I agree with the latter.

It was suggested that lobbying is a male occupation. Lobbying is also something that is kind of looked down upon now and we are trying to cut down on the number of people who are lobbyists. Why would women want to get into a profession that we have been trying to squeeze out and put down because it is simply not one that is appropriate for this day and age of Parliament?

I would suggest that the right way for us to go is to end inequities, to give the same opportunity for all people. By all means, women should have every right to reach whatever their potential is. There is absolutely nothing that says in a free society in which there is absolutely no discrimination that there will be equal numbers of men and women in every occupation. That is absolutely absurd.

There are things that women do better than men in some areas and there are things that men do better than women in other areas because of physical attributes or because of many other different things in their make–up. I would suggest that what we have to do is be equal, give them the same opportunities. Whatever is the

proper proportion will evolve. We cannot change the system overnight.

[*Translation*]

Mrs. Guay: Madam Speaker, I would not want to be the hon. member's spouse because the relationship would not last very long.

Some hon. members: Oh, oh.

Mrs. Guay: I have full proof that a lot remains to be done before women can have their place in society, and particularly in politics. This is the only comment I will make, but I do hope that the hon. member has a wife who will teach him to respect women.

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, on International Women's Day, I want to offer my best wishes to all women in Quebec and Canada, and also to the millions of women throughout the world, and particularly in Latin America.

I especially want to pay tribute to women who are union activists, who are immigrant in Quebec, and to the women in my riding of Bourassa, in the north of Montreal, who are very involved at all levels of the political, economic, cultural and community fields.

• (1605)

Last week, I visited several community organizations headed by women, including the Centre d'action bénévole de Montréal–Nord, which just celebrated its tenth anniversary. I feel honoured to have been asked to preside the ceremonies as honourary president and I want to congratulate the director of that centre, Mrs. Josée Aubertin, for her excellent work.

I also met Mrs. Lise St–Jean and other officials representing Halte–femmes in the north of Montreal, an organization helping women who have been or who are victims of domestic violence. Halte–femmes offers these women various activities and services such as a hot line and meetings to discuss issues, escorts to court or to visit professionals, awareness workshops on violence against women, information meetings, a documentation centre, outings, special activities for immigrant women, etc.

I also want to salute the members of the Montréal–Nord chamber of commerce who had the wisdom to elect Mrs. Micheline Gervais as their president, thus benefitting from her initiative and great skills.

Allow me to mention two more organizations which are doing a remarkable job in my riding: first the Association Entre–Parents, a support group for parents in the north of Montreal, which has set up a day care centre and a community kitchen, under the co–ordination of Mrs. Louise Cossette, and second, the Impulsion–Travail Group, which under the direction of Mrs. Johanne Joly, tries to help women with work–related problems to find a job or return to the labour market.

I would also like to acknowledge the contribution of the FTQ, its labour councils and affiliated unions, as well as its status of women service. Last December, the FTQ held its biannual convention in Montreal, where I had the opportunity to speak to more than a thousand delegates.

During this convention, the FTQ approved a policy statement on violence against women, in which it mentions that, as the central labour body in Quebec, it is very concerned about the increase of violence in today's society. More and more tragedies, like the one which occured at the University of Montreal's École Polytechnique, have forced us to realize that we have to take action.

As opposition critic for citizenship and immigration, I would like to mention the significant contribution of immigrant women to the Quebec and the Canadian societies, especially those women faced with three times the challenge since they are women, workers and immigrants.

It is a well–known fact that, on average, women earn much less than men. What is not so well known is that immigrant women earn 80 per cent of the average wages paid to women in our society.

There are about 20 millions refugees in the world and 80 per cent of them are women and children. Recently, the whole world was horrified to learn that rape had become a general practice in Bosnia.

I want to take this opportunity to send a message of solidarity and, inasmuch as I can, a message of hope to those women. Today, I ask the Canadian government to be more compassionate towards the women of Bosnia who are persecuted and create special assistance programs in order to help them.

More specifically I ask the Minister of Citizenship and Immigration to accept a greater number of refugees from the former Yugoslavia and to give special consideration to women who were raped.

I would also like to bring to your attention the special problem of women who request refugee status because they fear persecution based on their gender. Unfortunately, in the Geneva convention of 1951, gender is not mentioned as a specific reason for fear of persecution justifying the granting of refugee status. But in certain countries, women are in fact being harassed simply because they transgressed some rule, regulation or religious custom which is discriminatory towards women.

• (1610)

The religious precepts, social traditions or cultural standards women are accused of not respecting vary greatly.

Canada must do more to guarantee better protection and hospitality to those women, particularly women from countries where such dramatic situations occur. I want to emphasize that this effort should be inspired by the fact that the UN declared 1994 the International Year of the Family.

Finally, I would like to raise a very serious question concerning the mutilation of women's genital organs. I strongly support the request of the Canadian Advisory Council on the Status of Women urging the federal government to show leadership in ensuring that female genital mutilation does not happen in Canada and to ensure assistance is available here to women who suffer the long–term health effects of such a practice.

Such violence against young girls and women must be vigorously denounced. It is clearly a violation of their fundamental right to physical integrity.

Several countries, including Sweden, Norway, Belgium, Great Britain and certain American States, have already taken steps to that effect, adopting policies to stop female genital mutilation and passing legislation banning the practice on their territory.

Between 1986 and 1991, nearly 40,000 people from East and West Africa settled in Canada. In view of the fact that female genital mutilation is widespread in these areas, the risk that this cultural practice is being brought into Canada is very high.

On this issue, the Canadian Advisory Council on the Status of Women made several recommendations which I want to repeat here, the most important of which is that the federal government introduce a specific law banning female genital mutilation in Canada.

As you can see, a lot remains to be done to redress injustices against women. Therefore, I salute the courage and tenacity of the women who are fighting this battle in Quebec and Canada and I assure them of my support and solidarity.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I am delighted to take part in this debate today. I want to begin by complimenting the movers of this motion from Her Majesty's Loyal Opposition. I want to say, however, that there are a few home truths that need to be reiterated on the whole question of gender equality and the topics that we are debating here today.

First of all, I want to say that in this party on this side of the House there is a history of feminism. I speak that word proudly and loudly, again and again. I think of members of this House such as the Deputy Prime Minister, such as the Secretary of State for the Status of Women, such as the Minister of Natural Resources.

I think of members such as the hon. member for Ottawa West, the member for Nepean, former members such as the member for South West Nova who was here today. I think of the former member for St. Paul, Aideen Nicholson, who was here visiting with us today on International Women's Day. I think back to the first woman Liberal to sit around the cabinet table, the Hon. Judy LaMarsh, who gives her name to a fund that raises money for women who run for public office in our party.

I am proud of the tradition of feminism in the Liberal Party. I am proud of the women I have been fortunate enough to sit with in the House for nearly the last six years. I am proud of the new female members who have joined us this time. I am also proud of my male colleagues, but today is a day to celebrate women and I want to celebrate women. Women have not had a whole lot to celebrate. The fact that we are making some small breakthroughs should not, for even the shortest period of time, allow anyone to stand in the House and suggest that the status of women in this country has achieved equality because it has not.

• (1615)

There are a number of us fortunate enough to be here today who because of accidents at birth, hard work and education have managed to make it here. There are thousands, millions of women in the country who suffer every single day from abuse, from poverty, from fear, from cold, from hunger, from things that we should not accept. Every one of us, of whatever political stripe, bears a responsibility for the fact that in a country like Canada in the last decade of the 20th century, that is still happening.

Equality will not exist until women can be free from fear; in their own homes, in their neighbourhoods, in parking garages, in the streets and in malls. Women are dying in those places. Women are being abused, and beaten, and hurt, and left for dead. There is an epidemic of violence against women that is beyond the level of tolerance in a civilized country.

I heard the hon. member across the way—I am sorry I forget her riding, but I know her spirit on this—speak eloquently about Bosnia earlier today. Women in Bosnia are being raped and beaten and degraded on a daily basis, but so are women in Canada, so are women in the United States, so are women in Britain and the European countries. It is a world–wide epidemic and we are not immune.

It is a number of years—and thank God it will probably never happen again—since men in this Chamber laughed when an hon. member brought up the question of violence against women. They laughed. I remember that. I suspect you remember it too, Mr. Speaker. I was not here at the time but I think that perhaps some of the reason for that laughter may have been nervous tension. It may have been, I hope, a total misunderstanding of the situation. That is what I as a feminist and as a member of Parliament and as a woman think is at the root of the problem; a

lack of comprehension by some men and some women. It is a lack of comprehension.

For many good people of both sexes the idea of the abuse of women, violence against women, sexual harassment, sexual discrimination, all of the things that women deal with, if it does not come up and face you, or your wife, or your daughter or your sister on a daily basis, then perhaps it is hard to understand. It is hard to know that it takes place.

Let each and every one of us who are women in this House tell you that you must begin to understand it because it is there. It is your responsibility, each and every one of you, through you, Mr. Speaker, to do something about it, not to merely mouth platitudes, not to merely say something like: "Well, it can't be true that we should have more women because men can't represent women or women can't represent men", or some such balderdash which begs the question.

Until we have a significant, and by significant I means upward of 50 per cent of women in all the legislatures in the country, we do not have true representation. It does not mean that a man cannot represent a woman or a woman cannot represent a man. It means that the way our society reacts is that if women are not there in sufficient numbers, then what is essentially a male patriarchal society decides they are not to be listened to in any louder a tone than their proportional representation allows.

• (1620)

That is not happening by accident. That is not happening because the women who sit in the House in all three parties want it to happen. It is happening because of the way all of us have been brought up. It is happening because of the way life has evolved to this point in the latter part of the 20th century.

It does not mean that we put up with it, and it does not mean that we accept it as the kind of situation that Canadians and those people who we all represent feel is correct.

Men can represent women and do on both sides of the House. Women can represent men and do on both sides of the House. But until all of us take very seriously the whole question of gender inequality, then those who do not take the question seriously, those who do not comprehend it viscerally, are not representing their constituents, male and female, to the very best of their knowledge and ability. That is what every one of us wants to do. We want to represent the people who put us here and even the people who voted against us.

The question of pay equity, the question of employment equity, the question of equality before the law, the question of freedom from fear, freedom from violence, are so basic that when I hear them discussed as debatable issues, if you will, I become very angry. That may have shown itself from time to time both in the House and outside once or twice.

The other day I was having lunch in my riding with a woman activist who happens to be black. We were discussing an article in a national magazine about racism and sexism. I said to her that a young black woman activist in the United States said that sexism made her angry but that racism enraged her. My friend said that put it about as well as she had ever heard it. She said that is how she felt. As a feminist, as a black woman, sexism makes her angry but racism enrages her. I understand that too but you take your battles and I guess you apportion your passions where best you can fit your own beliefs.

We can all understand to some degree another person's pain but I cannot truly understand, or truly experience, anti–Semitism or racism, at least in the context in which we know it in this country. I can and have and continue to experience sexism.

The other *isms*, if you will, make me very angry but I guess for me the most visceral is still sexism and sexism enrages me. It enrages me because I know the abilities, the hard work, the dedication of so many women who are voiceless; the women who raise their children, run the volunteer organizations, the churches, the PTAs, the home and school associations, the United Way, the volunteer groups all across the country. Yet all of them to some degree walk out of those volunteer offices and suffer from discrimination in the workplace. Almost all of them will suffer from discrimination in the workplace of one kind or another. Over 50 per cent of them will experience some form of violence, and 25 per cent of them will experience significant violent behaviour, usually more than once in their lifetimes.

• (1625)

We have a culture in this country of blaming the victim. We have a culture in this country of wanting to sweep it under the rug. We have a culture in this country of saying it is not as serious, it did not happen, it could have been avoided if she had behaved in a different way.

As with almost every evil under the sun, it is rooted in fear. For some it is a fear of sharing power, for others it is a fear of job loss, for a third group it is a fear of seeming to lose face, if you will, in the power structure that is the family, as wonderful an institution as it may be. In some the power structure becomes the answer as opposed to the loving family that all of us believe in so strongly.

Essentially what we are discussing today is an issue of fairness. What makes me so angry, what enrages me so much, is that sexism, discrimination against women, is unfair and a waste. It is a waste of talent, a waste of ability, and a waste of women power that could be put to work to make this country so much more than it is today.

I have been talking about this a lot in the last couple of weeks to journalists, student groups and young people across my riding and in other parts of the country. I have talked about the fact that the increase in the number of women in this House has made it a different Parliament. It is a different Parliament for a whole variety of reasons and I have talked about a certain joie de vivre among the women, certainly in my caucus, but I feel it across the way as well. We have reached the numbers if you will, not sufficient by any means, but we have reached at least a level where I believe, Madam Speaker—and may I compliment you on your first Question Period—that we have passed at least the level of tokenism. It is still not enough, we still are not representative, but we have passed the level of tokenism.

It was particularly edifying today to see you in the chair, to see all women at the table, with no disrespect to the gentlemen who occupy those seats right now, and to note that our pages in front of the Speaker's chair were for the most part all female during Question Period. It was interesting to note that with the exception of one token gentleman on the government side, the questioners on the opposition side and on our side were female.

Some people will say that is not necessary, or why do you want to do that, or why do you only do that on International Women's Day. I say, Madam Speaker, that we do that kind of thing because symbols are very important. It is important symbolically that women stand up on this day and speak for each other in support of those things that matter to us. We know they matter to men as well. But it is also important that we stand and speak in our own voices without the necessity of speaking through our male colleagues. It is important that young people—and there were a number of little sisters in the House of Commons today who were shadowing many of the women MPs—see women use their voices on a whole variety of issues, economic and social, today. Each one of us bears the responsibility of communicating to the young women of this country that this Chamber is their place too.

• (1630)

Someone once told me that she did not get involved in politics because it was not a very ladylike occupation. I agree that it is not very ladylike. I guess I am fairly glad it is not.

I heard a laugh over there. Thank you. I am not quite sure what it means but I can hazard a guess.

Mr. O'Brien: I support you, Mary.

Ms. Clancy: Thank you. We were born on the same day. That is why he does that.

The importance of politics not being ladylike is that it must be shown, however, that it is not unwomanly. This House is the place for women. It is the place for as many women who have the desire, the nerve and the ability to get here.

It is also important to note that it is the place for women who hold a diversity of views. That is right also. Just as every man in this House does not believe the same way as every other on a variety of issues, neither does every woman and neither should every woman.

There are members on the opposite side with whom I disagree most vociferously on a variety of issues. There are members on the opposite side with whom I might agree just as vociferously on certain other issues. The point is that this is the House of our nation's debate and the voices of women must be heard here and they must be heard as strongly and as passionately and as frequently as the voices of men.

If we do not pay more than lip service to this, if we do not ensure that the pathways are open for women to get to this House, then we are equally not making sure that the pathways for women are open in all occupations and professions in this country. The bottom line is that is what the resolution we are speaking to is about.

I opened my remarks by saying that I was very proud of women I have served with and continue to serve with in this House. I am proud of my party's record on the status of women. Most of all, I am proud of what we are going to do in a whole variety of areas. I am proud of the blueprints in the speech from the throne and in the budget. I am proud that my colleagues were tough enough to make the hard decisions so that this country will continue but it will also thrive and flourish because of policies.

I am most proud because I know that on this side of the House with the wealth of support for women we will continue to ensure that women are full partners because anything less is simply unacceptable.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Madam Speaker, I appreciate the comments of the hon. member opposite. I was interested in her comments regarding the involvement of more women in the House and the feeling of our population, especially the female side, that they could effectively operate within the atmosphere of this House.

I was involved with my party in the nomination process and in the election process perhaps more than some others. I am happy to report that the Reform Party was more successful in electing their women candidates than they were their men candidates, if one looks at the proportion nominated and the proportion elected.

I was also involved with the recruitment of candidates. We certainly encouraged women to seek a nomination in our party.

• (1635)

I found that one of the factors that made women most hesitant in seeking nominations for election to Parliament was the dignity and decorum of the House itself. The member alluded to the fact that perhaps the atmosphere was unladylike but that one could be womanly in the House.

I found that many outstanding women candidates were very reluctant to place themselves in a position where they would be heckled, cat–called and the like in this Chamber. They felt that they would rather assist and work for their country in other avenues.

I wonder what the hon. member opposite would give me by way of suggestion as to how we could improve the decorum of the House so that we could reduce the number of cat calls. I understand it is much better in this Parliament than it was the last Parliament.

I know sitting on the opposition side we have been subjected on occasions to a lot of hoots and hollering that even as a man I find objectionable. I have heard from many women who also find that atmosphere to be very objectionable. It has been a hindrance to their involvement in politics.

Ms. Clancy: Madam Speaker, I thank the hon. member for his question.

Actually and this is only half in jest, wholly in earnest one of the best things that we did for improving the tenor and behaviour in the House was electing a new government

An hon. member: Hear, hear.

Ms. Clancy: Okay, a little response here from these benches. Obviously the hon. member for Kingston and the Islands is not paying attention.

Very seriously, there were some very serious breaches in the last House, no question. I will not demean the honour of this House by repeating them but most of the members know the incidents that I refer to.

There were numerous sexist slurs and at least one very totally unacceptable racial slur. It gave rise to a committee that sat in the last Parliament and dealt with the questions of racism and sexism. I am extremely hopeful that the recommendations of that committee will be coming forward as part of a reform package in the House of Commons.

I would like to make another point because I am a very strong believer in the value of debate, of reasonable but not necessarily totally cool debate. There is a place for passion in the deliberations of a nation. If a member on the opposite side makes me angry, I should display that anger, always within the bounds of the decorum that this House deserves and needs.

I recall my good friend and colleague, the hon. Parliamentary Secretary to the President of the Treasury Board, saying at one point in the last House that he would take any insult as long as it was gender and race neutral. There is a tradition coming down to us from the Mother of Parliaments and the tradition in this House of salient debate, of back and forth between members that can add to the whole tenor of the debate if you will. I agree with the hon. member that cat calls and what I can only call dumb stuff is not part of that.

However I would not for an instant want to see us so bland that we would not respond with fairly strong language, not insulting, never racist, never sexist, never pejorative, but there is a place for saying that one thinks that is a pretty dumb thing to say and that that member is going to therefore say it is a pretty dumb thing to say. Maybe the word dumb is unparliamentary. I am not certain.

Mr. Milliken: No, it is not.

Ms. Clancy: Thank you. Pious windbag—

Mr. Milliken: Oh no. That's not good.

Ms. Clancy: That is not good. I am just using these as examples.

I would not want us to totally iron out our debate if you would. There is a place for the proper use of the English and the French languages in all their majesty in this House with their use of insult as well. I think there is a place for that.

• (1640)

With regard to recruiting women, I was very involved in that process in my party. I am delighted that we were so successful. I think that the language was certainly part of what would have precluded many women from thinking that they would run. However, there is more to it than that. There is more to this being user friendly for women than just the language in the House of Commons.

Sometimes a devastating personal attack can take place in this Chamber with language that one could use in the pulpit of any church in this land. It is not merely what is said. It is how it is said, who is saying it and how it is delivered. I guess I would say that the women who sit in this House, be they Liberal, Bloc, Reform or independent, are probably not frail flowers in the long run. I would suggest to members that any one of us on either side of the House could take anything thrown at us and probably lob it back with pretty good response.

That is not what we should be about here. However, women have to understand that it is incumbent upon them to be here to ensure that the level of debate stays high and does not pander to the kind of thing that we are talking about. If they do not come at all it is never going to happen.

[*Translation*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I believe that there will be unanimous consent for passing two motions.

[*English*]

I move:

That, if a division on the budget debate is demanded on Thursday, March 10, 1994, the vote on such motion shall be deferred until Wednesday, March 16, 1994 at 6.30 p.m.

Second, I move:

That, on Wednesday, March 9, 1994, the House shall continue to sit past the ordinary hour of daily adjournment for the purpose of completing consideration of report stage and third reading stage of Bill C–3, an act to amend the Federal–Provincial Fiscal Arrangements and Federal Post–Secondary Education and Health Contributions Act; and

That, if a recorded division at third reading be demanded, the same shall stand deferred until Thursday, March 10, 1994 at 10 o'clock a.m. provided that the time taken for the bells and the vote, if any, shall be added to the time provided for government orders in the same sitting, and the ordinary hour of daily adjournment shall be extended accordingly.

(Motions agreed to.)

Mr. Art Hanger (Calgary Northeast): Madam Speaker, I appreciate this opportunity to speak on International Women's Day to a motion by my hon. colleague to the right which reflects the decidedly left wing politics of Her Majesty's Official Opposition. Despite the good wording of this motion and the good intentions of my colleague, the implications of this statement in public policy are not entirely positive.

For too long in this country debates over equal rights have been confused with demands for special treatment. We have seen emerge a special language of rights, a language which uses the vocabulary of rights along with the good intentions of those who began Canada's tradition of human rights, to further narrow political interests.

While the intentions of people like my hon. colleague may be good, the road to hell is paved with good intentions. The words rights and equality have been stripped of their old meanings. Whereas one used to know that a right had been violated when, for example, one was put in jail without cause, now many feel that a right has been violated when two people with different resumés, different lifestyles or different biologies do not earn exactly the same income. Whereas the right of equality used to mean the right to be subject to the same laws as, for example, members of Parliament, now the right of equal treatment is taken to mean that each Canadian should receive exactly the same amount of government subsidizing.

● (1645)

While intentions of the social planners and the lobbyists who push for changes in our political vocabulary and the alteration of our political traditions do on the surface display a genuine commitment to the common good, the net effect of their political actions are limiting of freedom, the strangling of private initiative and an attack on the very diversity that is cherished and demanded by the left.

A first broad reading of this motion reveals only a vague purpose. What one needs to do is look at each demand that this motion makes and examine what the real impact of these demands would be. First, the motion demands that this government recognize the principle of economic equality. If we accept that men and women must achieve perfect economic parity, then we have moved beyond equality of opportunity and into equality of result. This motion goes beyond equality of opportunity since equality of opportunity and equality under the law is guaranteed by the charter and by Canada's common law tradition.

That is not good enough for some. For some equality of opportunity really means that minorities, including women, despite the fact that women account for more than 50 per cent of the population, are being systematically singled out and are being restricted from achieving their fullest potentials.

Who is perpetrating this oppression? As usual white males are the culprits of choice. It is said that white males are institutionally advantaged and are maintaining their advantage in the market by excluding others. It is claimed that government programs are being unfair to minorities by not adequately dividing up the pie of federal revenues in a way that ensures the maximum equality of as many people as possible, especially women and visible minorities.

Do these all boy networks exist? Perhaps, but so do female networks and minority networks. Is there a failure of social programs to redistribute wealth in a manner that creates total equality of condition? Yes, and that is as it should be. Social programs were created to act as social safety nets and nothing more. When government makes a decision to change the mission of its programs from safety nets to tools of social change then we have moved away from democracy, given up freedom and sacrificed liberty for the sake of pie in the sky equality.

Is this the price we want to pay for economic equality? I do not think so and I am confident that the vast majority of Canadians do not think so. I am just as sure that there is a contingent of very active, very vocal and very misguided lobbyists and politicians for whom equality of opportunity is not enough. Those people have had their perceptions of reality so clouded by ideology that they cannot see beyond the trees of good sounding intentions and into the forest of an authoritarian welfare state.

Next, this motion asks government to ensure equality of employment, salary and living conditions. How exactly can government achieve such noble sounding goals? I am sure the sponsor of this motion has a plan of action in mind and this plan of action undoubtedly includes a redistribution of wealth, hiring practices that discriminate against one group to make up for the alleged discrimination of another.

Government could legislate pay scales. Government could pass a law requiring free housing to be made available for all women. Would these measures work? Would they achieve equality? Yes, in a way. For if government were to engage in this kind of social and economic engineering the result would be a form of equality. We would be equally burdened by poverty as government saps the initiative of entrepreneurs and the capital of business. We would be equally deprived of liberty as government regulates more and more into our lives. We would be free from having to make moral and responsible decisions for ourselves as government in its wisdom takes that decision making power away from us.

• (1650)

While it may not be apparent to my colleague in Her Majesty's Loyal Opposition, there is an alternative to the equality that comes from massive intervention in all areas of human endeavour. The alternative is equality under the law, equality that comes from equal protection by government from true threats to personal achievement and success.

Canada used to be committed to this vision of equality. Canada used to be a nation in which all individuals were free to participate in the workforce, to succeed economically, to start and develop a strong family unit and enjoy the security, freedoms and equality that come from a good job that can support a strong and intact family.

That vision became unacceptable to the intellectual and political elite in Canada. For the last 20–odd years our elite have been more interested in pushing an agenda of radical change than an agenda for preservation of what works.

An example of what works is creating equality under the law by ensuring that the criminal justice system is able to effectively protect all people. What use is it to demand the right to equal pay when women are afraid to walk the streets alone? What good is it to try to create equality in housing when women often live in fear of abusive partners?

It seems to me that our priorities have become very confused indeed. Further, Canadians are increasingly becoming aware of the inability of government to take over the roles that have been traditionally played by the family. Government, as a result of the very initiatives that are proposed in this motion, has tried to adopt the role of primary parent, primary guardian of children and even principal breadwinner for many families.

What has come of this?—an over burdened and bloated government, children who are neglected in government subsidized day care rather than being taken care of by parents.

Parents today often have to leave their children with caretakers because taxes take so large a bite out of salaries that one pay cheque is no longer enough to support the in home care of children by a parent.

Again, there is a degree of equality being forced upon us here, an equality of mediocrity, an equality of fear that our justice—

The Acting Speaker (Mrs. Maheu): I am afraid the member's time has expired.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Madam Speaker, I have a reality check that I would like to bring in. It may well be that a lot of women, and I have said it myself and I could not agree with the hon. member more, are unsafe in their houses.

That does not mean they should live in houses that are unsafe in and of themselves. It does not mean that we should merely fix one problem to the exclusion of another. It does not mean that if we solve crime in the streets we go on to solving the problems of poor housing.

One of the difficulties of governance is trying to solve more than one problem at a time, lest as we throw out the bath water we are also throwing out the baby.

Those of us on this side of the House, those of us who call ourselves feminists, are also proud to call ourselves people who believe in families. I have a family. Most of us have. I love my family and I believe deeply and passionately in the family.

I have another reality check. This may come as an overwhelming surprise to some people. Women work because they want to. They work because they like to, because it gives them personal satisfaction. They work because they often need a second pay cheque but one can be a working woman and be a good mother.

My father had the bad grace to die when I was seven years old and my mother went out to work to support the family which would probably be acceptable in certain circumstances. Let me say very strongly that my mother, who was a very good mother, loved her job. She enjoyed going out and working. God knows her only child grew up to be a member of Parliament which in some cases may be tantamount to ending up in jail but she thought it was a fairly successful resolution to the bringing up of her only child.

Most of my friends, practically all of my closest friends, classmates, women I went to school with, both work and have children. Their children, contrary to the opinion of some people, are not on crack cocaine or robbing stores or doing any of these things. One of them is taking a course in western civilization at the Sorbonne. Another one is in first year medical school and is

also holding down one of the first SSHRC grants ever to be given to a young student. His mother worked from the time he was an infant.

• (1655)

Their name is legion, the mothers and children in this country.

Madam Speaker, I believe you raised four sons. My God, I believe you also went out to work.

It is time we rid the myth that working mothers are responsible for the social problems in this country. Right now the vast majority of women, mothers of families, work because they have to to maintain a certain standard. That is true. They do not work for the colour televisions and the trips to Hawaii, they work to make sure that their families have the standard of living they deserve.

Every woman has the right to self–fulfillment. She has the right to go out and earn a living. She has a responsibility and it is usually shared with the father of those children, if he happened to stick around. In most cases they do stick around and go to work as well and they do good jobs.

I am told my time is up and I hope that this will be the last paid political announcement from this side.

Mr. Hanger: Madam Speaker, I believe that mothers should have a choice. I never said that they should not. They should have a choice to work. I also believe they should have a choice to remain in the home. I believe that opportunity is rapidly diminishing. I think this is where the government comes in. Its intended expenditure over the next years is going to put greater demands on the family, on mothers and on fathers. It is here that I believe the choice is going to be lost.

In reply to this equality balance, I believe that it is diminishing whether we like it or not. Governments should quickly do something about it and can do something about it in this Parliament.

Mrs. Diane Ablonczy (Calgary North): Madam Speaker, this is a very interesting debate and I congratulate the members of the Official Opposition for raising these issues. They are very important to society and should be properly examined. Sometimes they generate more heat than light, but I believe the quality of the debate today was very good.

I think the principle we are talking about today is important, one of equity and equality. It is something clearly that many members of this House, probably all members of this House, believe in very passionately and very fundamentally. I think it is sometimes in the interpretation of how this can be delivered that we have different ideas and legitimately so.

The Reform Party has proposed an amendment or an addition to the motion before us. Measures to support the desired outcomes that are set forth in this motion will be provided, will be delivered through providing equality of opportunity without resorting to gender discrimination. I believe that is an issue worth thinking about and worth debating.

The Reform Party does advocate equality of all Canadians regardless of gender. It also supports equality of opportunity without demanding equality of outcome. These are difficult concepts sometimes because they might seem mutually exclusive.

As Canadians we need to decide what kinds of personal choices and freedoms will play a role in what decisions and policies we put in place.

• (1700)

Individuals have the right to make choices for themselves. It enhances their dignity. It is sad that many men, women and children in our society who do not have the same freedom of choice live in very disadvantaged conditions. When these disadvantaged conditions are predicated solely on gender, age or ethnic and linguistic background, it is something we ought not to tolerate. Those kinds of distinctions should not determine the choices or opportunities we have.

Sometimes we simply do not make good choices. It has nothing to do with gender or any other kind of background. Our own involvement in life if you will has brought about those results. I sometimes wonder whether those choices should be corrected and compensated by the hard work and money of other people simply because those making the choices might happen to be women or in some other category seen to be disadvantaged.

We should help those people who need it, those who are truly unable to help themselves or have suffered misfortune. That has been a product of civilized society for centuries. However we must be careful in asking for special protection or special consideration based on things like gender. It could amount to an admission of inability to succeed on a level playing field with other members of society, to make good choices, to advance through competence, diligence and hard work, experience, learning and correcting our mistakes.

It is unfair to women to say they somehow cannot compete on that level. It is unfair to say that because of that they must be provided with extra money because someone has decided what they are doing is just as valuable as what a higher paid individual is doing, or someone has decided they must be given a particular level of housing through public contributions. It is untrue that women in this society through their own competence, ability and hard work are unable to provide these things for themselves and their families.

There may be issues that society needs to work on to make sure that women are not unfairly disadvantaged. One example is a woman being left with child care responsibilities when the other parent sails off into the wild blue yonder without carrying

those responsibilities. However, that is far different from setting artificial standards and saying that no matter what you do, no matter what your level of effort, no matter what your level of input, no matter what choices you make, other people are responsible for giving you those things. That is unfair and unwise in our society.

Others have mentioned Agnes Macphail, the first woman ever elected to Parliament. I have been reading some of her speeches. Like many women in this Chamber today, she certainly was no shrinking violet. She summed up her attitude toward the subject of today's debate with these words: "I want for myself what I want for other women, absolute equality". That to me says it all. Equality is not other people suggesting that women cannot make it on their own and therefore they have to be given a lift or a leg up any more than we would do for any other member of society. Yes, we should do that for people but not because they are women or because they are from a particular linguistic or cultural background but simply because we help each other as members of society.

• (1705)

When we look at today's amendment and our support for it, it is very important to establish a decision and a deliberate policy of not making gender discrimination. When we help members of society and when we decide the level of support we give to people, that decision must be based on need and not on other identifiable characteristics.

We ought not to compartmentalize society into different groups and marginalize people based on physical characteristics. We should deal with the issues that affect and hurt us all, that cause us pain and dislocation and that have broad implications for everyone in society. We need to treat them as people issues, as issues that are important to us all.

I urge this House to support the amendment we put forward.

Mr. Julian Reed (Halton—Peel): Madam Speaker, I have listened to the last three debates with great interest.

I heard the passionate debate by the hon. member for Halifax pointing out that the struggle for equality and the struggle for the ability of women to freely make their decisions are not finished yet. I listened to the hon. member for Calgary Northeast whose vision of this motion seems to be that the socialist hordes are waiting outside the door ready to trample a civilized society. Of course, the most recent speaker tried to inject some fairness into the whole debate.

I would like to tell a little story which exemplifies how slow this process has been over the years. I had the privilege of growing up in a household with a mother for whom equality was taken for granted. She was a modern language teacher educated in Paris during the 1920s when that was not supposed to happen. Her sister, my aunt with whom I talked about an hour and a half ago is a retired anaesthetist.

There was no question of income equality or gender discrimination. They were both at the top of their fields. They did what they did and were the very best at it. They were pioneers. The reason they achieved what they did was because their mother understood the importance of seeing they got an education to the utmost extent of their ability. They had the ability to make their own decisions freely and clearly then without being shackled by the things which are presently holding women back. That process has been very slow. If we do not make some kind of change or some kind of move we may be looking at the same kind of evolution 50 years from now.

A motion like this does not develop a gathering of the socialist hordes. Rather it recognizes that women who are on the move need to have the freedom to make those decisions on their own. Hon. members will be able to relate to many situations right now of women who are precluded from deciding their futures on their own terms.

• (1710)

Does the hon. member not agree with the necessity of being free to make decisions? Does she not agree that all women do not yet have that capability and that perhaps we in this House have some opportunity to advance their cause?

Mrs. Ablonczy: Madam Speaker, I thank the hon. member for his comments. I believe we think in the same way. I would fight to the death for freedom of opportunity and to have equal respect with anybody in this House, in business, in the professions and in society. That is a fundamental entitlement to any individual.

It is probably not true to say we all have complete freedom to make decisions. There are a lot of limits on the decisions we can make as individuals in this society. We have to recognize that and live with it. Gender or physical characteristics should not limit our freedom to make decisions.

More than any other country Canada has tremendous freedoms and we should be proud of that. As women we have demonstrated we can contribute significantly in all levels of society on a level playing field. Abraham Lincoln said that if you have what it takes, people will take what you have. It is pretty clear in Canadian society we have a tremendous opportunity no matter what our gender is to bear the truth of that out.

We must give people those chances and the results will speak for themselves.

Mr. Pat O'Brien (London—Middlesex): Madam Speaker, first may I join the other members in congratulating you for presiding over Question Period for the first time today.

On this International Women's Day it is my pleasure to stand proudly as a Canadian man and member of this House of Commons to support the opposition motion. After a couple of the recent speeches I hardly recognize the motion as was said earlier by one of my colleagues. What we are actually speaking to is:

> That this House urge the government to recognize the principle of economic equality between women and men and to implement measures, in areas of federal jurisdiction, to guarantee women equity in employment, wages and living conditions.

The hon. member for Calgary North quoted a famous Canadian woman. The key word was equality and that is the key word in the motion. Yet we hear fears from members opposite particularly I am sad to say from certain members of the Reform Party.

We hear fears about quotas and these artificial numbers that are going to be set up to guarantee women these opportunities. I do not read the word quota anywhere in the motion in front of us and I do not read it in the amendment proposed by the Reform Party.

I share the view that frankly it seems some members opposite do not understand the motion before us. I do and I am going to be very pleased to support the motion when the opportunity comes.

The hon. member for Calgary North mentioned that certain issues may have to be dealt with concerning equal opportunity for women. I would suggest the word to use is not "may". A number of problems still exist in our society that need to be addressed. I would like to take a few minutes to give an overview, as I see it, of the barriers that women face in 1994.

• (1715)

The biggest barrier is an attitudinal one. We can see this in the history of this country. During the Olympics we all very proudly recognized and applauded the efforts of Canadian women and men in winning a number of medals and in conducting themselves so wonderfully on the international athletic stage. We need look no further than the sport which attracts us so much, ice hockey, and the fact that for a long time it was seen as strictly a sport for men.

I come from something of an athletic background. I cannot help but make that reference. Hockey was not for girls. It was thought to be too rough and too fast, which is nonsense. The fastest growing amateur sport today is ice hockey for women; for girls, young women, and women of all ages. I am sure that Madam Speaker is probably very adept on skates out on the canal, as I would like to try to experience myself. One needs go no further than that particular sport to know a myth has been debunked very effectively by Canadian women who have won world championships in hockey the past several years.

Another major problem is that of behavioural discrimination. We have been taught too often that boys must be aggressive, tough and outgoing but girls must be passive, docile, "ladylike" and not get themselves dirty and be involved in aggressive activities, athletic or non–athletic. That is a very destructive attitude and it is one that as a parent I have done everything possible not to inculcate in my own three children, and my wife has been very supportive in that.

The right to vote is worth reconsidering. It was not until 1918 that women got the right to vote in federal elections. We heard earlier some members of the Bloc castigating the government for the fact that it is not doing enough to assist women. Sadly I have to recall for all members of the House that the last province to give women the right to vote was the province of Quebec. I know that province has come way since that time, as we all have, but I do not think there are a lot of lessons for the government to learn from members opposite, some of whom unfortunately appear to be a little ignorant of their history around women's issues and the right to vote.

Before I was honoured with election to this House I was in the field of education. It is a historical fact, unfortunately, in Canada and in many countries that there has been significantly less encouragement of girls and women to pursue their education. All too often that has been sad reality.

There has been the myth that young women could only pursue certain fields of study, that somehow they were not equipped to go into particular areas that were somehow reserved for men. It has been a very negative attitude and one that has been very limiting to women in Canadian history. Thank goodness it is fast finding its place in the reality ash heap where it belongs. It simply bears no semblance to truth.

I would like to talk about employment opportunities for women. I recall there have been and still are unfortunately some very real barriers. We all know about the language referring to policeman and fireman. We are making very important strides in changing this kind of sexist language. As a city councillor I well remember in London, Ontario, just a few years ago supporting a motion to do away with the historic term "alderman" and to go with the more neutral term of "councillor". We heard the wails and the cries from some people that we could not change the historic term "alderman" and that somehow the heavens would fall down on us. That was silly. Now it is very commonly accepted and the more appropriate term is in place.

• (1720)

My municipality of London, Ontario very recently hired its first female firefighter. This is the appropriate term for such persons. We can see that firsts are being made every day in our

society and they are a long time overdue. There are, not may be, real employment limitations still on women in our society today.

What we need is a revolution in our attitudes as a Canadian society about what is the proper place of women. I am very pleased to have seen and heard reference to the statement that the proper place for women is in the House. I am sure everyone has seen that. It is under a picture of this Chamber. I applaud that and got a great kick out of it, as I am sure most men have. We know that women should have every opportunity and certainly have every ability to represent Canadians just as well as any other person. It should not be a factor of gender, race, religion, et cetera. Very slowly we are coming around to some of the attitudinal changes that are needed.

It is a sad reality that women are too often working only in clerical, sales and service jobs. In 1991 over 50 per cent of working women were in these jobs, whereas for men that figure was only 30 per cent.

Again I say it is not that there may be limitations on equal opportunity employment for women. Anyone who looks at the reality knows there are limitations that have to be addressed and finally are being addressed. The government intends to move forward very aggressively in that regard.

I am sure we all accept that by and large women bear much more the responsibility for the Canadian family. I well recall my own mother being the backbone of our family. I pay tribute to her for her love, courage and support of our family over the years. My wife shoulders more responsibility for our family than I do. She is making a sacrifice as many of the spouses of people in this House today are, male and female spouses both.

In my case, my wife is making a significant sacrifice and is taking on greater responsibility so I can have the opportunity and the privilege of serving the people of London—Middlesex in the House of Commons. I thank her for that and I appreciate the sacrifice. This is normally the role that women find themselves in. The sacrifices in the interests of the family far more often come from women than men. That ought not be made light of. It ought to be acknowledged as a reality and ought to be appreciated for what it is.

My wife and I have two sons and one daughter and it is very important to us that they be treated equally and encouraged to live their lives fully with no restraints based on gender for any of them. I heard hon. members earlier today express that was their experience and I applaud that. It is certainly the experience that we were trying to make sure our children live. However, all too often it is not the Canadian experience and we have to do more in that regard.

I come also from a municipal councillor background, as I mentioned earlier, and it is a sad fact that single parent families, by and large, are led by women. In 1991, 62 per cent of women–led families were below the poverty line. That is an incredible number, an unacceptable number and it has to change.

One need only look at the media to recognize that they fall far short of the mark in trying to make an attitudinal shift toward this issue. There is little interest shown in the activities of women in the media. I well remember many times, women's athletic teams complaining that they were not getting equal coverage. All too often I recall women councillors on city council feeling that they were somehow not receiving fair treatment. These were not exaggerations; you really had to support what they were saying because the reality was there for all to see.

• (1725)

On the issue of pay equity, women receive on average 72 per cent of what men earn. I would think that anyone who is fixated on financial matters, as my colleagues from the Reform Party are, and that is not necessarily a bad thing, how can they then not realize there is a pay equity problem is beyond me. From some of the comments I heard earlier it seems to be getting by some of the members, and I just do not understand how it can.

The issue of violence against women is a huge problem in the country today. The issues of family violence and sadistic pornography need to be addressed now.

When Canadian women cannot feel as safe as men on the streets, then obviously there is a problem. When your feeling of safety and your real safety is different because you are a woman, it is a national problem that needs to be recognized as such and should be addressed.

The question of political leadership has been raised several times by previous speakers. I fully support the fact that we will see more women as members of Parliament over the next few years. It is a very positive step that we have record numbers of women in the House right now. Our party has done everything it possibly can to ensure it takes place.

Only by aggressive action are we going to address these issues. I am proud, as a Liberal member of Parliament, to be a member of a party that appointed the first woman Speaker to the very seat that you occupy now, Madam Speaker. The first woman Governor General, the same woman, the Right Hon. Jean Sauvé was appointed to that position by a Liberal government. The same Right Hon. Madam Sauvé is being honoured today, as we all know, by the issuing of a Canadian stamp in her honour.

Many, if not most, of the first actions taken by governments in Canada to advance the cause of women I am proud to say were taken by Liberal governments. On our side of the House today we see the Deputy Prime Minister several cabinet ministers who are women.

Strides have been made, but further change will only be made by aggressive action by political parties and all Canadians who sincerely believe that this issue has to be addressed, that it is not going to go away and solve itself. As was mentioned earlier,

fully 50 per cent of appointments by the Liberal government since the election to various positions have been appointments of women.

It is important we encourage women of all ages to reject limits on their full and equal participation in our society, including governments, maybe especially governments. Canadians of all races have found out that the way to stop discrimination is by getting hold of the levers of power. My background is Irish Canadian and Irish immigrants to Canada found that out. Immigrant groups throughout our history have learned that lesson: You stop discrimination by becoming those who make the laws. Women are learning that lesson and I applaud that. I hope to see far more than 18 per cent of members of Parliament as women MPs some time in the near future.

I am pleased that one of the members of Parliament is part of the London, Ontario Liberal MP team, the member for London West. It is important that a full co–operative effort be made by men and women members on all sides of the House to work together to improve the decorum of the House, which I think is better but certainly could still be improved. In the various committees and in all the responsibilities of a member of Parliament it is very important that a teamwork approach be taken and that women members be fully included as equal partners because they are. They have been equally elected, they are equally talented and able, and it is very important we conduct ourselves in that way.

I can only relate to my own experience in 13 years of municipal government. Some of my best supporters and workers in campaigns were women. It has been my pleasure to encourage and help several women to run for office in London and I intend to do that again this fall when our municipal elections are held in Ontario.

• (1730)

It is important that we realize that politics and government is not a profession somehow limited to men. No profession should somehow be reserved for men. Unfortunately, that still is the case in the minds of many Canadians.

Our Liberal red book has made important commitments and our government has started to see these through already; the need to ensure equal opportunity for women, a strenghthening of the employment equity act, the need to do more in the area of research for women's health care. It is a fact that women's health care has been short–changed in funding. The red book addresses that need and the government will see that commitment through. There is a need to do more in the area of child care, a need to do more in the area of small business where women are twice as successful as men. That is very important. These are all red book commitments that I am proud to say this government will certainly see through to fruition.

In closing, I say that we need some changes and we need them now. We need changes in societal attitudes. We need changes in law. We need changes in government. There are problems and we must find the solutions. I want my daughter and all Canadian young women to have every opportunity just the same as my two sons, the same opportunity to pursue whatever career they want in this country with no restrictions, no limitations. Only then will we really fully realize our potential as a nation.

[*Translation*]

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Madam Speaker, I listened carefully to my hon. colleague who provided a detailed presentation of the many problems faced by women. I was surprised to hear him say, in reference to some of my colleagues' remarks, that this government did not have to take any advice from the Official Opposition, if I understood correctly, since Quebec was the last province to enfranchise women. I want to remind my hon. colleague that the right to vote, both in Canada and in Quebec, was won by women who valiantly fought for it and that it was men who granted that right.

Of course, in those days, Quebec was going through what historians called the dark ages, but I want to point out that since 1960, since the quiet revolution, Quebec has progressed by leaps and bounds, to the extent that impartial, and often enlightened, observers recognize in Quebec a leader in many areas.

Since today is International Women's Day, let me highlight a few measures in favour of women, such as the lump sum payment at birth, the preventive withdrawal of pregnant women from the workplace, and the right for these women to receive their salary in the meantime. There are many more measures I could tell my colleagues about, but I am sure that other members have comments to make. So, in conclusion, I would add that the day Quebec holds the reins of its destiny, women there will receive their faire share in accordance with their contribution to society.

[*English*]

Mr. O'Brien: Madam Speaker, I did not hear a question but I still appreciate the hon. member's comments. I am glad that I was correct and I am sure I was in relating the fact that unfortunately Quebec gave the provincial vote last to women. I did not say that as any kind of a condemnation of Quebec. I am very fond of visiting Quebec. I have many Quebecers as friends and I hope to always be able to go to Quebec. It is a very lovely part of this great country we call Canada.

I am pleased that there have been strides made in Quebec as there have been in other provinces.

• (1735)

My point is that when one points a finger, as unfortunately a member of the Bloc did a little earlier in the debate, that is not being careful to regard the whole scope of our history. We should be a little more sensitive to the fact that all parts of Canada have been negligent in this regard. All parts of Canada are moving forward. I am pleased that Quebec is as well.

Mrs. Jan Brown (Calgary Southeast): Madam Speaker, this indeed has been a very long day. I have sat here for many hours listening to this debate. I have been quite impressed on all counts and the hon. member's comments are well received by myself.

I wish to ask the hon. member a specific question regarding pay equity. I stand here proudly as a humanist. I am not a feminist. In that view I present this question to the hon. member.

The whole pay equity issue is tied to the fundamental debate behind equal opportunity of employment. I cannot understand how we can separate the pay equity issue from several things, and I am going to mention these to the hon. member. Then I am going to ask how the hon. member can exclude these expectations from the whole concept of pay equity.

Our party, the Reform Party, believes that the improvement of education is a key to accessing an employment opportunity. One does this by giving greater priority to the development of skills, particularly those that provide for future job flexibility. That is my first point.

My second point is on the emphasis of individual achievement. Employers must treat people, that is men and women, as individuals in all phases of the recruitment process based on their merit, skills, capacities, and experience in order to fulfil a job function. It cannot be on the basis of one's gender.

I will leave with that and I ask the hon. member to respond.

Mr. O'Brien: Madam Speaker, the hon. member is making the point that there ought not to be artificial quotas imposed in order to level the playing field, if you will. I can support that.

We can achieve equity in opportunity without doing that. I fully agree and support several women MPs whom I have heard in the House that they want to be treated and regarded as an equal and that in getting to their spot in this place they sought support on the fact that they were the best candidate, not that they were a woman. I fully support that.

The issue of quotas and pay equity are separable, and I can address it this way. There have been a number of surveys done that would show that a man and a woman doing the exact job, even in some cases in the same firm in the private sector, with the same qualifications were getting a difference in pay. I can let members imagine who was making the lower pay.

My background is education. A woman as qualified as I was when I was teaching with the same years of experience was guaranteed the exact salary. I would not have it any other way. Unfortunately it is not that way in many cases still in this country.

I would share with the hon. member at another time if she wishes some of the studies that prove that sad fact.

Mr. Dick Harris (Prince George—Bulkley Valley): Madam Speaker, I listened to the comments of the hon. member.

It appears perhaps that a little earlier he missed the point of some of the things that some members of the Reform Party were saying. So that the point is clear, I would like to state again that the Reform Party members have continually today applauded the achievements of not only the women MPs in this House, but the achievements of women throughout history, not because of the fact that they are women but because of their achievement in the same ways that we would applaud the achievements of men.

• (1740)

I want to make that very clear. We do not distinguish by gender the magnitude of the achievement but rather the achievement itself.

I would like to go back to some comments that the member made earlier in regard to some of the names we give to people in the workplace, such as policemen. He made a comment on that. He indicated that he found that term objectionable. I would like to ask him and maybe he could reply if he finds the term policewoman objectionable as well or should we be calling the person a policeperson. We could get carried away with this in the same way there is a suggestion that we begin to call manhole covers personhole covers. Where does it end?

Even in this House we differentiate between the terms Mr. Speaker and Madam Speaker. Does the member find these terms objectionable?

I talked about quotas earlier and certainly the government has not made mention of quotas. Let me say that the affirmative action groups in the U.S. began in the same manner. They did not mention quotas. They used terms like pay equity and job equity. In fact they were talking about quotas. That was their hidden agenda. That agenda would not fly in the early days so they chose to use softer, gentler terms.

The Acting Speaker (Mrs. Maheu): The time has expired, but the member for London—Middlesex may want to give a brief response.

Mr. O'Brien: Madam Speaker, I would because the hon. member has raised some very important points. I will try to be brief. It is tough to do. He has raised several points.

It seems to me in listening to the debate, with all due respect, that the Reform Party's premise is that there has not been discrimination in Canada against women. That seems to be its premise. That is absolutely and totally incorrect. I do not know how any reading of Canadian history can deny that fact.

Therefore when there has been discrimination there is an onus on society to be proactive in trying to address that discrimination. That is why this party has been very proactive in trying to find women candidates and help them raise funds to do the nitty–gritty things that you have to do to become a member of Parliament.

The hon. member does not know me well or he would not suggest that I am an extremist on language. Far from it. I would find ridiculous personhole covers and so on. I do not find ridiculous the fact that some of my former colleagues on London city council, female colleagues, were uncomfortable with the name "alderman". I was at groups with them. There was no problem in introducing me as an alderman but the person introducing the female alderman and the woman being introduced were both uncomfortable. Hence the better name councillor.

I would say to the hon. member that perhaps firefighter is a far better term that fireman. It can in some case give a wrong signal to women that somehow this is not a profession for them. That is absolutely and totally the wrong message that we want to send in my view.

I thank the hon. member for his comments.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): I rise in the House today to reflect as a man on the various emotions and feelings that are set off by this kind of debate. There is joy and pride but also a sense of urgency when we reflect on the injustice suffered by women and their long struggle which is not over yet and must be taken up again every day.

I want to share this realization with my colleagues, with the women in the Bloc Quebecois, and I also want to salute all women and show my solidarity with their cause. I particulary want to salute our differences as men and women, our different ways of seeing, of feeling, of looking at problems, of approaching life and the joys it offers us. And I especially want to salute the women of the Eastern Townships whom I have met on many occasions in various organizations, and also the women in my riding who are very active in all areas as they usually are in our society. I want to salute all the women who were elected to the House of Commons, and especially my colleagues in the Bloc Quebecois. And I also want to say a special word to my women friends, whose friendship and understanding I have valued for so many years. Finally, I want to salute the love and understanding of the woman I cherish, and the birth of a child conceived in love.

• (1745)

In today's debate which is about women and women's rights on International Women's Day, I believe that men can bring to this debate an element of solidarity with all women.

In the course of my speech I would like to mention a few key moments in the history of women. I would like to start by saying that we have come a long way since March 8, 1875, when for the first time in North America, women rose up against male capitalism and went on strike, and I am referring to the garment workers strike in New York.

Since then, a series of laws have been passed, especially during the past 30 years, to promote women's equality in the home and in the economic, political and public spheres of our society.

In 1893, the first feminist association in Quebec was established: The Montreal Local Council of Women. After 14 years of struggle on the part of suffragettes, women obtained the right to vote in Quebec in 1940. The Fédération des femmes du Québec and the Women's Association for Education and Social Action arrived on the scene in 1966. International Women's Day was celebrated for the first time in Quebec on March 8, 1972. The following year, Quebec's Conseil du statut de la femme and the Canadian Advisory Council on the Status of Women were created. During the 1980s, Quebec women moved confidently into various fields of endeavour. Buoyed by the experience of the women who came before them, they demanded that they be given a place in all sectors of activity traditionally reserved for men.

For example, not so long ago, it would have been unthinkable to have women practising certain trades or professions. Sexism was so prevalent that women were literally prevented from holding certain jobs which, more often than not, also happened to pay more. The fact that women today work in fields which were once the traditional domain of men is undoubtedly a major victory in the struggle for the recognition of women's equality. This victory shows that women are capable of performing jobs from which they were unfairly barred from generation to generation. If we were to take as an example the Eastern Townships, throughout the 1980s and in the early 1990s, we have seen women take their place within the labour force as scientific researchers, well–known authors, business leaders, bus drivers, police officers, surgeons, lawyers, engineers and so on.

We are approaching the next century and, at a time when a woman's right to vote, her right to an education and her right to obtain an abortion are recognized, and at a time when various charters of rights and freedoms prohibiting all forms of discrimination based on gender confirm that mores have indeed changed, we must ask ourselves the following questions: Have we achieved true equality between the sexes? Has society, in Quebec and Canada, achieved a gender balance which confirms

its emergence as mature, harmonious society? Unfortunately, the answer is no.

• (1750)

In the very brief history of women's liberation I just made, a very dark day stands out, a day on which hatred for women was expressed in a very violent way. In 1989, as everyone will remember, we were stunned by the massacre at the École Polytechnique in Montreal.

In spite of all the progress made, of the unanimous recognition of the right of women to decide for themselves, which was again and again reaffirmed, another message emerged. The game of life is played according to strictly male rules. As professor Maria de Konninck said, while she held the Chaire d'étude de la condition des femmes at Laval University, and I quote: "The progress made by women is based purely on deep structural changes which significantly affect the place women hold as a social group".

The truth is, even if women represent 52 per cent of voters, they still hold 66 per cent of part–time jobs, earn less than 70 per cent of wages paid to men and have only 15 per cent of the action–oriented jobs. According to a press release of the Canadian Department on the Status of Women, in 1993, less than 5 per cent of heads of state, CEO's of major corporations and leaders of international organizations were women. According to this same press release, women are poorly represented in executive positions and at the policy–making and decision–making levels.

Many polls conducted in the United States show that women keep saying that equality at work and at home is still one of their major concerns. Statisticians at the Roper Organization, an American statistical body, indicate that men's opposition to the equality of women is a major source of ill feelings, stress and irritation for most of women today. Also in the United States, towards the end of the last decade, the proportion of women who believed they were not getting equal career opportunities or equal pay reached 80 to 95 per cent.

Again in the States, during the same ten–year period, complaints of sexual harassment at work more than doubled. This situation is without any doubt alarming and harmful, since sexual harassments can affect the physical and psychological well–being of the victims. Earlier in today's debate, we heard an absolutely horrifying description of violence against women and, as a man, I feel—and I think that all hon. members will agree with me—that we must show zero tolerance for violence. This abuse of power is demoralizing and counter–productive and undermines the equality of the people affected, and eventually leads to the loss of competent workers and to a decrease in work productivity and efficiency.

In North America, the number of battered women taking refuge in special shelters jumped by 100 per cent between 1983 and 1987. Declared rapes have doubled since the early 1970s, are twice as common as other types of assault, and are increasing four times faster than the overall crime rate in the United States. While the homicide rate is down, sex murders have jumped by 160 per cent. In 1978, women were victims of violence in 10 per cent of Canadian homes; in 1993, there was a 25 per cent increase in that number.

This government's lack of family policy—I am almost finished—shows the electoral opportunism of its party platform and its lack of a long–term vision that could foster a real equality between men and women. These serious shortcomings bring into question the progress of women in Quebec and in Canada. As we have seen from the position taken by the minister today, we must wait another two years for wage equity in the public service; the men responsible for finance, for human resources, and for employment and immigration say that we must wait another two years. Where are the women in the party who will support the fact that action on pay equity is urgently needed in the public service?

• (1755)

In conclusion, Madam Speaker, to ensure a continued evolution towards role equality, freedom from all aggression, be it physical or psychological, and a balance crucial to the stability of Quebec society, and acknowledging that to be fair is to recognize our differences, the Bloc Quebecois, within its own perspective, which is Quebec's political autonomy, suggests we recognize and implement employment and pay equity, and concrete measures to redress and correct the distressing situation of women.

The Acting Speaker (Mrs. Maheu): Order, please. I am sorry to interrupt the hon. member, but his time has now expired.

The hon. member for Mississauga–South.

[*English*]

Mr. Paul Szabo (Mississauga South): Madam Speaker, after several hours of debate many hon. members have raised the issue of women in the context of violence. I feel compelled to comment on the incompleteness of the thought. Having spent five years on the board of the shelter for battered women in my riding, I can say that violence against women is really only one part of it. Really the aspect is abuse. I want to share this with members.

Abuse against women includes violence but it also includes non–violent abuses, the economic abuses in which the financial purse strings are controlled by one spouse to the detriment of the other, taking away that financial independence. The second aspect of it is psychological abuse. There exists that authority and that power as a result of the position of the man in the household, an abusive man. A woman does not have the dignity

and respect she has earned by being a partner within that marriage.

I want this to lead into a point that I raised earlier in the day because I feel so strongly about it. It has to do with one of the most honourable professions that anyone could aspire to that is available only to women, a mother; flowing from which is the ability to be the manager of the family home and providing that care.

There is a tremendous inequity in our society today. In this House throughout the day people have talked about women leaving the house and going to work. Who in this House honestly believes that being a spouse in the home is not a job, is not work, is not an honourable profession to be recognized and to be compensated?

That is one of the reasons I presently have a private member's bill in the works. I would like to see one day Canadians recognizing the value of a spouse in the home, managing the home and providing parental care and being compensated. That private member's bill will propose amendments to the tax act which would allow one spouse to pay or to transfer income to a spouse working in the home and taking care of the family home and the children.

I think we have to open up to the fundamentals within our society and realize that there is a very important role for women to play in certain aspects and that being in the home is a job to be respected.

Possibly the member has some comments.

[*Translation*]

Mr. Leroux (Richmond—Wolfe): Madam Speaker, in support of my colleague's comments, I would like to quote from a report published in 1992 by Statistics Canada which says that in 1986, women's activity in the homes was equivalent to about a third of business activity as expressed by the Gross Domestic Product. Such housework was then valued at $199 billion. So, you are quite right.

To remedy the problem of economic violence, the Liberal government should start implementing pay equity in the public service without any further delay.

• (1800)

[*English*]

Mr. Ovid L. Jackson (Bruce—Grey): Madam Speaker, I would like to respond to the member from Richmond and say to him that as the member for Bruce—Grey I came from the place of the historic women mentioned previously, Agnes Macphail and Nellie McClung.

In 1994 women are still suffering from the trauma of abuse in the home, not being able to walk the streets and of stalking. They are still not receiving their child support payments.

I welcome this motion from the members of the opposition. I think it is fitting that today, International Women's Day, we discuss this.

However, I am not here to talk about the history of what happened. I think today we should act.

I was mayor of the city of Owen Sound. I made proposals then and we should make similar proposals now. There are costs. Part of the problem that we get as we try to move women into positions they should be in where they are not disadvantaged is that every time we want to make a move with this pay equity there is a lot of pressure. In my force, for instance, there were 35 males and we had to try to make it equitable. The last five people we hired on that force were women.

However, I received a lot of pressure within my community about that. At that time I advocated that perhaps what we should do right there and then was split the thing in half so that we would retire those people who were older and probably looking at retirement anyway and make it right, rather than every year when a vacancy came up going through this whole process again.

I would like to ask the hon. member from Richmond what he thinks of that proposal. It is great to talk about that kind of stuff in this House but nothing will occur because of the pressure of the wage situation we have.

There is also pressure within society with males. Men are still quite macho and all that. A lot of us in this House get up and talk about this but in the end nothing happens. Therefore, I would like to ask the member if when we try to look for this equity whether we do not split the thing right down the middle and get on with it rather than every time we come to this pressure point we talk about it and then it goes away.

[*Translation*]

Mr. Leroux (Richmond—Wolfe): Madam Speaker, if the hon. members from the Liberal Party confirm their intention to act, as a female member was saying earlier, we now have a definite point that was raised today: wage equity for women in the public service. Do we want to prevent those responsible from imposing a two–year wait and force them to take action right away? I urge you to do it within your own party and to exert pressure on the ministers involved to resolve immediately the issue of wage equity for women in the public service.

Mr. Pierre de Savoye (Portneuf): Madam Speaker, it is a pleasure to address the House today on such an important issue. It is important as this issue, the status of women, affects 50 per cent of our population.

In the last few weeks, I had the opportunity to address this House many times on various issues I was not very familiar with, on which I had to do extensive research in order to talk about them in an appropriate fashion. Today, I am dealing with a subject I have been familiar with since I was born because, just

like the other gentlemen in this House, I live with the other 50 per cent of society, the fair sex.

I have known various eras. I experienced Quebec's dark ages before 1960, when we had an extremely limited vision of the role of women in society. I went through the period from 1960 to 1970, when these values were first challenged, of course by women but also by men.

• (1805)

In the seventies, I had the pleasure and the privilege of teaching with colleagues from both sexes. That gave me the opportunity, and it was indeed an opportunity, to be put in my place on several occasions and to eventually learn that our society is equally made up, from an intellectual, moral and physical point of view, of men and women.

At this point, I would like to share some of my experiences, as well the conclusions I have drawn from them. In the next few minutes, I will address male Canadians and Quebecers, but female Canadians and Quebecers are certainly welcome to listen.

I believe that the real challenge lies not so much in major pieces of legislation or great principles but, rather, in every day life. The real challenge has to do with our individual behaviour every minute and every hour of the day. It is somewhat like the environment, in the sense that you have to start respecting it at home. The same is true in the case of women: it is in our daily activities that we must begin to respect them as he should.

How many times have I seen people, including myself, use the masculine form to refer to doctors, lawyers or musicians. How many times have I heard teachers, including myself, use the masculine form to discuss a whole range of issues. Thank goodness, I was lucky enough to have female colleagues to bring me back to that marvellous reality that the world is indeed made up of both the masculine and the feminine genders.

I learned, and it was not easy, to use both the masculine and the feminine, and to say in French "il" and "elle", "celui" and "celle", and in English "he" and "she", and "his" or "hers". But that did not come naturally. I had to work at it. One must especially be careful not to fall in a trap and decide that, in order to make a text simpler, only the masculine form will be used, being understood that it also includes the feminine gender.

This is real streamlining since it is tantamount to eliminating 50 per cent of the population. I am sorry, but it is a rather poor argument.

I am relating my personal experience. I have made it my duty, when I write, to go the long way and say in French, "le musicien et la musicienne", and not "le musicien–ne". It is quite long to write "le musicien et la musicienne". It requires a greater effort, but I think it shows a greater respect of our reality. After all, if we do not start at that level, where will we start?

If collective agreements had been written using both the masculine and the feminine genders, we would not have to now talk about pay equity and equal pay: it would be implicit. But it is not, and this brings me to the issue of labour market experience.

• (1810)

Men, in groups or individually, commonly use stereotypes to put down what a member of the opposite sex is saying, to lend weight to the so–called male stand. It is not easy, Madam Speaker, to refrain from doing this. Why not? Because that is the way we were brought up. Because the way we, modern men, have been raised reflects values that I was about to describe as from another century but, goodness me, it was only a few decades ago that we started off down the road of change in terms of respect for women. We were raised in a way which was appropriate for our fathers and ancestors, but is now inappropriate. So, we have to change our ways. We must do so, if we are to achieve our goal, that is to say equity with regard to persons of the female gender.

I would like to point something out to this House, and the public watching us at home, especially mayors and municipal aldermen and women, may understand what this is about. We are presently receiving applications under section 25 and DEP, asking for certain types of jobs to be subsidized. Interestingly, when you go over some of these applications, you realize that there is gender–based inequity in wages.

One of the actions I intend to suggest to my employment center is to start refusing applications that do not reflect wage equality or returning them, asking that appropriate changes be made. I think that it is through everyday actions like this—and I will close on this—that little by little, in time, we will fill the gender gap.

[*English*]

Mr. John Bryden (Hamilton—Wentworth): Madam Speaker, I appreciated the remarks of my hon. colleague across the way. I wonder if he could answer a question that I must admit deeply troubles me. I think members from all sides of the House would agree that there should be fairness and equity among the sexes as there should be among all Canadians.

One thing that troubles me is the cost of undoing the wrongs of the past. I put it very simply to the hon. member. If it were a matter of redressing the wrongs of the past in the civil service with respect to women, would he be prepared to add a billion dollars to the deficit in this next year or so?

Mr. de Savoye: Madam Speaker, that is an interesting question indeed. The bulk of my speech was not on that subject as the member will realize. I mentioned that people should start

addressing this issue at their own door steps, every day in whatever they are doing, the way they talk, the way they address women.

On the specific issue, if men would accept lower salaries by a global amount equal to the one that is needed to raise women's salaries until we reach it mid way, would the member accept that? I would.

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth)): Madam Speaker, I rise today to respond to the opposition motion urging the government to recognize among other matters the principle of economic equality between women and men and to implement measures to guarantee women equity in employment, wages and living conditions.

• (1815)

[*Translation*]

To begin, I wish to commend the opposition for raising these issues in the House on International Women's Day. This inspiring day is a time for celebration but also for reflection. We are inspired by the significant progress made recently by women in all areas of life. We celebrate their successes and their substantial contributions to our economy and our quality of life. But we also reflect on the inequities that still exist.

[*English*]

This government welcomes a debate on issues which affect women, a very important debate. This government is prepared to build meaningfully on past accomplishments. In that context it is committed to expedite the process of full and lasting equality for women in every avenue of human endeavour.

We must grasp the socioeconomic realities of the global marketplace. It places increasingly competitive pressures on successful industrialized nations. It also dictates that we forge ahead in eradicating inequality, not only for the inherent essence of fairness but also because Canada needs to promote full development of all its human resources. Only then can it continue to provide its citizens with the prosperity and promise to which they have become accustomed.

[*Translation*]

On the threshold of the 21st century, our nation must face many challenges. One of the most difficult is to ensure equal participation of women in all aspects of Canadian society. Although our government is proud that it has always contributed to the betterment of women in our country, we are the first to admit that much still remains to be done.

[*English*]

For example the feminization of poverty is a disturbing issue. Single parent families headed by women are the most afflicted. Close to 60 per cent of such families live below the poverty line. The poverty rate for elderly women is double that of elderly men.

Women also suffer from discrimination in the workplace. For example in the Northwest Territories 43 per cent of all workers were women in 1992. However the average income of women was 63 per cent of the average income of men. Women are overrepresented in low paying part time jobs and are often denied promotions, job security and standard employee benefits. This is not only unfair, it is unacceptable.

The achievement of equality in the workplace is an absolute necessity and cannot be compromised by dated arguments and head in the sand thinking. Equality is one of the core values of Canadian society and we cannot tolerate exceptions under any circumstances.

[*Translation*]

Our government is committed to ensuring employment equity and will strive to offer all Canadians better social and economic conditions. Women are entitled to their fair share of economic power and equitable participation in political decision–making.

We cannot have an egalitarian society if we are indifferent to some segments of our population. We quite simply cannot allow the disadvantaged to be left to their fate while the privileged prosper.

[*English*]

More than 10 years ago a Liberal government, in fact the current minister appointed the Royal Commission on Equality in Employment, the Abella commission. In response to that report the previous government brought in the Employment Equity Act. We were critical of the act in 1986 and we have not changed our minds since.

• (1820)

When the act was first proclaimed its stated purpose was to eliminate systemic barriers to employment faced by women, aboriginal people, persons with disabilities and visible minorities. While there have been success stories and individual employers who have set exemplary precedents, progress for women has not met expectations.

[*Translation*]

The law now applies to about 350 employers with over 600,000 employees in banking, transportation and communications. Since 1987, the proportion of women has grown by nearly 4 per cent and is now the same as their representation in the Canadian labour force. Nevertheless, women's employment is still highly concentrated in office work, sales and services.

[*English*]

Under the circumstances I am sure hon. members will understand this government's commitment to strengthen the employment equity legislation. It flows directly from our pledge to improve the laws and social programs which form the basis for

fundamental fairness and decency within which Canadians must be able to pursue their individual goals.

We are concerned about the existing act which has done little to improve the lot of women along with visible minorities, aboriginal people and persons with disabilities. We want to ensure that opportunity is distributed more evenly so that a broader spectrum of our society can aspire to earn a decent wage and live with dignity and respect.

[*Translation*]

In the red book, our government made three specific commitments on employment equity. First, the principles of employment equity must apply in the federal public service and federal government agencies and commissions. Second, we want to give the Canadian Human Rights Commission authority to investigate issues related to employment equity. Third, federal contractors should be required to comply with the established principles.

The Minister of Human Resources Development has indicated on several occasions that our government would see to it that specific action was taken over the coming year to strengthen employment equity legislation. Indeed, our government intends to establish a broader and more solid legislative base for employment equity, which will provide for better representation of designated groups in the labour force.

[*English*]

Employment equity means more than simply hiring women, aboriginal people, persons with disabilities and members of visible minorities. It means developing creative strategies to ensure that scarce jobs are filled according to the principles of sound human resource and equity planning. The focus must be on developing training and retention programs that allow longer term internal changes to take place in the workforce.

Employers can be expected to make more progress toward an equitable workforce during periods of economic growth than during periods of restraint. Under bullish economic conditions employers have more opportunities to hire and promote members of designated groups such as women. Therefore they may achieve good results without actually extending much effort. In times of restraint however the best efforts of employers may go unrewarded. Low proportions of designated groups hired and promoted in the workforce may reflect difficult economic times rather than a lack of effort on the part of employers.

• (1825)

In assessing the results we must take economic conditions into account. These variables require all partners; business, unions, designated groups and governments to collaborate to meet workforce equality objectives.

[*Translation*]

I think it would be remiss on my part if I did not let hon. members know about the excellent record of the federal Public Service on employment equity. The Department of Human Resources Development, which employs about 27,000 persons since its recent reorganization, is a good example.

[*English*]

Despite the anticipated challenges associated with restructuring and downsizing and the potential impact on employment equity, no group has been disproportionately affected. While concern over the possible negative impact in these hard times is quite legitimate, much of the progress achieved to date in employment equity has occurred under trying conditions as well.

[*Translation*]

Human Resources Development Canada now administers the programs and services of originating departments, including Employment and Immigration, Health and Welfare, Labour, Multiculturalism and Citizenship and the Department of the Secretary of State.

[*English*]

The consolidation of these programs and services can only have a positive impact on the future of employment equity. In Human Resources Development Canada the department's role will be greatly strengthened in this domain since it has already gained much in–house expertise with the addition of new programs and services.

Human Resources Development now offers a wide variety of activities and instruments which can be brought to bear to accelerate employment equity in the workplace. As a large employer in this nation and with a corresponding budget to generate social progress, the department will have unprecedented opportunities to induce a ripple effect in both the federal and private sectors. This holds true particularly with regard to employment equity.

Rather than get mired in complex details and statistics I believe it will suffice to say that there is a significant representation of women in senior positions of Human Resources Development Canada. The government is committed to ensuring that women and other designated groups will not be disadvantaged by downsizing and restructuring.

The department will be in a strong position to react promptly to any negative plans and could well serve as a barometer for excellence in the rest of the public service and beyond.

[*Translation*]

I would now like to address the issue of pay equity. The Canadian Human Rights Act considers that not giving men and women equal pay for work of equal value is a discriminatory practice.

The Canada Labour Code authorizes officials of the Department of Human Resources Development to audit the pay equity practices of companies. These officials may also submit cases of alleged discrimination relating to wage parity between men and women to the Canadian Human Rights Commission.

[*English*]

Audits are conducted to verify that pay equity implementation by employers has taken place. Refusal to act results in referral to the Human Rights Commission for further investigation and resolution. This inspection program has resulted in three cases being referred to the Human Rights Commission since 1989. Two of these cases have been resolved with wage adjustments of some $125,000. Two additional inspections have been initiated and should be completed this summer. These decisive, no nonsense responses demonstrate very clearly that pay equity legislation cannot be flouted or ignored.

[*Translation*]

Most employers are anxious to comply with pay equity guidelines, and under a new program it will be possible to examine an employer's implementation program, find any problems that may exist and deal with them quickly, without having to submit the case to the Canadian Human Rights Commission.

[*English*]

There have been some positive results emanating from pay equity compliance measures. Between 1971 and 1992 the wage gap between men and women has narrowed about 20 per cent. In addition, in 1992 women working full time earned an average of some 72 per cent of what was earned by full time working men. This represents an improvement of about 3 per cent over the previous year.

While these figures do not represent satisfactory levels of change, they do indicate some tangible movement. They also illustrate that equal pay compliance programs have resulted in industry–wide pay equity initiatives in the federal jurisdiction. These steps have often been promoted and sponsored by employer associations which set a standard for less sophisticated and less aware employers.

With the recent advent of labour–management partnerships directed at involvement in the pay equity implementation process, there is evidence that greater strides than ever before will be taken in this area.

[*Translation*]

Finally, Madam Speaker, considering the symbolic importance of International Women's Day, I would like to take these last few minutes to recall the recent advances which have been made by women. Their employment situation has developed spectacularly during the past decades, while the significance and diversity of their roles have also increased considerably.

We all know, unfortunately, that women who succeed still have trouble being accepted by many of their male colleagues.

[*English*]

For a long time women were rarely encountered in other than support positions. There was also tokenism of the most blatant kind. In the 1970s a disproportionately large number of women were concentrated in secretarial and clerical positions. Since then some of these imbalances have been corrected and many women have increased their career opportunities and some have advanced to executive levels.

It must be recognized that many women workers had to sacrifice personal lives for the workplace. Secretaries followed their bosses up the corporate ladder and became more trusted than senior advisers, yet were never given pay and positions commensurate with their worth.

[*Translation*]

Women who aspired to management positions either hit a glass ceiling or were removed from the decision making process. Many talented women found themselves excluded from the "old boys' network" in their job environment and were never really accepted, even on a purely professional level, as women doctors, lawyers or engineers.

However, Madam Speaker, there is a bright side: the position of women on the labour market has changed dramatically. According to 1991 census figures, women represented 45 per cent of wage earners in Canada, compared with 35 per cent 30 years ago.

[*English*]

In addition, as noted earlier, there has been significant improvement in the representation of women in management. We in this House are becoming increasingly aware of the impact women are having in all parts of the workplace.

Coincidentally 1994 is the 40th anniversary of the women's bureau. The women's bureau has much to be proud of. Since its inception in 1954 it has contributed significantly to the increased awareness of issues related to women in the workplace as to the removal of remaining barriers. The bureau interacts closely with key partners to change workplace policies and practices. It has helped considerably to move Canada forward as a country which promotes the advancement and well–being of all its workers.

[*Translation*]

The Acting Speaker (Mrs. Maheu): I think the secretary of state was not quite through, but I had to interrupt her because it is 6.33 p.m.

[*English*]

It being 6.33 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply, pursuant to Standing Order 81(16).

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Call in the members.

(The House divided on the amendment, which was negatived on the following division:)

(*Division No. 7*)

YEAS

Members

Abbott
Ablonczy
Breitkreuz (Yorkton—Melville)
Bridgman
Brown (Calgary Southeast)
Chatters
Duncan
Epp
Forseth
Frazer
Gilmour
Gouk
Grey (Beaver River)
Grubel
Hanger
Hanrahan
Harper (Calgary West)
Harper (Simcoe Centre)
Harris
Hart
Hayes
Hermanson
Hill (Macleod)
Hill (Prince George—Peace River)
Hoeppner
Jennings
Johnston
Kerpan
Manning
Martin (Esquimalt—Juan de Fuca)
Mayfield
McClelland (Edmonton Southwest)
Meredith
Mills (Red Deer)
Morrison
Penson
Ramsay
Ringma
Schmidt
Silye
Solberg
Speaker
Stinson
Strahl
Thompson
Wayne
White (Fraser Valley West)
White (North Vancouver)
Williams—49

NAYS

Members

Anawak
Anderson
Arseneault
Assad
Assadourian
Asselin
Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)
Bachand
Baker
Bakopanos
Barnes
Beaumier
Bellehumeur
Bellemare
Berger
Bergeron
Bernier (Beauce)
Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)
Bertrand
Bethel
Blondin–Andrew
Bodnar
Bonin
Bouchard
Boudria
Brien
Brown (Oakville—Milton)
Brushett
Bryden
Bélair
Bélisle
Calder
Campbell
Cannis
Canuel
Caron
Catterall
Cauchon
Chamberlain
Chrétien (Frontenac)
Chrétien (Saint–Maurice)
Clancy
Cohen
Collenette
Collins
Comuzzi
Copps
Cowling
Crawford
Crête
Culbert
Dalphond–Guiral
Debien
de Jong
de Savoye
Deshaies
DeVillers
Dhaliwal
Dingwall
Discepola
Dromisky
Dubé
Duceppe
Duhamel
Dumas
Dupuy
Easter
Eggleton
English
Fewchuk
Fillion
Finestone
Finlay
Flis
Fontana
Fry
Gaffney
Gagliano
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gagnon (Québec)
Gallaway
Gauthier (Ottawa—Vanier)
Gerrard
Godfrey
Godin
Goodale
Graham
Gray (Windsor West)
Grose
Guarnieri
Guay
Guimond
Harb
Harper (Churchill)
Harvard
Hickey
Hopkins
Hubbard
Ianno
Iftody
Irwin
Jackson
Jacob
Jordan
Keyes
Kilger (Stormont—Dundas)
Kirkby
Knutson
Kraft Sloan
Landry
Langlois
Lastewka
Laurin
Lavigne (Beauharnois—Salaberry)
Lavigne (Verdun—Saint–Paul)
Lebel
LeBlanc (Cape Breton Highlands—Canso)
Leblanc (Longueuil)
Lee
Lefebvre
Leroux (Richmond—Wolfe)
Leroux (Shefford)
Lincoln
Loney
Loubier
MacAulay
MacDonald
MacLaren (Etobicoke North/Nord)
MacLellan (Cape Breton—The Sydneys)
Maheu
Malhi
Maloney
Manley
Marchand
Marchi
Marleau
Martin (LaSalle—Émard)
Massé
McCormick
McGuire
McKinnon
McLaughlin
McLellan (Edmonton Northwest)
McTeague
McWhinney
Mercier
Mifflin
Milliken
Mills (Broadview—Greenwood)
Mitchell
Murphy
Murray
Ménard
Nault
Nunez
O'Brien
O'Reilly
Ouellet

Parrish
Patry
Peric
Peterson
Picard (Drummond)
Pillitteri
Pomerleau
Péloquin
Regan
Rideout
Ringuette–Maltais
Rocheleau
Rompkey
Scott (Fredericton—York Sudbury)
Sheridan
Skoke
St–Laurent
Steckle
Stewart (Northumberland)
Taylor
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Ur
Venne
Volpe
Wells
Wood
Paré
Payne
Peters
Phinney
Pickard (Essex—Kent)
Plamondon
Proud
Reed
Richardson
Riis
Robichaud
Rock
Sauvageau
Shepherd
Simmons
Speller
St. Denis
Stewart (Brant)
Szabo
Telegdi
Thalheimer
Torsney
Tremblay (Rosemont)
Valeri
Verran
Walker
Whelan
Young —216

PAIRED MEMBERS

Augustine
Gauthier (Roberval)
Daviault
Minna

• (1905)

The Speaker: I declare the amendment negatived.

[*Translation*]

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, seeing that there are four divisions to be recorded tonight and in order to save time and allow the staff to go home earlier, I think you will find unanimous consent to apply the vote just completed on the amendment but in reverse to the main motion.

• (1910)

[*English*]

The Speaker: Is the House agreed?

Some hon. members: Agreed.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 8*)

YEAS

Members

Anawak
Arseneault
Assadourian
Axworthy (Saskatoon—Clark's Crossing)
Bachand
Bakopanos
Beaumier
Bellemare
Bergeron
Bernier (Gaspé)
Bertrand
Blondin–Andrew
Bonin
Boudria
Anderson
Assad
Asselin
Axworthy (Winnipeg South Centre)
Baker
Barnes
Bellehumeur
Berger
Bernier (Beauce)
Bernier (Mégantic—Compton—Stanstead)
Bethel
Bodnar
Bouchard
Brien
Brown (Oakville—Milton)
Bryden
Bélisle
Campbell
Canuel
Catterall
Chamberlain
Chrétien (Saint–Maurice)
Cohen
Collins
Copps
Crawford
Culbert
Debien
de Savoye
DeVillers
Dingwall
Dromisky
Duceppe
Dumas
Easter
English
Fillion
Finlay
Fontana
Gaffney
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gallaway
Gerrard
Godin
Graham
Grose
Guay
Harb
Harvard
Hopkins
Ianno
Irwin
Jacob
Keyes
Kirkby
Kraft Sloan
Langlois
Laurin
Lavigne (Verdun—Saint–Paul)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Leroux (Richmond—Wolfe)
Lincoln
Loubier
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McKinnon
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Broadview—Greenwood)
Murphy
Ménard
Nunez
O'Reilly
Parrish
Patry
Peric
Peterson
Picard (Drummond)
Pillitteri
Pomerleau
Péloquin
Regan
Rideout
Ringuette–Maltais
Rocheleau
Rompkey
Scott (Fredericton—York Sudbury)
Brushett
Bélair
Calder
Cannis
Caron
Cauchon
Chrétien (Frontenac)
Clancy
Collenette
Comuzzi
Cowling
Crête
Dalphond–Guiral
de Jong
Deshaies
Dhaliwal
Discepola
Dubé
Duhamel
Dupuy
Eggleton
Fewchuk
Finestone
Flis
Fry
Gagliano
Gagnon (Québec)
Gauthier (Ottawa—Vanier)
Godfrey
Goodale
Gray (Windsor West)
Guarnieri
Guimond
Harper (Churchill)
Hickey
Hubbard
Iftody
Jackson
Jordan
Kilger (Stormont—Dundas)
Knutson
Landry
Lastewka
Lavigne (Beauharnois—Salaberry)
Lebel
Leblanc (Longueuil)
Lefebvre
Leroux (Shefford)
Loney
MacAulay
MacLaren (Etobicoke North/Nord)
Maheu
Maloney
Marchand
Marleau
Massé
McGuire
McLaughlin
McTeague
Mercier
Milliken
Mitchell
Murray
Nault
O'Brien
Ouellet
Paré
Payne
Peters
Phinney
Pickard (Essex—Kent)
Plamondon
Proud
Reed
Richardson
Riis
Robichaud
Rock
Sauvageau
Shepherd

Sheridan	Simmons
Skoke	Speller
St-Laurent	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Taylor	Telegdi
Terrana	Thalheimer
Tobin	Torsney
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Valeri
Venne	Verran
Volpe	Walker
Wayne	Wells
Whelan	Wood
Young —217	

NAYS

Members

Abbott	Ablonczy
Breitkreuz (Yorkton—Melville)	Bridgman
Brown (Calgary Southeast)	Chatters
Duncan	Epp
Forseth	Frazer
Gilmour	Gouk
Grey (Beaver River)	Grubel
Hanger	Hanrahan
Harper (Calgary West)	Harper (Simcoe Centre)
Harris	Hart
Hayes	Hermanson
Hill (Macleod)	Hill (Prince George—Peace River)
Hoeppner	Jennings
Johnston	Kerpan
Manning	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest)
Meredith	Mills (Red Deer)
Morrison	Penson
Ramsay	Ringma
Schmidt	Silye
Solberg	Speaker
Stinson	Strahl
Thompson	White (Fraser Valley West)
White (North Vancouver)	Williams—48

PAIRED MEMBERS

Augustine	Daviault
Gauthier (Roberval)	Minna

The Speaker: Pursuant to order made Tuesday, February 22, 1994, the House will now proceed to the taking of the deferred division on the amendment to the amendment.

[*Translation*]

Mr. Gagliano: Mr. Speaker, again, in order to save time, I think you will find unanimous consent in the House to apply the vote just completed to the main motion.

The Speaker: Does the House give its unanimous consent?

Some hon. members: Agreed.

[*English*]

Mrs. Wayne: I wish to vote no against this, Mr. Speaker. I am changing to no, however that goes, and I do not know. It is no, no.

* * *

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 24 consideration of the motion that this House approves in general the budgetary policy of the government; the amendment; and the amendment to the amendment.

(The House divided on the amendment to the amendment, which was negatived on the following division:)

(*Division No. 9*)

YEAS

Members

Abbott	Ablonczy
Breitkreuz (Yorkton—Melville)	Bridgman
Brown (Calgary Southeast)	Chatters
Duncan	Epp
Forseth	Frazer
Gilmour	Gouk
Grey (Beaver River)	Grubel
Hanger	Hanrahan
Harper (Calgary West)	Harper (Simcoe Centre)
Harris	Hart
Hayes	Hermanson
Hill (Macleod)	Hill (Prince George—Peace River)
Hoeppner	Jennings
Johnston	Kerpan
Manning	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest)
Meredith	Mills (Red Deer)
Morrison	Penson
Ramsay	Ringma
Schmidt	Silye
Solberg	Speaker
Stinson	Strahl
Thompson	Wayne
White (Fraser Valley West)	White (North Vancouver)
Williams—49	

NAYS

Members

Anawak	Anderson
Arseneault	Assad
Assadourian	Asselin
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Bachand	Baker
Bakopanos	Barnes
Beaumier	Bellehumeur
Bellemare	Berger
Bergeron	Bernier (Beauce)
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bertrand	Bethel
Blondin-Andrew	Bodnar
Bonin	Bouchard
Boudria	Brien
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Bélisle	Calder
Campbell	Cannis
Canuel	Caron

Catterall
Chamberlain
Chrétien (Saint–Maurice)
Cohen
Collins
Copps
Crawford
Culbert
Debien
de Savoye
DeVillers
Dingwall
Dromisky
Duceppe
Dumas
Easter
English
Fillion
Finlay
Fontana
Gaffney
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gallaway
Gerrard
Godin
Graham
Grose
Guay
Harb
Harvard
Hopkins
Ianno
Irwin
Jacob
Keyes
Kirkby
Kraft Sloan
Langlois
Laurin
Lavigne (Verdun—Saint–Paul)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Leroux (Richmond—Wolfe)
Lincoln
Loubier
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McKinnon
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Broadview—Greenwood)
Murphy
Ménard
Nunez
O'Reilly
Parrish
Patry
Peric
Peterson
Picard (Drummond)
Pillitteri
Pomerleau
Péloquin
Regan
Rideout
Ringuette–Maltais
Rocheleau
Rompkey
Scott (Fredericton—York Sudbury)
Sheridan
Skoke
St–Laurent
Steckle
Stewart (Northumberland)
Cauchon
Chrétien (Frontenac)
Clancy
Collenette
Comuzzi
Cowling
Crête
Dalphond–Guiral
de Jong
Deshaies
Dhaliwal
Discepola
Dubé
Duhamel
Dupuy
Eggleton
Fewchuk
Finestone
Flis
Fry
Gagliano
Gagnon (Québec)
Gauthier (Ottawa—Vanier)
Godfrey
Goodale
Gray (Windsor West)
Guarnieri
Guimond
Harper (Churchill)
Hickey
Hubbard
Iftody
Jackson
Jordan
Kilger (Stormont—Dundas)
Knutson
Landry
Lastewka
Lavigne (Beauharnois—Salaberry)
Lebel
Leblanc (Longueuil)
Lefebvre
Leroux (Shefford)
Loney
MacAulay
MacLaren (Etobicoke North/Nord)
Maheu
Maloney
Marchand
Marleau
Massé
McGuire
McLaughlin
McTeague
Mercier
Milliken
Mitchell
Murray
Nault
O'Brien
Ouellet
Paré
Payne
Peters
Phinney
Pickard (Essex—Kent)
Plamondon
Proud
Reed
Richardson
Riis
Robichaud
Rock
Sauvageau
Shepherd
Simmons
Speller
St. Denis
Stewart (Brant)
Szabo
Taylor
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Ur
Venne
Volpe
Wells
Wood
Telegdi
Thalheimer
Torsney
Tremblay (Rosemont)
Valeri
Verran
Walker
Whelan
Young —216

PAIRED MEMBERS

Augustine
Gauthier (Roberval)
Daviault
Minna

* * *

BORROWING AUTHORITY ACT, 1994–95

The House resumed from March 7 consideration of the motion that Bill C–14, an act to provide borrowing authority for the fiscal year beginning on April 1, 1994, be read the second time and referred to a committee.

The Speaker: Pursuant to order made Thursday, February 24, 1994, the House will now proceed to the taking of the deferred division on the motion at second reading stage of Bill C–14, an act to provide borrowing authority for the fiscal year beginning on April 1, 1994.

(The House divided on the motion, which was agreed to on the following division):

(Division No. 10)

YEAS

Members

Anawak
Arseneault
Assadourian
Baker
Barnes
Bellemare
Bernier (Beauce)
Bethel
Bodnar
Boudria
Brushett
Bélair
Campbell
Catterall
Chamberlain
Clancy
Collenette
Comuzzi
Cowling
Culbert
Dhaliwal
Discepola
Duhamel
Easter
English
Finestone
Flis
Fry
Gagliano
Gallaway
Gerrard
Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hickey
Hubbard
Iftody
Jackson
Keyes
Anderson
Assad
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Berger
Bertrand
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Cauchon
Chrétien (Saint–Maurice)
Cohen
Collins
Copps
Crawford
DeVillers
Dingwall
Dromisky
Dupuy
Eggleton
Fewchuk
Finlay
Fontana
Gaffney
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gauthier (Ottawa—Vanier)
Godfrey
Graham
Grose
Harb
Harvard
Hopkins
Ianno
Irwin
Jordan
Kilger (Stormont—Dundas)

Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marleau
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
O'Brien
Ouellet
Parrish
Payne
Peters
Phinney
Pillitteri
Reed
Richardson
Ringuette-Maltais
Rock
Scott (Fredericton—York Sudbury)
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Tobin
Ur
Verran
Walker
Wells
Wood
Knutson
Lastewka
LeBlanc (Cape Breton Highlands—Canso)
Lincoln
MacAulay
MacLaren (Etobicoke North/Nord)
Maheu
Maloney
Marchi
Martin (LaSalle—Émard)
McCormick
McKinnon
McTeague
Mifflin
Mills (Broadview—Greenwood)
Murphy
Nault
O'Reilly
Pagtakhan
Patry
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Robichaud
Rompkey
Shepherd
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Torsney
Valeri
Volpe
Wappel
Whelan
Young —162

NAYS

Members

Abbott
Asselin
Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Breitkreuz (Yorkton—Melville)
Brien
Bélisle
Caron
Chrétien (Frontenac)
Dalphond-Guiral
de Jong
Deshaies
Duceppe
Duncan
Fillion
Frazer
Ablonczy
Axworthy (Saskatoon—Clark's Crossing)
Bellehumeur
Bernier (Gaspé)
Bouchard
Bridgman
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Debien
de Savoye
Dubé
Dumas
Epp
Forseth
Gagnon (Québec)
Gilmour
Gouk
Grubel
Guimond
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hill (Prince George—Peace River)
Jacob
Johnston
Landry
Laurin
Lebel
Lefebvre
Leroux (Shefford)
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mercier
Mills (Red Deer)
Ménard
Paré
Picard (Drummond)
Pomerleau
Ramsay
Ringma
Sauvageau
Silye
Speaker
Stinson
Taylor
Tremblay (Rimouski—Témiscouata)
Venne
White (Fraser Valley West)
Williams—105
Godin
Grey (Beaver River)
Guay
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Macleod)
Hoeppner
Jennings
Kerpan
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
Marchand
Mayfield
McLaughlin
Meredith
Morrison
Nunez
Penson
Plamondon
Péloquin
Riis
Rocheleau
Schmidt
Solberg
St-Laurent
Strahl
Thompson
Tremblay (Rosemont)
Wayne
White (North Vancouver)

PAIRED MEMBERS

Augustine
Gauthier (Roberval)
Daviault
Minna

The Speaker: I declare the motion carried.

(Bill read the second time and referred to a committee.)

The Speaker: It being 7.20 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.20 p.m.)

HOUSE OF COMMONS

Wednesday, March 9, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

WALTER OSTANEK

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, I rise in the House today to congratulate a great Canadian and a member of my St. Catharines constituency, Mr. Walter Ostanek.

Walter Ostanek, better known as the polka king, received a second Grammy Award in New York last week. Walter Ostanek and his band won best polka album for *Accordionally Yours*.

As the member of Parliament for St. Catharines, I am pleased and proud to congratulate Mr. Ostanek on his success at the Grammys. Those of us from St. Catharines have known of Mr. Ostanek's talent for many years. His dedication to the pursuit of excellence is exemplified by this most recent achievement in the international music industry.

Congratulations to Walter Ostanek and his band.

* * *

[*Translation*]

CONGREGATION OF NOTRE–DAME–DU–BON–CONSEIL

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, a century of teaching will be the theme of the centenary celebrated this year by the Sisters of the Congregation of Notre–Dame–du–Bon–Conseil, the only religious community founded in Chicoutimi. Theirs is a history of dedication which deserves our attention.

The Congregation has helped educate residents of the Saguenay—Lac–Saint–Jean area, since 1894, without interruption. The sisters also extended their ministry to Charlevoix and the North Shore. Finally, they have also worked in various countries in Africa and in Chile.

I would therefore ask all members of this House to join the people of Chicoutimi in wishing the Sisters of Notre–Dame–du–Bon–Conseil a happy and prosperous centenary year.

* * *

[*English*]

DECORUM IN THE HOUSE

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, I rise today to congratulate my colleagues in their efforts to maintain a true sense of decorum in this House.

I recently encountered many Canadians who were saddened and angry over remarks attributed to certain members in the House, one of whom alleged that some of us do not like Indians and then apologized. Television cameras recorded yet another member of the House calling other members racists.

My constituents have told me they are disappointed when members of the House malign each other. They are distressed that their House of Commons is in danger of being brought into disrepute by any member hurling abusive language about so freely.

* * *

THE BUDGET

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, the budget is a key element in a much larger process, one that began last fall when Canadians told us they wanted a government that treated jobs as a priority.

We have listened. We have made sure that the changes are sensitive to those with the greatest need. With the changes to the unemployment insurance, for example, low income Canadians with dependants will receive increased benefits to 60 per cent. Also, small businesses have been telling us that if we reduce UI premiums, if we just give them a chance, they will create work for Canadians.

Now we have delivered. This must be seen in tandem with other actions we have taken to create jobs such as the infrastructure program, targeting of $800 million to innovative federal–provincial employment projects, a youth core, a youth internship project and our $1.9 billion support package for Atlantic Canada.

It is clear that this government is keeping its promise to Canadians.

S. O. 31

DR. MARGARET ARKINSTALL

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I would like to take this opportunity to pay tribute to a great woman, Dr. Margaret Arkinstall.

I had the pleasure of meeting her just over a year go in my town of East Gwillimbury.

● (1405)

Dr. Arkinstall obtained a degree in medicine from the University of Toronto and set up practice with her husband, Dr. Bill Arkinstall, in Hearst, Ontario in 1931. They travelled by horse and cutter to look after people in lumber camps and remote homesteads.

Dr. Arkinstall was not only a medical practitioner at a time when it was rare to see women in medicine, she also wrote books. In addition, Dr. Arkinstall volunteered her time to the United Church Women's Missionary Society. Since 1948, Dr. Arkinstall has lived in East Gwillimbury with her family and practised medicine in Newmarket.

Dr. Arkinstall was awarded the first East Gwillimbury Citizen of the Year Award for her extraordinary contribution to the community.

I want to celebrate the contribution Dr. Margaret Arkinstall has made to Canada, her community and the advancement of women. Dr. Margaret is truly a great Canadian.

* * *

INTERNATIONAL WOMEN'S WEEK

Mrs. Marlene Cowling (Dauphin—Swan River): Mr. Speaker, this is International Women's Week. As the only farm woman on the government side of the House, I would like to pay tribute to all of the rural farm women of Canada.

All of those women have over the years made a tremendous contribution to the social, cultural and economic life of rural Canada.

I would like to particularly highlight the contributions of the Women's Institute movement. The Women's Institute is an educational organization for personal development and community action. This is the mission statement of the Women's Institute. It is for this reason that it exists today and has existed for 96 years.

* * *

[*Translation*]

TRIBUTE TO ANDRÉ VIGER

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, today I am proud to pay tribute to one of my constituents in the Eastern Townships, Mr. André Viger, who is well known nationally and internationally and was recently inducted into the Terry Fox Hall of Fame.

As a winner of many awards, including Olympic gold medals in the wheelchair runners category, Mr. Viger is living proof that one's determination, qualities and potential are in no way diminished by physical disabilities.

With his positive attitude, André Viger is very involved in a number of associations in Eastern Townships that help the disabled maximize their potential.

I would invite all members of this House to join me in extending our warmest congratulations to Mr. Viger. Speaking on behalf of all Quebecers and all Canadians, we are very proud of what he has achieved.

* * *

[*English*]

THE ECONOMY

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, unlike the talk from the government, some American governors are promising jobs, jobs, but with a difference. The results are in.

Business Week magazine says that states with low taxes clearly perform better than states with high taxes. Since 1985 job growth in low tax states has been 65 per cent higher than in high tax states.

There is a tradeoff however. Cutting taxes lowers the tax haul. The resultant faster growth still does not quite compensate for lost revenue and that is where the other necessary step comes in.

Politicians must also reinvent the delivery of services. That means privatization and deregulation to reduce the cost of social services. This is not ideology. It is the hard evidence of what works.

* * *

ARCTIC WINTER GAMES

Mr. Jack Iyerak Anawak (Nunatsiaq):

[Editor's Note: Member spoke in Inuktitut.]

The Arctic Winter Games, a week long celebration of northern peoples and cultures, were officially opened by the Governor General last Sunday at Slave Lake.

Held every two years, the games are an international event with teams participating from Greenland, Russia, Alaska, Northwest Territories, Yukon and northern Alberta.

These games are unique for emphasizing culture along with competition. The games logo of three interlocking rings symbolizes equally athletic competition, cultural exhibition and social interchange.

In these games opposing teams help each other. Caring for others and sharing experience and knowledge are values strongly held by aboriginal peoples, northerners and all Canadians.

I want to wish the participants well and thank them for reminding us of the benefits of our rich cultural diversity and our common values.

* * *

JUDY LAMARSH

Mr. Gary Pillitteri (Niagara Falls): Mr. Speaker, I rise in the House today on the occasion of International Women's Week to remember a formidable woman and a great politician who opened the doors for many Canadian women to enter politics.

• (1410)

I am referring of course to the hon. Judy LaMarsh who entered this House of Commons as the member for Niagara Falls, the riding I now have the honour of representing.

Judy LaMarsh was responsible for some of the Pearson government's more innovative legislation. From 1963 to 1965, under her aegis as Minister of National Health and Welfare, the Canada pension plan was implemented and Canada's medicare system was designed. She also established the Royal Commission on the Status of Women in Canada.

When Judy LaMarsh entered politics, fewer than 10 women were sitting in the House of Commons. Now, while I speak, I can see around me many women colleagues. I know we owe a debt of gratitude to pioneers like Judy LaMarsh.

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INTERNATIONAL WOMEN'S WEEK

Ms. Hedy Fry (Vancouver Centre): Mr. Speaker, in honour of International Women's Week I would like to recognize two extraordinary women in my riding, women who overcame great odds to achieve success.

One is Barbara Binns, a black Jamaican born Canadian who has devoted the last 20 years of her life to improving the lives of women in developing countries and to combating racism in Canada.

She has achieved this by working through CUSO, Canada World Youth, CIDA and the United Nations. When in Vancouver she teaches an anti–racism course at Langara College.

She was recently chosen by OXFAM to be an observer in the upcoming elections in South Africa and was recognized last month by CIDA with an award for her work.

The second woman, Faye, will graduate this year with a B.A. in communications from Simon Fraser University. She is 53, a mother of six children and suffered 17 years of violent, emotional and physical abuse at the hands of her husband. She left penniless and took charge of her children and her own life to achieve this remarkable success.

I salute the courage of these women.

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[*Translation*]

MIL DAVIE SHIPYARDS

Mr. Antoine Dubé (Lévis): Mr. Speaker, last week I took part in a truly exceptional event, namely the founding of a coalition of the main political parties in the federal riding of Lévis and the provincial ridings of Lévis and Chutes–de–la–Chaudière. The coalition, which was established to promote a business plan for MIL Davie shipyards, is composed, at the provincial level, of representatives of the Parti québécois and of the Quebec Liberal Party and, at the federal level, of representatives of the Bloc Quebecois, of course, the Conservative Party, the New Democratic Party and even the Liberal Party of Canada.

The members of this coalition are calling on the federal government to move quickly in awarding the contract for the building of a ferry to provide service between the Magdalen Islands and the mainland to MIL Davie and to give priority consideration to the development of a prototype vessel, commonly referred to as a smart ship, so that this company can weather the transition period until such time as commercial shipbuilding picks up again.

* * *

[*English*]

CHILD CARE

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I rise today to express my concern with the discriminatory nature of the Income Tax Act, particularly the child care expense deduction.

Calgarians Jim and Laurie Boland were recently told in Federal Court that a parent who chooses to be at home with their child is not entitled to the same privileges as those who pay for child care.

The Income Tax Act admittedly denies the Bolands equal benefit under the law, but because stay at home parents are not a "discrete and insular minority" they are not protected by the Charter of Rights and Freedoms. This legal discrimination must stop.

Parents should be free to choose the form of child care which best suits their situation as opposed to having government reward one choice over another.

In this, the International Year of the Family, it is my intention to introduce a private member's bill on the topic of equal child care assistance to all needy families, regardless of the type of child care they choose.

* * *

[*Translation*]

IRVING WHALE

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, last week the Gagnon–Easter committee held two rounds of consultations on the *Irving Whale*, a barge which sank 24 years ago between Prince Edward Island and the Magdalen Islands. These were the first public hearings into the wreck of the *Irving Whale*. I would like to sincerely congratulate the 24 witnesses who appeared before the Gagnon–Easter committee, the associations, scientists, municipalities and individuals whom we heard from and who made their position known to us.

• (1415)

I would also like to praise the professionalism and excellent co–operation I received from my colleague, Mr. Wayne Easter, the hon. member for Malpèque, Prince Edward Island. This democratic exercise allowed us to travel to our respective ridings and to listen to the public's concerns about this ecological time bomb.

I might also say that we accomplished more than the Minister of the Environment, now the Leader of the Opposition, ever did more than three years ago.

* * *

[*English*]

ROGERS COMMUNICATIONS

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, with the takeover of Maclean Hunter by Rogers a monopoly has been created that will have a profound effect on Canada in the years to come. Never before in the history of Canadian cultural industries has a development of this magnitude occurred.

This one company will now not only control a string of newspapers, magazines and radio stations but it will virtually control cable. One individual through his company has become the private owner of the information highway in Canada, controlling who gets on and what we will see.

This is not a great day for the free flow of information and ideas, for competition and for the Canadian entertainment industry. This deal is a turning point in Canada's technological and cultural future.

It is simply not good enough for the government to hide behind the CRTC and the competition review panel. It must develop its own position.

I urge the government to establish a parliamentary committee so that there is an open process to determine what is in the nation's interest when it comes to the ownership of our information highway.

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[*Translation*]

BY–ELECTION IN SHEFFORD RIDING

Mr. Martin Cauchon (Outremont): Mr. Speaker, I would just like to say a few words about the recent victory of the Quebec Liberal Party in the by–election in the riding of Shefford. This victory was a major one because it was a victory for the Liberal Party over the Parti Quebecois, which is in fact the boss of the Bloc Quebecois, the Official Opposition Party. This by–election was important because it set the tone for the coming provincial elections in Quebec.

We were able to gauge the mood of the Quebec electorate. It is obvious that voters want to hear about the economy, but they also sent us a clear message that the development of Quebec is also tied to Quebec's membership in the Canadian Federation.

* * *

[*English*]

VIETNAM WAR MEMORIAL

Mr. Grant Hill (Macleod): Mr. Speaker, between 1958 and 1975 an estimated 40,000 Canadians joined the American armed forces, many of whom served in southeast Asia and the war in Vietnam.

In Washington, D.C. today the names of over 100 Canadians who were killed or missing in action are listed on the Vietnam war memorial. One of those listed is a close family member of mine, Paul Stuart Laverock.

On July 9, 1994 a Canadian coalition will be unveiling the Canadian Vietnam veterans national memorial dedicated to those Canadians who gave their lives and to those who are still missing in southeast Asia.

The plan is for this memorial to be located in Ottawa. However, to date no crown land has been volunteered for this small yet highly symbolic memorial.

On behalf of those Canadians killed and missing in Vietnam and thousands of Canadians who lost loved ones to the war in Vietnam, I call upon the government today to provide a suitable plot of crown land for this memorial.

ORAL QUESTION PERIOD

[*English*]

PUBLISHING INDUSTRY

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Canadian Heritage.

The sale of Ginn Publishing to Paramount Communications of New York is causing much concern in Canada's publishing world and cultural industry. We are about to see yet another instrument for the expression of cultural identity taken over by foreign interests. In addition, the whole operation has a clandestine air to it. It appears to have been conducted in secret on the strength of a verbal agreement of unknown origin.

Will the minister reveal the identity of the person responsible for this sell out of our interests to a foreign publisher?

[*Translation*]

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I think that those responsible are the officials who closed the deal with my full support as well as the support of my colleague, the Minister of Industry who is responsible for Investment Canada.

• (1420)

I explained the situation a couple of days ago. This sale resulted from contractual commitments, which have been confirmed by the highest legal authorities in Canada. We simply fulfilled these commitments.

We have been able to negotiate with the American buyers a series of commitments which will foster the publication and distribution of books in Canada.

[*English*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the highest legal authorities in Canada are the courts, mainly the Supreme Court, yet this government did not dare bring the case to court.

How can the minister attach so much importance to a promise which was carefully excluded from the written agreements, particularly in light of the fact that the government of the time had publicly committed itself never to sell this company to anything other than Canadian publishing interests?

[*Translation*]

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, to answer that question, I think I would have to go check the history of this issue. It is almost ancient history by now. Under the previous government, there was a policy that the leader of the opposition must be familiar with, the Baie Comeau policy, requesting from American concerns acquiring Canadian book publishing companies that they make sure that these remain under Canadian control.

At the time, it was understood—and deals were made under this policy—that if a policy change occurred, then purchases made by the Canadian government under this policy would be cancelled, and the property sold back to the American owner. That is the Baie Comeau policy.

Later on, the Conservative government decided to change its policy and, therefore, fulfilled the commitments it had made. That government has now moved to the other side of this House, and we are delighted about that, but we have inherited contractual obligations that we have to fulfil.

[*English*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, let us be clear. What the minister is speaking about is a legal obligation based on something that does not exist. There is no possibility for any Canadian, for any court, to look at the document or instrument from which arises this supposedly existing obligation.

The truth is that instead of fulfilling his duties and role as guardian of cultural heritage the minister has yielded to pressure from an American lobbyist. It does not bode well for the future.

How can the minister justify his refusal to cancel this agreement given the fact this government and this Prime Minister have already cancelled a duly completed contract concerning Pearson international airport? Why has his courage failed him in this case?

Hon. John Manley (Minister of Industry): Mr. Speaker, it is important to add some clarification to this issue since the Leader of the Opposition who we all know has great interest in Canadian culture seems to be implying that Canadian interests were somehow ignored in this.

I want to make it clear as the minister responsible for Investment Canada there were a number of implications to this complete transaction which should be well understood.

What was reviewed by Investment Canada was an indirect acquisition of an already foreign owned company, Maxwell Macmillan Canada, which was in receivership. Part of that transaction when approved by Investment Canada obtained from Prentice–Hall certain valuable undertakings with respect to the Canadian publishing industry, which I think are a net gain for Canada.

• (1425)

In the context of those undertakings for example we have commitments to ensure a strong development program for new and upgraded Canadian material for educational programs. We have ensured that primary distributors for imported consumer book lines which were valued at approximately $4 million in 1993 will be Canadian controlled publishers and agents. We

have ensured support to the Canadian publishing industry infrastructure by maintaining an integrated warehousing system. There are other undertakings that were obtained in the context of this transaction.

Simultaneously, as the minister has said, CDIC did dispose of its interest in Ginn as part of a verbal commitment made by the previous government. That commitment was one which we found in our review was not going to be met by any potential Canadian purchaser.

In the context of obtaining very significant commitments as part of the acquisition we feel it was a net benefit to Canada.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): My question is addressed to the Minister of Industry.

On February 14 Viacom, an American corporation, took control of the Paramount group in the United States. This transaction will have a major impact on the ownership of the Canadian cultural industry since Paramount is a major player in that sector in Canada. It controls among others, Prentice–Hall, Ginn Publishing, Maxwell Canada and has a major stake in the Famous Players cinemas.

Since the Viacom–Paramount transaction represents a major shift to foreign ownership of the Canadian cultural industry, will the minister ask Investment Canada to review this transaction as is his prerogative under the Investment Canada Act?

Hon. John Manley (Minister of Industry): Mr. Speaker, again I am delighted the Bloc Quebecois is so interested in protecting Canadian cultural sovereignty. That is good news for Canada.

I might inform the member it is unnecessary for me to give the direction she is asking because the transaction as an indirect acquisition of these Canadian companies is reviewable by Investment Canada as a matter of law.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): This government forgets one of our promises. We said that as long as we are within Canada we will take care of the interests of Canada as well as the interests of Quebec.

Will the minister unlike his colleague the Minister of Canadian Heritage, make a commitment to this Chamber to protect Canadian heritage by restoring Canadian control over Ginn Publishing when the Viacom–Paramount transaction is reviewed by Investment Canada?

Hon. John Manley (Minister of Industry): The commitment we make is quite clear, Mr. Speaker. We are committed to ensuring that any transaction reviewable by Investment Canada is of net benefit to Canada.

• (1430)

GOVERNMENT EXPENDITURES

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

Dr. Donald Savoie, an economist who has studied the politics of public spending in Canada over the past 20 years, has reached this conclusion: that major efforts at government cost cutting are almost never successful unless they are fully and vigorously backed by the leader of that government.

In light of that conclusion, would the Prime Minister care to retract or to modify his comments made in Alberta last week to the effect that there will be no further spending cuts in the next three years other than those announced in the 1994 budget?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I said in Edmonton that we want to make some cuts. When travelling in Canada today, we find that a lot of people think that we have put forward some very deep cuts and we have to handle that.

At the same time I said that we had a plan. The plan is clear, that over the period of three years we want to reduce the deficit to 3 per cent of GNP. I said that with the cuts that have been put forward in the budget and having 3 per cent growth the first year and 3.8 per cent the second year, we will achieve our goal. At the same time I have asked the minister of federal–provincial relations to look at all other aspects of government on top of that to see if we can do better.

That is why, for example, yesterday we made an agreement with the Auditor General to review the matter of government planes in a reasonable way.

I want to find as many cuts as possible but at the same time be responsible. If you go too deep with cuts, you create unemployment and more misery in Canada.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the fact remains that the deficit is in the vicinity of $40 billion to $45 billion. The government is carrying half a trillion dollars worth of debt. The weakness and the uncertainty in the Prime Minister's answer does not inspire confidence, particularly among investors and lenders.

Will the Prime Minister acknowledge that his failure to speak and act vigorously on the deficit and debt problem is now contributing to the weakness of the dollar and to the rise in interest rates?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I think that we have delivered exactly what we said we would. We did what was promised in the red book. We are on track. If anybody wants to look at that they will see that we are determined to provide a good government. We will achieve our goal.

We know that at the same time there are a lot of people who need help from the government. We will not do what has been done in Alberta, put people on the unemployment list. It is very nice for the premier to cut there, but when he puts someone on the unemployment list, he transfers the problem from Edmonton to Ottawa. It is just shifting the problem from one jurisdiction to another.

We are doing what we can, but we cannot achieve our goals overnight. If we have 3 per cent of the deficit in relation to the GNP in three years, it will be what we said we want to do. It is achievable and I am very confident that we will achieve it.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I remind the Prime Minister that the net difference between what the federal government has taken from the province of Alberta over the last 25 years and what it has spent is in the vicinity of $100 billion, so his implications are a little bit off.

I have a further supplementary. The government's budget projects spending cuts of almost $4 billion by 1996–97 through the reform of social programs. Many Canadians do not believe the government will follow through on these social spending reductions during the same time period that it will be making a special effort to sell the benefits of federalism in Quebec.

Will the Prime Minister unequivocally tell the House that the federal government will follow through on these proposed spending reductions no matter what?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is very easy for the hon. leader of the Reform Party to realize what this government is up to. Look at what we have done so far.

Every cut that we put in writing in the red book has been made. Everything is in this book. During the campaign I said to look at page 111. By the end of the term it will have been fulfilled. If you look at the budget presented by the Minister of Finance, every one of these commitments have been met, not over a period of four years but over a period of four months.

* * *

• (1435)

[*Translation*]

OLD AGE SECURITY

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, yesterday, in a surprising declaration, the Minister of Human Resources Development clearly stated for the first time his desire for an in-depth reform of the old age security system. He even had the nerve and arrogance to confront Canadians with an odious choice: to either finance the pension system or provide training programs for young people.

Could the minister, remembering what he and his colleagues said when they were in opposition, stop stirring up people's emotions by giving Canadians an indecent choice between old age security and youth training programs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, we in the government are very proud of the success achieved by seniors' programs initiated by Liberal governments over the last 30 or 40 years but, at the same time, we must face the new realities. Next year, the number of people eligible for old age security programs will double. As a result, we must review the system with Canadians to develop a stable and strong program for seniors in the future.

As mentioned in the budget speech, a review will be undertaken in consultation with all Canadians and with all senior citizens to look at ideas, issues and concerns and to develop a program for the future. My comments were meant to underline the need for serious dialogue.

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, I want to ask a supplementary question. By making alarming statements on the old age security system, is the minister preparing to hit seniors with a considerable cut in their old age security pensions?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, contrary to what the hon. member is saying, the reason we think it is time to have an open, honest, full examination of these issues as announced in the budget is to ensure that there will be a stable, effective, fair, honest system for seniors in the future and to make sure that this country can pay for it. That means that we must examine pension plans, public service contributions, the entire range.

It is only the members opposite who want to hide their heads in the sand and stick with the status quo. We want to make sure there is a future that Canadians are prepared for.

* * *

NATIONAL DEBT

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Minister of Finance. The minister's budgetary forecasts were based on two assumptions, that revenue would increase by 8 per cent and that interest rates would remain at their current low levels for the next three years. Less than three weeks after this budget was delivered we are already beginning to see signs that these assumptions were overly optimistic.

What alternative provisions does the finance minister have to meet his deficit reduction targets if interest rates continue to climb?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, the assumptions upon which the member based his question are incorrect. We did not assume an 8 per cent increase in revenues on a normal basis. As has been described there were a number of one shot or unique items which in fact depressed this year's revenues which will not be present. Our revenues are projected to be approximately 17 per cent of GDP which is of course the historical norm in this country.

As well, the interest rate assumptions in our budget are interest rates which at the present time are higher than those in existence or those which are projected.

• (1440)

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I might have to check some of those facts.

The minister has seen interest rates in the United States begin to climb. In fact he recently mused that interest rates in Canada could soon be lower than in the United States. If the minister believes that Canadian interest rates can remain stable in the face of increasing rates in the United States, would he be so kind as to tell us when he thinks the American interest rates will actually exceed those of Canada?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, in terms of the first question, I can understand the confusion over the numbers. The member opposite is not the first person to have that difficulty. It is a perfectly understandable problem.

In the second question the hon. member is asking me to muse again on the issue of interest rates. The Prime Minister pointed out to me that it was not really a very good idea for finance ministers to muse on interest rates. The only thing I can say to him is that I wish he had given me this advice before I did it last time.

The Speaker: I know the Minister of Finance is speaking to me but he is pointing the other way.

* * *

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, my question is for the Minister of National Defence.

The government officially justifies closing the military college in Saint–Jean by invoking the need to save money. However, the total cost of teaching per student is much higher in Kingston than in Saint–Jean: over $71,000 in Kingston compared to $58,000 in Saint–Jean.

Since the minister is so sure that he made the right decision, can he tell us precisely how much will be saved by closing the military college in Saint–Jean, considering the costs of relocation and the need for new facilities in Kingston?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I told the member's colleague yesterday that there will be ample opportunity to answer all of these questions next Tuesday when I appear before the standing committee dealing with the estimates. I will have all the information available at that time.

Therefore, we do not have to take the time of question period to get into an argument with numbers. The member will have everything. Our case will be substantiated. If members want the report that was commissioned by the previous minister which was the subject of discussions a few weeks ago, I will make that available. They can read it over the weekend. I am sure on Wednesday they will not be asking any more questions on collège militaire Saint–Jean.

[*Translation*]

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, can the minister at least be honest enough to admit that the decision, made at the very last minute—

Some hon. members: Oh, oh.

The Speaker: Order, please. No member may impute motives to another member or a minister by using such expressions. The hon. member could perhaps rephrase his question.

Mr. Bachand: Would the minister be so kind as to admit that the decision, made at the last minute, to close the military college in Saint–Jean is purely political, to help the closing of bases elsewhere in Canada go down better?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, this was not a decision that was made at the last minute. It was a decision that was part of the original proposal for the defence cuts. It is one that I opposed, the Prime Minister opposed and many people opposed. We would have liked to have done it another way rather than close this college. However, from the point of view of financial sense in meeting our red book commitments, it seemed to us that the best business case was to to concentrate the college in Kingston.

We tried to avoid this but in the final analysis we felt that it was the only wise decision to make in saving the taxpayers money, not just the taxpayers of other provinces but the taxpayers of Quebec as well.

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my question is for the Prime Minister who likes to compare members of Parliament with NHL hockey players.

Former players like Gordie Howe and Bernie "Boom Boom" Geoffrion, who are among the best players the league has ever seen, receive pensions less than half that received by the worst MPs, including many Tory and NDP members who were removed from the last Parliament.

• (1445)

When will the Prime Minister stop high–sticking Canadian taxpayers and change the MP pension plan?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I think this member thinks that he is not worth the pay we are giving to him.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I cannot understand why the Prime Minister cannot distinguish between pensions and salaries.

However I have a supplementary question. The worst NHL players get fired, traded or sent to the minors. The worst MPs get a gold–plated pension plan with no threat of being recalled.

Some hon. members: Oh, oh.

The Speaker: I am sure all hon. members would want to hear the question the member is trying to put. He does have the floor. The hon. member will put the question, please.

Mr. Hermanson: As I was saying, the worst NHL players get fired, traded or even sent to the minors. The worst MPs get a gold–plated pension plan with no threat of being recalled.

When will the government act to let Canadians demote ineffective members of their national team through a recall mechanism?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I hear what the hon. member is talking about. I would like him to explain it to some of his caucus colleagues who are receiving pensions from the Alberta government. One of them is sitting just behind him, but he is not there at the moment. We would like to have examples from themselves too.

We said we would look into the pension plan. There will be a committee to review it. At the same time I say to everybody that members of Parliament today earn $64,000. I can understand the member knows that he will not be re–elected so he will never have a pension. I understand that. However perhaps those who have served in Parliament for a long time, with the type of salary they have received and being 51 and going into the market, should have a pension.

As for the double dipping, we are willing to look into that if they get a job in government. If it is a question of having the pension too early in life, as it was in the case of one of the members of the Bloc Quebecois who quit last year, we will review that.

At the same time I do not like the tone that leaves the impression members of Parliament elected in every riding who earn less than a school principal or manager of a hospital are overpaid and are not rendering a service to the public of Canada.

* * *

[*Translation*]

CRIMINAL CODE

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Justice.

Yesterday, the minister seemed quite hesitant and embarrassed when asked about the government's intentions regarding the practice of excision in Canada, excision being the sexual mutilation of girls. He deferred for one month his decision as to whether the Criminal Code should be amended.

Will the minister pledge today to quickly table the appropriate amendments to criminalize the practice of excision, instead of postponing his decision?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I recall neither having been embarrassed nor flustered at the question yesterday. I felt I answered it in a direct and straightforward way.

What I emphasized in the response yesterday and what I wish to make clear today is that it is the advice of my own department and it is my own view that the present provisions of the Criminal Code are quite sufficient to render criminal any assault which involves the mutilation of female genitals.

I made it clear yesterday that there is no cultural pretence which can excuse that misconduct in this country. I also made it clear yesterday that we will not tolerate it and that we wish to make clear to anyone who comes to this country that it will not be tolerated.

• (1450)

In order to demonstrate my open mind on the question and in deference to the questioner of yesterday, what I said was that I am prepared to consider whether an additional and specific provision should be added to the code by amendment to identify this specific form of assault and to outlaw it.

I gave the hon. member my assurance that I would spend a month considering the question and would be happy to let her know at the end of that period.

[*Translation*]

Mrs. Pauline Picard (Drummond): Mr. Speaker, knowing that the Official Opposition is prepared to fully co–operate to speed up the passing of an act to ban the practice of excision, does the minister not agree that he could save time, energy and money by avoiding the setting up of a totally useless committee?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, in the period during which I will consider the question I want to examine first of all whether there have been investigations and prosecutions under the present section for the kind of misconduct referred to.

I want to consider whether it is worth the expense and time of the House to pass yet another section of the code when we already have sections in the code that prohibit the misconduct.

I want to consider whether we have laws on the books already which, if properly enforced, will achieve the objective the hon. member refers to without adding laws to the code that may not be necessary.

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INDIAN AFFAIRS

Mr. Elijah Harper (Churchill): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Earlier this year six young children died in a house fire in Lynn Lake, Manitoba. According to an annual report by the Manitoba College of Physicians and Surgeons aboriginal children in Manitoba are four times more likely to die than non–aboriginal children, and aboriginal children are 11 times more likely to die in house fires.

Could the minister tell the House what he is doing about the horrendous social conditions endangering and killing aboriginal children?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, that is a difficult question about one of the most serious problems we have in Canada.

It is so sad in a nation as rich as ours that we see day in and day out a loss of aboriginal children by fire. We see suicides. We saw them recently right across the country.

I have seen the houses; they are firetraps. I have seen the lack of economic opportunity. At the same time I have seen successful businesses, aboriginal doctors, aboriginal lawyers, aboriginal teachers and great aboriginal leaders. They are saying one thing to us, that we should get rid of or dismantle the Department of Indian Affairs.

As a consequence I have asked aboriginal leaders or chiefs in Manitoba to do so in the province of Manitoba. It will be the lead province to dismantle Indian Affairs. Hopefully it will be the model for the rest of the country.

I know my hon. friend from Churchill will be in the lead because it is time to bring, in the words of the Prime Minister, dignity, honour, self–reliance, self–government to a people who are held, not necessarily embodied, certainly as supplicants under an archaic act. It is time to press on.

* * *

TELECOMMUNICATIONS

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, my question is for the Minister of Human Resources Development.

An income security program's telecentre is to be established in May of this year in Bathurst, New Brunswick. In making the announcement the government was proud to jump on the high tech telecommunications bandwagon. However it specified that all 68 persons to be hired must be bilingual.

In the words of one federal employee in Bathurst, the bilingual employees there now speak either broken French or broken English.

[*Translation*]

Does the minister not agree that the centre would better serve the public in both languages by hiring unilingual French and English–speaking personnel and asking the public to press either one or two on their telephone to get better service in the language of their choice.

● (1455)

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, as the hon. member should know, the Auditor General made an assessment of the services we provide under the Canada pension plan and other areas which handle something like seven million to eight million calls a year.

The major concern members of Parliament in my caucus have received is that people like to have direct contact with somebody on the other end of the phone, especially those in rural areas who do not have the privilege, as does the hon. member, of having touchtone phones but still have dial phones. We are not all as capable or as privileged as the hon. member in having these modern techniques. Maybe it is one of the perks we should look into with the hon. member: rather than a pension freeze he will not get his touchtone phone.

The fact of the matter is that—and this is important—we believe in service to Canadians. The best way to provide that service is to provide a major telephone bank that can take in surplus calls from across the country, make sure that people can be answered in either of Canada's official languages and get direct human services, direct responses, which is the reason we have established the phone bank.

Rather than relying upon the scurrilous opinions of some anonymous person about someone's language capabilities, the member should go to Bathurst himself to see how good they are.

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, would the minister not consider, partly for saving bilingual bonuses to the tune of $54,000 a year for that centre alone, combining the propositions put forward on this side with the answers provided on that side to give service to individuals in the language of their choice and viva voce as well?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the only proposition I have heard on this subject coming from that particular party is to eliminate official bilingualism in Canada, and we will not do that.

We believe it is one of the reasons Canadians understand this is a country where, whichever language one speaks, one has full rights and full access to the services of the federal government.

That is one reason New Brunswick, being the only official bilingual province in Canada at the present moment, is ideally suited for providing those kinds of services across Canada.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is directed to the Minister of Finance. In his budget plan, the minister claims that his decision to roll back unemployment insurance premiums to $3 in January 1995, which is next year, will create 40,000 jobs over a period of two years.

If the minister is right, why does he not create these jobs now by reversing the increase in unemployment insurance premiums introduced by the government in January?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, we raised unemployment insurance premiums in January with, as the minister himself said, a great deal of reluctance. The government faced an enormous deficit a month and a half or two months after it came to power. We admitted it did not make sense, but we were stuck with the deficit.

We still are. Until we introduce the structural reforms mentioned by the minister, which will provide the funding we need, we cannot reduce unemployment insurance premiums, and unfortunately, that will not be until next January.

Mrs. Francine Lalonde (Mercier): Does the minister not realize it is crazy to attack jobs by raising unemployment insurance premiums the way he did last December and taking the money he needs from the unemployed?

• (1500)

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, with all due deference I find the hon. member's question to be singularly confusing. One day members of the Bloc Quebecois tell us to reduce the premiums and complain about the measures we take to do it. Now they are saying to take them back to the year before which means we have to pay for the programs.

I want to say to the hon. member we had to introduce the increase in order to account for the cost of the programs of the previous government. We did not have time in the first six weeks of office to make those arrangements. The Minister of Finance has now done that in his budget.

This move has been broadly supported by all the small business organizations across Canada. The Canadian Federation of Independent Business has said that this measure will give them the mandate to go out and create work.

However, we cannot have it retrograde because these programs do not come into effect until July 1. Therefore we still have to pay for the programs until July 1. At that time we will bring in the new measures, acquire the surplus necessary, bring down the premiums, create jobs and make the hon. member very happy.

* * *

NATIONAL DEFENCE

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, a constituent of mine who works at CFB Suffield has complained that management at the base recently circulated a memo that called for temporary help to be hired simply to use up the remainder of the budget by the end of the fiscal year.

Will the Minister of National Defence investigate this very serious allegation and will he tell us whether or not this problem is occurring in other CFBs across the country?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am glad the member posed the question. It certainly is troublesome.

I cannot believe it is true. I will investigate and get back to him at a later date.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, the same constituent complained that personnel at the base are retiring with a pension only to be immediately hired back as consultants or in civilian positions thereby enabling them to collect two cheques from the federal government often for doing the same job they just left.

Will the President of the Treasury Board investigate what is widely known to be a problem in the public service and produce for the House a rigid set of guidelines to minimize such blatant abuses?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I have no knowledge of such practices. I am sure my colleague the President of the Treasury Board does not have any knowledge of those practices.

They are very serious allegations. The hon. member has not given us any details. These are just wild assertions and hearsay as one would say in court. If the hon. member has specifics, perhaps he could make them available to us.

* * *

UNEMPLOYMENT INSURANCE

Mrs. Elsie Wayne (Saint John): Mr. Speaker, first I was so pleased to hear the Prime Minister's response to the question from the opposition with regard to the pensions. Now I know my private member's bill is going to go right through.

Last week when I was home in my riding I went to the legislative assembly in Fredericton. At that time Premier Frank McKenna, our Liberal premier, one whom we all respect, put a motion on the floor with regard to the UI reforms. According to Premier Frank McKenna these UI reforms will take $200 million away from the province of New Brunswick.

Has the premier contacted the Prime Minister? Has he discussed this with him? If so what is he to do to make up for this $200 million which will be taken from the province of New Brunswick?

• (1505)

Right Hon. Jean Chrétien (Prime Minister): I talked with Premier McKenna about this and other problems. He knows as everyone else knows that we have to have some discipline in the expenditures by this government.

We have discussed ways and means of ensuring our program of job creation moves forward so that people will not have to rely on unemployment insurance but will have the dignity of having a job.

We are collaborating to develop new ways of making sure people have jobs rather than having to rely on unemployment insurance benefits.

The Speaker: As hon. colleagues can see we have gone a few minutes over the time limit. I would ask all hon. colleagues in question periods to follow if perhaps they could make the introduction of a question a little shorter and with all respect if they could perhaps see that the answers are a little more concise.

The reason I am mentioning this is to ensure that both sides have a chance to put questions and to have answers to the questions. It is a request I hope hon. members will consider and keep in mind in future question periods.

* * *

PRESENCE IN GALLERY

The Speaker: May I also draw to the attention of hon. members the presence in the gallery of the Hon. Ross Bragg, Minister of Economic Development and Tourism for the Legislative Assembly of Nova Scotia.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, the hon. Prime Minister in answering a question made mention of the fact that a member was not present in the House. I wonder if he would retract and apologize for that statement.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I want to talk of the truth because there is some hypocrisy on the other side about this. There are many people who are double dipping and getting pensions from the military, or who have received bilingual bonuses before, and so on. Now that they are in retirement they try to attack other members of Parliament who have no other income but from being members of Parliament.

I am not in the mood to retract anything about the work of members of Parliament.

The Speaker: The practice of this House, of course, is not to bring attention to the absence of any member. If the hon. member would let me review the statement then we could take this up perhaps tomorrow when we return to the House. I thank the hon. member for bringing it to my attention.

ROUTINE PROCEEDINGS

[*English*]

CANARCTIC SHIPPING COMPANY LTD.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as Parliamentary Secretary to the

Minister of Transport, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the 1992 annual report of the Canarctic Shipping Company Ltd.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to table, in both official languages, pursuant to Standing Order 36(8), the government's response to two petitions.

* * *

• (1510)

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present to the House the eighth report of the Standing Committee on Procedure and House Affairs regarding associate membership in committees.

I also have the honour to present the ninth report of the Standing Committee on Procedure and House Affairs which changes the name of the Standing Committee on Indian Affairs and Northern Development to the Standing Committee on Aboriginal Affairs and Northern Development.

I propose if the House gives its consent to move concurrence in these two reports on motions in a few moments. I would also ask the unanimous consent of the House to dispense with reading of the reports which is normal in these particular cases.

[*Translation*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I move that the eighth and ninth reports of the Standing Committee on Procedure and House Affairs, tabled in the House today be concurred in.

(Motion agreed to.)

* * *

[*English*]

PETITIONS

DIVORCE ACT

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I have the honour and privilege to present, pursuant to Standing Order 36, petitions with regard to assuring access rights for grandparents to their grandchildren in the case of divorce or separation of the parents.

As the petition states, the relationship that exists between grandparents and grandchildren is a natural and fundamental one. The denial of access can constitute elder abuse and can have a serious and detrimental emotional impact on both the grandparents and the grandchildren.

Therefore the 3,120 people who have signed this petition request that Parliament amend the Divorce Act to allow the courts to grant grandparents access to grandchildren in the case of divorce, and further to amend the act to give a grandparent who is granted access to a child the right to make inquiries and to be given information as to the health, education and welfare of that child.

I support this petition.

OFFICIAL LANGUAGES

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, it is my duty to present a petition, duly certified by the clerk of petitions, from 151 concerned citizens of the constituency of Fraser Valley East.

The petitioners ask Parliament to enact legislation providing for a referendum to accept or reject two official languages.

CRIMES OF VIOLENCE

Mr. John Finlay (Oxford): Mr. Speaker, I rise to present another petition. This petition has been signed by constituents of mine and of another member.

These petitioners are opposed to profiteering at the expense of the victims of violent crime. I too stand on the side of the victims.

These petitioners want tougher measures taken against those who perpetrate violent crimes against women, children and the disabled, in short, the weakest and most vulnerable in our society.

As this is International Women's Week it is imperative we as legislators stand in unison regardless of political affiliation against those elements in our society which condone violent crime by profiting from the sale of killer cards. Such inducements to violence must be controlled and eliminated.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

• (1515)

[*English*]

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that the notice of motion for the production of papers be allowed to stand.

The Deputy Speaker: Shall the notice of motion stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 8 consideration of the motion that this House approves in general the budgetary policy of the government, and of the amendment.

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I would like to advise the Chair that members of the Bloc Quebecois who will now speak in the debate on the budget will each take ten minutes to express their views.

I think it is important to compare the government's intentions as expressed in the speech from the throne with what the government is actually doing in the budget. I would like to quote a short passage from the speech from the throne: "It will be the policy of the government to seek to clarify the federal government's responsibilities in relation to those of other orders of government, to eliminate overlap and duplication, and to find better ways to provide services so that they represent the best value for taxpayers' dollars and respond to the real needs of the people".

Could anyone tell me where in the budget we can find the government's response to these good intentions expressed in the speech from the throne?

Again, the budget brought down by the Liberal government is a centralist one, and the burden of reducing the deficit has been laid squarely on the shoulders of the taxpayers and the provinces.

That is not the kind of equity Canadians expected. This is one more instance of the government's inertia. Once again, we have ample proof that Quebec is stifled by federalism, which tends to neutralize any constructive and innovative policy that would be useful to Quebec society.

The Minister of Finance keeps repeating to anyone who is willing to listen that his budget followed an unprecedented series of consultations with Canadians, and a costly one at that. Yes, he consulted, but he picked and chose his consultants. Did he go to the middle class and the neediest in our society to hear their views and concerns? Did he go to the Lac–Saint–Jean area, to which the Prime Minister referred as a small community?

I represent the riding of Chicoutimi, where unemployment is particularly high. The unemployment rate for the metropolitan area of Chicoutimi—Jonquière, according to Statistics Canada, was 15.7 per cent for January 1994, not seasonally adjusted.

The average annual unemployment rate for 1992 was 13.9 per cent, while in 1993, the average rate was 16.1 per cent. These figures are unacceptable. In January 1994, the Chicoutimi—Jonquière metropolitan area had 9,000 unemployed workers out of a total labour force of 60,000. When we speak of 9,000 unemployed persons, we are really talking about thousands of other people who are affected, families, children and households in dire straits. Furthermore, the rate of 15.7 per cent does not include those who are no longer looking for work, those who have grown discouraged. This figure of 15.7 per cent does not include seasonal workers either. It is a conservative figure which masks a reality that is far bleaker.

• (1520)

Did the Minister of Finance consult with the people on the streets? This budget contains all kinds of recipes to fight the unemployed, instead of unemployment. The maximum period during which a person can collect benefits will be reduced. The number of weeks of work required to qualify for UI is being increased from 10 to 12 weeks. The benefit rate has been reduced to 55 per cent, a drop of 3.5 per cent. The overall feeling of certain well–known economists is that more than 50 per cent of the projected drop in the federal deficit will be borne by unemployed Quebecers and Canadians. This is the government's recipe for fighting unemployment.

People's privacy will not be spared. Various factors, such as family status, common law relationships and economic circumstances, will be checked. One inquiry after another will be made before a person can qualify for the program. Moreover, the government has also called for a review of the country's social security programs, including unemployment insurance, the Canada Assistance Plan, the child tax credit program, employment and training programs, established programs financing in the education field and social development. What is the government planning for the future?

After raising some hope among the people by talking about job creation, this budget disillusions workers; even worse, it attacks the poorest in our society. The Liberals' pseudo–strategy for employment is based mainly on consultations, studies and committee work.

There is less and less food in Canadians' refrigerators. Let us not wait for the fridge to be empty; otherwise the people will rise up and we will have to bear the blame. On October 25, 1993, Canadians forcefully said that they want change. The government side seems to have already forgotten that because it is now following in the previous government's footsteps, it is repeating the same scenarios.

Furthermore, it is the first government since Confederation to forecast such a large deficit, $39.7 billion, just under the psychological level of $40 billion. No economist and no tax expert would have dared to make such a forecast.

Surely an infrastructure program where the costs are shared with the provinces and the municipalities will not solve all problems by itself. Cities and towns will have to go into debt to participate in the program.

To reduce the deficit to 3 per cent of GDP in 1996–97, it would have to be brought down to about $25 billion. The government's budgetary objectives are hit or miss. The proposed measures do not announce what was promised, namely jobs. The budget presented by the Minister of Finance is deficient and misleading.

• (1525)

In its speech from the throne, the government announced its intentions. Today, with its budget, the government is showing its colour, the same as the colour of its book. Canada is in the red and nothing is being done to fight the underground economy, black–market employment.

[*English*]

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I would like to thank the hon. member for his remarks which I enjoyed very much.

I have travelled in the area of Chicoutimi and Jonquière and it is a lovely part of the country.

I do have one question in the context of his remarks about federalism. I want to ask him whether he feels the unemployed people of Chicoutimi and Jonquière, of whom he spoke so graphically, would be better off, whether they would have better job prospects in the reduced economy of a separate Quebec.

[*Translation*]

Mr. Fillion: Mr. Speaker, I thank the hon. member for his question and I must answer in the affirmative, since a sovereign Quebec will eliminate overlapping and duplication, and the money saved will be used to create jobs and to invest in our province, so that young people can get appropriate training based on their needs.

Need–related training means training which will lead to secure and well–paid jobs. The savings made by eliminating this overlapping alone would be enough to revitalize the economy of the region.

[*English*]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I would like to address a question to the hon. member, one which has been perplexing me for some time.

In many parts of Canada it is perceived that Quebec has been a net beneficiary in terms of transfer payments from the federal treasury.

In the hon. member's opinion, if these transfers of moneys were to be suspended in an independent Quebec would the offset in duplication be more or less than the transfer payments being sent to the province at this time?

[*Translation*]

Mr. Fillion: Mr. Speaker, I will answer by saying that right now Quebec does not receive the same percentage of taxes that it pays to the federal government. Indeed, we account for 25 per cent of the Canadian population, but barely 21 per cent of the taxes we pay is returned to us. Right there you have an injustice which would be eliminated with a sovereign Quebec.

Mr. Maurice Godin (Châteauguay): Mr. Speaker, this budget is the failure of a newly–elected government, a government with a list of promises as long as your arm.

Sadly, we are faced with a double failure. First, this government has failed to start off its mandate by taking the drastic actions required to put our public finances in order. Second, it also failed to find ways to promote economic recovery. It has managed to take yet more from the have–nots of our society, while sparing the wealthy. It has even managed to cause controversy with unfortunate decisions like the closure of the Collège militaire royal de Saint–Jean.

However much the Minister of Finance tried to prove, with all kinds of figures and calculations, that efforts had been made to cut expenditures, few people believed him—not the media, and certainly not ordinary people—because the figures are there, implacable and merciless.

• (1530)

Those figures tell us that the budget will again show a deficit of disposable revenue over uncontrolled expenditures. This government will keep feeding an accumulated deficit by nearly $40 billion, an amount that the government is spending on top of what the people are able to pay. So, it should not boast about cuts and efforts to that effect. Its failure is visible, undeniable, because total spending continues to increase.

The level of indebtedness of this country is getting ridiculous. While this government will be adding some $40 billion to the accumulated debt, it will spend about as much just to service the debt. In other words, we are getting dangerously close to the point where our annual deficit will be equal to the cost of

servicing the public debt. Will we soon be forced to cut government spending just to cover debt charges? The Minister of Finance himself admitted that he will not be able to pay off Canada's public debt. What about the annual deficit? Could he pay it off? Not likely! If only the government could invest as much in job creation as it is paying just for debt maintenance.

Furthermore, the government could not resist picking up the bad habit of hitting on low–income people. We thought we had seen everything with the actions the former minister responsible for the Unemployment Insurance Program had recently announced. He had even tried to fool people by renaming his department, using the euphemism of Human Resources Development. Can you imagine? But people were not fooled; we know what they did with this kind of human resources development. In the last election, the Canadian people as a whole fired all those who did not understand the difference between tackling unemployment and attacking the unemployed.

The new government, far from distinguishing itself from the old Tory government, followed in their footsteps. Ordinary people have trouble understanding how the proposed changes to the unemployment insurance program are likely to improve the employment picture. I, too, have trouble understanding the increase in the number of weeks of work needed to qualify, when jobs are increasingly precarious and job security seems to have become an obsolete concept.

The cumulative deficit of some $6 billion in the unemployment insurance account at the end of 1993 is not a result of the system as such but of the failure of governments to support employment and the economy. It is not the unemployment insurance program that creates unemployment. The Liberals are confusing the disease with the cure. This remedy is not curative but palliative. The Liberals are on the same wrong path as the Conservatives; they have the same policies, the same lobbyists, the same kind of election fund, the same friends, the same protectors.

Observers quickly noted how fast the government acted to introduce in its current budget measures hitting the middle class. Yet, despite all the proposed measures regarding capital gains and tax loopholes, the Minister of Finance merely announced public consultations and hearings. Not only is there no equity in this budget but there is no appearance of equity.

While cutting transfer payments to the provinces by $2 billion over two years, it does not have the courage to close the real tax loopholes available to the rich. We in the Bloc Quebecois are always identifying tax trusts or invoking the Auditor General's recommendations, for example. If cuts to operating expenditures for 1994–95 only amount to $413 million, it is because the government did not take immediate action to eliminate waste and duplication.

It refuses to cut in the right places but does it in the wrong places. In his speech, the Minister of Finance called for renewal and accountability in social programs. To move in that direction, the government could have restored the non–profit housing program, for instance. That program provided needy households with housing of reasonable size and quality at affordable prices. It helped eligible sponsoring organizations to build, acquire, renovate and run subsidized rental housing projects. But the government did not restore the program, and thus missed a good opportunity to show its know–how.

• (1535)

Short of a similar program, it seems that the Canada Mortgage and Housing Corporation, which was responsible for such applications under the National Housing Act, is now essentially a mortgage insurer and has given up its role of partner in social programs.

The office of the president and chief executive officer of the Société d'habitation du Québec told us that, in 1993, 782 new low–cost housing units had been built across the province, thanks to the financial involvement of the federal government. Thirty–five of these units are located at 41 Saint–Hubert Street, in Châteauguay, thanks to the initiative and efforts of all those involved within the community. Do you know how many new units are expected to be added in 1994, after this budget? None, Mr. Speaker. None at all! Maybe this is the government's message! Maybe this is the solution found by the government to free itself from its obligations towards the poor.

I say to the government that better management is not synonymous with reneging on commitments. The necessary streamlining of expenditures and operations did not take place. It is more than urgent that the government use common sense. The Liberals had their red book, but their budget does not show that they have the know–how. This is why the Bloc Quebecois has every reason to be here in this House. It must make representations on behalf of all those who are forgotten and neglected by the government, and it must inform this same government of the opportunities which exist but that it refuses to recognize.

As the Official Opposition critic for Veterans Affairs, I was surprised to read that the secretary of state was satisfied because no programs were affected by any cuts, and that he was confident that no service would be adversely affected. These comments were reported in the February 24, 1994, issue of the *Charlottetown Guardian*. How can the minister make such claims when cuts affecting the department are somewhere around $3.2 million? How can these cuts, which will impact on the 1994–95 department's operating expenditures, have no effect whatsoever? Is the department so badly managed that cuts of that magnitude will not be felt at all? I certainly intend to ensure that the statement made by the secretary of state is not merely exaggerated optimism.

This budget clearly illustrates the failure of the Canadian federal regime. The wheel of the regime is turning with such inertia and is under the influence of such external force that it does not seem controllable. The result is that the Liberals have drafted a budget identical to the one which the Conservatives might have tabled, had they been re–elected. It is the exact same thing! If the elected government does not seem able to control the federal regime, how can Canadians have the impression that they can make a difference and change things in that regime?

We believe that the real solution lies in a major redefinition of the controls of public authority. Quebec's sovereignty is not an end in itself. It does not automatically mean the end of Canada or the will to come to that. Rather, Quebec's sovereignty represents the beginning of a new relationship in which solutions simply not possible in the present constitutional structure could be used to resolve common problems. Canada's structural crisis can only be solved if Quebec becomes a sovereign nation. This is the option I favour for the benefit of our future generations.

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I want to thank the hon. member for Châteauguay for his excellent speech and for his great interest in Quebecers. When he speaks of Quebec sovereignty, he speaks of the greater welfare of Quebec, and indeed of the greater welfare of the rest of Canada.

In his budget speech, the Minister of Finance spoke of one–stop shopping for government services. I assume he meant federal government services. He forgets that for years now, Quebec has been demanding to have similar service centres which would also provide Quebec government services.

• (1540)

I am interested in what the hon. member for Châteauguay has to say about the fact that once again, the Minister of Finance has forgotten that this kind of duplication is extremely costly. According to the Bélanger–Campeau Commission, duplication between Quebec and Ottawa costs between $2 and $3 billion per year. If the Minister of Finance had seriously wanted to cut spending, he should have realized that it is not a government services centre that is required, but a kind of one–stop centre that would also include services offered by the government of Quebec. I would like to get the hon. member's comments on this issue. I feel certain that he has some excellent suggestions to make.

Mr. Godin: Mr. Speaker, I agree with my hon. colleague from Longueuil. As far as I am concerned, a country's revenues and production capability are not merely a function of its size or the extent of its borders, but rather a function of the way in which that country is run.

I think that is the problem with Canada today. We have a government machine that could in all likelihood adequately serve 260 million people, the population of the United States, whereas we have a population of barely 26 or 27 million. And that is the crux of the problem. There is considerable duplication at the federal, provincial and municipal levels. If we cannot change or amend this system, then the only option for Quebec, the only way for it to achieve a healthy system of government, is to become sovereign.

The Deputy Speaker: Hon. members, I made a mistake. As a rule, after a speech, the Chair must recognize a member from another party first.

[*English*]

I should have recognized first the member for Edmonton Southwest. Please be brief, the time is just about up.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I have a great respect for the hon. member for Chateauguay but I wish to draw a contradiction that I see in his presentation to the attention of the House and perhaps get his response.

His first words were that the closing of the military college at Saint–Jean is a desperate problem for the province of Quebec. Would the member not agree that if Quebec were to separate and be an independent country, Canada would no longer have any facilities in Quebec? Does not the closing of that one military college, which he takes great umbrage at, foreshadow the closing of many more federal installations in Quebec to the tremendous detriment of Quebec and Canada?

[*Translation*]

Mr. Godin: Mr. Speaker, I wish to thank my hon. colleague for his question. No, I do not believe that additional closures of federal installations in Quebec would be detrimental to Quebec. One has to understand that any federal investment in Quebec is tied to taxation. Whether we take our tax dollars and send them to Ottawa only to have them reinvested in the province, or whether we spend them ourselves, it is really all one and the same thing.

However, I would point out to him that there is quite a difference between receiving one million for research and development, and receiving one million for unemployment insurance. If we were the masters of our own destiny, we could take the one million and invest it in research and development, rather than spend it on unemployment insurance. Then, we would be able to put everyone to work.

[*English*]

The Deputy Speaker: The Chair is reminded that the time has expired. Next time I will be sure to recognize someone from another party.

• (1545)

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I am pleased to rise in my place and participate in this debate. May I at the earliest opportunity on my feet with you in the chair express my congratulations to you on taking up these most important responsibilities.

In beginning my remarks I cannot help but say to my colleague opposite who in giving his remarks on this budget debate said "if we were masters of our own destinies" that we are as Canadians in a free and democratic society masters of our own destiny. Quebecers are masters of their own destiny. Every time Quebecers have been asked to chart a course, to fasten a sail and to be captains of their own ship they have decided that their fate and their course lies in parallel with Canada, not as a separate entity and not as a separate ship.

I am confident that Quebecers, if they are again given the opportunity to cast a judgment, will again choose to contribute to this great experiment on the northern half of the North American continent called Canada.

Canadians on October 25 gave a very clear mandate to a new government to attempt to come to grips with age old problems. I submit that never in modern times has a party laid so clearly before the people of Canada, fully a month in advance of an election, a detailed blueprint for the government's policy and plan of action. I am referring now to the Liberal red book.

Each of the major initiatives outlined in the red book were outlined weeks in advance of the election, something which heretofore has been considered to be a politically silly thing to do; to actually tell the people in detail, not days, not hours, not weeks but a month before an election, to lay it out and say: "Here is what we will do if charged with the responsibility to govern". That is something we did.

I am proud to say that I belong to a party that not only laid out its program but has scrupulously, item by item by item, sought to fulfil the contract, which is what it is, that we made with the people of Canada when they signed on the bottom line, marked their *x* and gave Liberal members of Parliament a majority and the opportunity and responsibility to govern.

In Atlantic Canada Canadians by an overwhelming majority expressed confidence in the platform of the Liberal Party. Atlantic Canadians did not express that confidence because they had some kind of simple belief that just by voting Liberal all of the social challenges that confront us would suddenly disappear or held some simple belief that just by voting for change that unemployment would disappear. No.

The people of Atlantic Canada marked an *x* for a party and for a program fully aware that the structural problems of Atlantic Canada could not be dismissed with the introduction of one budget, could not be eliminated just by an expression of good will of a new government, but that our chronic levels of unemployment and our structural problems required real change, not slogans but substantive change.

One of the areas we committed ourselves to change and one of the areas where Atlantic Canadians lock arms with us in marching forward to accomplish that change is in the area of the fishery.

We said that we would make two substantive changes in fisheries policy, two sea changes in fisheries policy. On the one hand we said we would not walk away and turn our backs on those in crisis, those dislocated and those out of a job because of the closure of fisheries and because of the moratorium on Atlantic groundfish stocks. There are now a total of 14 moratoriums in place. There are 14 groundfish stocks in which there is no fishery for the first time in 500 years.

• (1550)

We now have a situation for those people who live in rural Newfoundland on the tip of the great northern peninsula in a small rural isolated community where the average income is among the lowest in the country and where the capacity to take some wild game or jig a few cod is an important component of the food basket where I, as Minister of Fisheries and as a native Newfoundlander, have had to take away the right even to jig with a hook and line, the most basic biblical kind of tool, to go out and draw a few fish from the sea. I have had to take away that right in the name of conservation.

Incredibly, for the first time in 500 years that right was removed. There is not a protest. There is not a revolution. There certainly is not a celebration. However, there is acceptance. There is a bearing down, a gritting of teeth, a desire to pay the price that is required to rebuild those cod stocks even if that price is to take the fish and the protein out of the sea, right out of the cupboards, the freezers and off the tables of the very people who have relied on it for 500 years.

We said to the people of Atlantic Canada and to the people of my province of Newfoundland and Labrador that we will take the tough decisions. We have begun the process of taking them. We put in place in the budget $1.9 billion to ensure that people can retrain where appropriate, that people can be sustained in the core fishery where appropriate as the rebuilding process goes on.

We have publicly identified the need to reduce capacity on the harvesting and processing side of the fishery by as much as 50 per cent. Imagine, standing up in a public place, in a land where people for generations have eked out a living on the edge of the north Atlantic, drawing the resource from the sea, and publicly saying: "Half of you cannot be sustained. Half of you cannot

carry on. Half of you must move on to other industries and other jobs".

If a decade ago someone had even whispered that thought there would have been riots. A decade ago if someone had stood in a public place and suggested that people would be separated from not just the means of making a living but the way of life that generations of forefathers had carved out, he would have been run out of town. However, today there is a steely determination to bear whatever cost has to be borne, to bear whatever pain has to be experienced, to rebuild these cod stocks.

I want to take this opportunity to say that all of those who sit in steel and glass and ivory towers, in the editorial boards of the nation from their vantage point 25 or 30 floors above the concrete below, to those who say that Atlantic Canada is finished, that the back of the economy has been broken, that the spirit of the people has been crushed or broken, those who say the solution is simple resettlement, should be moved to Toronto, Montreal or Calgary or Vancouver or to somewhere else where there is a job. I want to say to those who in their own mind when faced with such a challenge as that being faced by the people of Atlantic Canada who would fall down and give up that that is not the mood, that is not the spirit, that is not the disposition and that is not the character of Atlantic Canada.

The people of Atlantic Canada and of Newfoundland and Labrador do not feel desperation or hopelessness but are reaching down and uncovering a wellspring of courage and conviction to carry on. We are going to rebuild the industry. We are going to restore a new conservation ethic. We are going to stand up and ensure that the last fish out there is maintained to rebuild that important historical sector.

We will pay any price in the name of conservation. We will impose 14 groundfish moratoriums. We will impose a moratorium on the food fishery. We will take 35,000 people and have them park their boats and close their plants.

• (1555)

We as a nation will pay the price to maintain, sustain and retrain them. We will demand no less of foreign nations that fish on the nose and tail of the Grand Banks. We will demand no less. We say to France, Portugal, Spain, Japan and Russia, with our palms outstretched in the realm of generosity, with our hands stretched out seeking understanding, that we can do no more than we have already done in the name of conservation and that they can do no less than to join us in respecting these important cod moratoriums.

We have said that we will not catch a pound of fish this year on the nose and tail of the Grand Banks, the breeding grounds of what once was the world's greatest protein resource. Not a pound. At a time when we have an agreement in Brussels through NAFO, when Canadians have agreed not to fish and when our NAFO partners have agreed not to fish, we will not allow pirate vessels flying flags of convenience to come in and make a mockery out of the sacrifice that Canadians and indeed others around the world are prepared to undertake this year to rebuild those cod stocks.

Monday next I will be in New York. On behalf of Canada I will speak to the UN conference on high seas fishing. I will make it clear that we want to resolve this matter by agreement. I will equally make it clear that we will resolve it by unilateral action if necessary.

Two years ago when the government of the day came before Parliament seeking authority for an assistance program for Atlantic fishermen, the then minister stood in his place and pointed out that a northern cod stock had collapsed.

The minister said against a backdrop of a $30 billion national deficit that he needed assistance for 17,000 displaced people. He said that assistance would be required for two years. I am back two years later. The deficit is not $30 billion, it is $46 billion. The number of people requiring assistance is not 17,000, it is now 35,000. The timeframe is not two years, it is now five years. The scope of the crisis has broadened dramatically.

As I said, we want to do all we can to rebuild the fishery by restructuring at home, by enforcing reasonable conservation measures inside and outside the 200–mile limit. We also know that we must rebuild the economy. We have to diversity the economy of Atlantic Canada.

Let me speak of my own province, Newfoundland and Labrador. I know it is not enough to ask my fellow Canadians to stand with us, to stay with us during this downturn in the fishery. I know we have to demonstrate that Newfoundlanders and Labradorians are prepared to go out and to compete, to develop their skills and to win in a global economy.

That is also a direction we are moving in. I want to share with some of my colleagues elsewhere in the country what is happening in Newfoundland, where the new opportunities lie and where the new leadership is coming from.

I submit to members that one of the areas in which we can be competitive, where 90 miles of water is not a disadvantage, is in the area of the new information and knowledge based industries, in high tech, in research and development. That is where the future lies and that is where the future is being carved out.

In the province today we are seeing the development of new companies in the engineering services field. Last year, RDS Engineering of Newfoundland won out over national and international competition for a $6 million contract on Hibernia. A new company, Instrumar, has developed a clean wind detection system now being used all across the country, technology to develop the presence and thickness of ice, snow and other substances on aircraft wings. This company recently formed a

strategic alliance with Allied Aerospace Canada to commercialize both nationally and internationally this new system.

• (1600)

Ultima East Data Communications Ltd. has developed a range of hardware and software products for communications applications, including access to current satellite technology. Together with a sister company, Sea Link Ltd., Ultima East has been marketing automatic high frequency radio systems world–wide. Eighty per cent of the product of this company is being marketed not in Canada but internationally and the vast majority of its export product is going into Asia. All of the software development has occurred in Newfoundland and Labrador. That is the kind of future we have to carve out for ourselves.

Compusult Limited, a St. John's company, recently completed a $1 million contract to develop a system for Environment Canada to receive and to store ice data. It is now in the process of commercializing that technology. EJE Trans–Lite, a Newfoundland company, was established in 1988 to design and market specialized safety lighting products for the marine and aviation industries. One of its products, a personal rescue light, has sold already in a short period of time more than 200,000 units and over 80 per cent of that product is being exported around the world.

Another company, Nautical Data International, recently formed a joint venture between two high technology companies, one based in Newfoundland and the other in Vancouver. Both these companies have put their resources together and are digitalizing the data from the department of hydrography in my department. It is a unique development. We have privatized the information available. We have digitalized that information and both the Vancouver and Newfoundland based firms working in tandem are marketing that product around the world and around North America. It is another new high tech development.

I mention these companies because I am not naive. I have been here 14 years. I understand that for many Canadians who have not had the opportunity to visit Newfoundland and Labrador and certain parts of Atlantic Canada, there is a perception that the economy is built entirely on the fishery, as some Canadians falsely perceive that the economy of Alberta is entirely built on red beef. Of course nothing could be further from the truth.

It is a modern, thriving economy showing great leadership in the high tech field, the petrochemical field, the engineering field, and so on. A new economy is evolving in Newfoundland. Some of it is spinning out from around the offshore oil and gas sector.

We understand on this side of the House that we have to create the environment to allow that new technology, that new leadership, that spirit of entrepreneurship to flourish. We have to give people the circumstances and the conditions under which they can, as a people and as a province dependent too long upon a single resource, sprout their entrepreneurial wings and fly, successfully compete in a global economy. That initiative is under way today in Newfoundland and Labrador.

In the meantime we must never forget, Atlantic Canada must never forget, that Newfoundland and Labrador has a historical attachment to the ocean, a historical attachment to the sea and to the resources of the sea.

We must begin to understand that the desecration, the destruction of cod resources, northern cod all throughout the Atlantic, the destruction of offshore resources is the environmental equivalent of the destruction of the rain forest. When we take away that resource we take away not an opportunity for an income or a livelihood from people in the particular region but a resource that is part of the world's food basket, a rich source of protein for the planet.

We have to begin to understand that the crisis on the east coast is not a Newfoundland crisis. It is not an Atlantic crisis. It is not a regional issue. It is a question of sovereignty for a nation.

If we as a country cannot commit ourselves to rebuilding the great Atlantic resource, if we are not prepared to commit ourselves to take action to rebuild that resource, to flex our will, not only at home but beyond 200 miles, then we have to call into question how mature this nation is and how willing and how ready we are to stand up and call ourselves a mature and modern nation in 1994.

• (1605)

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I wish to thank the minister for his speech which was very emphatic and informative.

I did notice a couple of things as you were progressing through your list of accomplishments in the ongoing change in Newfoundland. You specified how the economy is diversifying, the number of jobs being created, and so on.

Almost conspicuous by absence is the fact that the infrastructure programs that past governments have initiated, if I can call them that, the Hibernia project, and so on, are not playing a huge part in the rebuilding of Newfoundland.

It seems to me there is a lesson to be learned there, possibly that the businesses mentioned are small and medium sized businesses using the high tech future to grab hold of things and sprout wings, as the hon. minister mentioned, to grab hold of the new possibilities.

Hibernia is not really playing the big part that people hoped. I wonder if the minister would comment on future job creation projects. I realize the minister is supportive of his own infrastructure programs but it seems that billions of dollars have been

wasted in large part on Hibernia. There is going to be another billion dollars thrown at the P.E.I. bridge.

Would the minister comment on whether that is the best use of taxpayers' money. Would it be better to lower taxes, thereby helping these small and medium sized businesses?

The Deputy Speaker: Before recognizing the minister, I wonder if members could say "the minister" or the "member" rather than "you".

Mr. Tobin: Mr. Speaker, I did not talk about the Hibernia project because I wanted to focus on what I think is an exciting new dimension. There are a bunch of young men and women, some in their twenties and thirties who are developing software, not importing technology or software, adding some value and sending it off. The resource is their own imagination.

Limitations are those they impose on themselves. They are taking tools of modern technology and using those tools to create new knowledge based industries and exporting them around the world.

I find it fascinating this kind of activity happens on an island province where traditionally we do not expect that kind of development.

I want to acknowledge that today. This kind of development is every bit as exciting when one young firm with a handful of young engineers and a couple of people prepared to write and develop new software develops a brand new industry based on knowledge and the extent of its own imagination.

I find it every bit as awesome to contemplate as Hibernia, which is in itself an incredible feat of engineering. It has contributed significantly to the economy of the province of Alberta.

I do not want to belittle Hibernia. It is an important project. Another government in another day committed the funds to that project. It can lead to a series of new offshore developments. Mr. Speaker, knowing your former interest and expertise in matters having to do with energy development in Canada, I do not want to diminish from the project at all.

I simply want to take this opportunity to acknowledge what is being done by young incubator companies. They are not waiting for your permission or mine or even our acknowledgement. They are out there competing and winning in the world market. I think that is exciting and ought to be acknowledged and encouraged.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I am always impressed by the eloquence and verve of the Minister of Fisheries and Oceans and of people from Newfoundland generally.

The minister referred to the Liberal Party's red book, and I must say there have been an impressive number of references to this document.

• (1610)

I wish he would use the same eloquence and the same verve to explain why, in the red book, he did not tell Canadians that unemployment insurance premiums would be taxed by more than $800 million. Why did he not say that companies would be paying $1.7 billion in taxes over the next few years? Why did he not say that individuals would be paying $1.8 billion in taxes over the next three years? Why did the red book not say there would be a deficit of $40 billion for the current year? And that in 1996, the cumulative debt would be nearly $600 billion? Why did he not say this?

I wish the minister would use the same eloquence and the same verve to explain that to Canadians. Why were Canadians totally misled by what was said in the red book, if we look at what the government is doing now?

[*English*]

Mr. Tobin: Mr. Speaker, we have a saying in Newfoundland. When someone is awfully bold we say they have more nerve than a toothache and a vicious one at that.

Here is the member asking me why we did not tell Canadians about the fiscal situation of Canada. The hon. member's leader made a notable contribution to the leaders' debate during the last election and the leader of the Reform Party will remember this. He kept asking the then Prime Minister what the deficit was and what the deficit would be. Up to that point we were all told the deficit this year would be about $33 billion. It turned out after we came to office that the deficit was $46 billion, $13 billion higher than the government had admitted.

Having the member ask me why we did not know this is amusing, given that the member who just asked the question spent his first four or five years in this place sitting on the government benches, the Tory party benches.

Why the member would now ask me what he was doing jumping up and down voting yes every time the government he supported proposed a motion, I do not know. I do not know what he was doing and I do not know what questions he asked in his caucus.

What I do know is that he was a loyal follower, notable for his capacity to get up and bow yes whenever Mr. Mulroney asked his permission to spend more money. It takes a special kind of nerve, like an open, raw wound, for this member to stand here now and complain. This member ought to be put on the bow of a boat out at 200 miles because he bellows so loud and makes so little sense that he would scare away all foreign fishing vessels.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I have a similar question. I have asked this question to two of the member's colleagues in the past and did not get an answer. I have often watched the hon. minister on television during the last four or

five years and I am always impressed by his intelligence and his wit. Therefore, I would like him to concentrate that wit on this question and I hope to get an answer.

How will the addition of $100 billion to the federal debt over the next three years affect the plan to rebuild the fishing industry on the east coast as well as a new tech industry that he speaks about emerging now in that area?

Mr. Tobin: Mr. Speaker, the member wants an answer and I am going to give him one.

What the member is suggesting, to reverse the situation, is that rather than add $100 billion to the debt, he is now referring to approximately $30 billion of deficit on average over the three years, a little more for $100 billion after three years. The member is really suggesting that we should cut out an additional $100 billion of expenditure. Is that not true? I see everybody but the leader of the Reform Party nodding yes. He is a bit more cautious.

By cutting out $100 billion we would start, according to the hon. member—

Mr. Ramsay: Answer the question.

Mr. Tobin: I am answering the question. The member does not like the answer. We start by cutting the $2 billion for fishermen and plant workers. That is what the member wants. Then we would cut all unemployment insurance payments in total so there would be no more unemployment insurance plan. Then we would begin to cut medicare and do away with medicare as a universally accessible plan and ensure that people would pay their own way. The member is nodding his head yes. When done with that we would then cut out all regional development funding so that those who lived in areas of highest unemployment would be left to their own resources. At the end of the day we would simply take the keys to Parliament and the notion of parliamentary responsible government and we would turn them over to Walmart.

• (1615)

The Parliament of Canada is not McDonald's. It is not Walmart. It is up to government to use the tools and the resources of the nation to give direction and shape to the country. We do not give shape to the country by abandoning public policy to public accountants. We will not do it.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I rise to address the budgetary policy of the government as presented by the Minister of Finance on February 22. My principal reason for rising is to register a profound sense of disappointment and apprehension concerning the fiscal and the human aspects of the 1994 budget.

The blunt truth concerning the fiscal aspect of the budget is that it does not bring federal overspending, the federal deficit or the federal debt under control. Nor does it lay the foundations for doing so in the future. Projected spending for 1994–95 is $164 billion or $3 billion more than was spent in 1993–94. The federal deficit for 1994–95 is $40 billion or 5.4 per cent of GDP. The government spending plans add another $100 billion to the federal debt over the next three years, a debt which already stands at $511 billion.

After all is said and done, the only improvements in the government's financial position are mere projected improvements for future years, projections which are no more believable than those of the previous government.

It is the implications of the budget for Canadians in human terms which turn my disappointment into apprehension and even alarm. Because the budget fails to come to grips with overspending it offers no hope whatsoever to millions of hard–pressed taxpayers for tax relief. In fact it assures them of nothing but future tax increases.

Because the budget adds another $100 billion to the federal debt over three years it diverts another $3 billion to $6 billion of revenue per year into interest payments on that debt. Federal financial support for health care, education and pensions will thus continue to deteriorate. This is bad news for the recipients of those services.

Because the budget fails to come to grips with the deficit and the excessive taxation of Canadians, it sends a strong negative signal to private sector job creators. The net effect of the budget is to discourage private sector job creation. This is bad news for the 2.5 million unemployed and underemployed in the country.

In summary, the federal budget stripped of its rhetoric and politically inspired optimism is a failure of the first order, a failure whose heaviest impact will fall on taxpayers, recipients of social services, the unemployed and the underemployed.

Based on this assessment it is appropriate for us as members of Parliament to consider the following question. If the Government of Canada were a great publicly held company with 27 million shareholders and we were its directors; if we had just received a financial statement showing our 21st annual loss in a row, this time for $40 billion; if our balance sheet showed we were carrying half a trillion dollars worth of debt; and if this Chamber were the great board room of that company and we met here today, many of us as new directors, with a legal responsibility to our shareholders to face up to fiscal realities, I ask how would we likely respond.

We know that some members would choose simply to deny the reality. They would say a $40 billion deficit is not that bad; we

can always borrow more; the lenders will never cut us off; it might happen to New Zealand but it will not happen to us. Others might try to escape the fiscal reality by flights of fancy. They would say: "Let us focus on next year; next year things will be better". Still others would be looking for someone to blame and be saying: "It is not our fault; it was the previous director's fault". Yet again some of us might simply look for an exit strategy: "Let's make sure we don't get hurt. Let's make sure our golden parachutes are in order. Let's take some subsidiary of the mother corporation, separate it out and go off on our own".

• (1620)

There is another response that is possible under these circumstances. That response is to face up to the fiscal reality that the budget downplays and to develop a contingency plan for the day when its shortcomings become evident to all. Instead of going into denial or flights of fancy or blaming someone for trying to get out, we should say one to another: "Let us develop a contingency plan that really comes to grips with the overspending, the deficit and the debt, a contingency plan that protects the taxpayer, the workers, the unemployed and the users of social services from the injuries the budget will ultimately cause. Let me briefly outline the key elements of a contingency plan for Canadians to cope with the failures of the 1994–1995 budget".

First is a contingency plan for real deficit reduction. The budget presented by the minister last month proposes spending cuts for 1994–95 amounting to only $2.2 billion or about 1.3 per cent of total spending, achieved mainly by cuts to defence spending and unemployment insurance. Those of us who believe federal spending must be reduced more quickly and in greater amounts must complete a more detailed and extensive list of spending cuts and keep it current as a contingency plan for real deficit reduction.

The Reform Party has a list of about $20 billion in proposed spending cuts which could be updated and made part of this contingency plan. This list was tabled in the House during the prebudget debate.

To his credit the Minister of Finance has said that he and his officials would be willing to sit down with us to review the feasibility of this expanded list of spending cuts. We look forward to that opportunity.

Various provincial governments, in particular Alberta and New Brunswick, are further along the road to controlling overspending than the federal government. Their deficit reducing activities should be scrutinized for elements which could be incorporated into a federal contingency plan.

In any event a contingency plan for real deficit reduction must be developed and kept current for the day the government and the House realize the federal deficit is much more serious than the 1994 budget acknowledges.

Second is a contingency plan for taxpayers. The budget presented by the minister last month provided for the federal government to extract $9 billion more out of the pockets of taxpayers than in 1993–94 and $600 million of that from tax adjustments contained in the budget itself.

The government was wise to heed the wishes of Canadians and back off proposals for reducing RRSP contribution levels and for instituting new taxes like a carbon tax. The fact remains that too many Canadians are responding to excessive taxation by going into the underground economy or taking their capital out of the country. Those of us who recognize the seriousness of this problem need to provide taxpayers with some other options. We need a contingency plan for taxpayers and here are four suggestions.

(1) We can make sure that every major taxpayer group in the country becomes aware that further tax increase are inevitable unless the government gets far more serious about cost cutting.

(2) We can invite taxpayers to communicate their concerns to the government, perhaps by sending a tough letter of protest with every tax return so that even the most obtuse member of the government will realize that further tax increases are not a politically viable option for solving the government's fiscal problem.

(3) We can solicit from taxpayers their proposals for government cost reduction and their ideas on what form tax relief must take in order to stimulate private sector job creation.

(4) We can show taxpayers a tax relief light at the end of the cost cutting tunnel. If Parliament would pledge itself to reducing the deficit to zero by the end of its term then and only then does genuine tax relief become a real possibility.

Third is a contingency plan for workers. In its election campaign and in its red book the government said that job creation was its highest priority. Yet the real job implications of the budget are bleak indeed. The most real and immediate job impact of the budget is the elimination of 16,000 jobs by the defence department; a reduction, not an increase in employment.

The finance minister predicts a reduction of only one–tenth of one per cent in the unemployment rate in 1994 as a result of his budgetary measures.

• (1625)

The Minister of Industry and the Minister of Human Resources Development however are more optimistic. The Minister of Industry in his response to the budget spoke well and extensively on the new information based, export oriented economy emerging in the country. He assured us the government

had the knowledge and the policies to enable workers and businesses to find a place in that new economy. The Minister of Human Resources Development in his response to the budget said rightly that there was a job crisis in the country and that the Chamber must seriously consider how jobs are created.

How is a self–sustaining job to be created in the 1990s? The government seems to feel that government is the primary engine of job creation, whereas Reformers believe that the best job creation process is as follows.

First there has to be a customer or a consumer somewhere with a demand for a good or a service and money to activate that demand. Then there must be an entrepreneur or a business that sees that demand and decides to fill it. The role of that business is to assemble the resources, the capital and the labour required to satisfy consumer demand. When that is successfully done employment opportunities, jobs, are created for workers qualified to fill them.

The essential role of the government in all this is not to initiate job creation but to support it. The employment aspects of a government's budget, therefore, should not be measured primarily by how many jobs government spending and programs create but by the signals that budget sends to private sector job creators, by how many more dollars it leaves in the pockets of consumers and investors, and by the support programs it provides to workers.

Measured by those standards the budget presented in the House is a failure. By not coming to grips with the deficit the only signal it sends to business and investors is a negative one: more tax increases ahead. This signal kills rather than stimulates private sector job creation.

A contingency plan is required for the unemployed and the underemployed whom this budget fails. A part of that plan will be the real deficit reduction measures discussed earlier, but the second part of that plan must include measures to assist workers to find and fill jobs in the new economy referred to by the Minister of Industry.

In this regard I suggest we submit the government's employment enhancing measures to a simple test. The minister of defence says that he is going to cut 16,000 jobs in the defence department. The Minister of Industry says that he knows there are new jobs waiting in the new economy, and the Minister of Human Resources Development says that he has the programs to equip people to find and fill those jobs.

Therefore let the minister of defence submit to the House the names of the 16,000 people whom he is laying off. Six months from now we will contact them to see how many are on UI, how many are on welfare, how many are in dead end jobs in the old economy and how many in fact are on their way to jobs in the new economy. If even 75 per cent of those 16,000 are on their way to jobs in the new economy, we will be the first to congratulate the government and to encourage it to further refine and develop its employment initiatives. If more than 25 per cent of those 16,000 are on UI or social assistance or stuck in dead end jobs in the old economy, it will be clear to us and the whole country that the government does not have an answer to the job problem and never did.

In other words, if a government cannot guide 16,000 from the defence department to jobs in the new economy, who would believe that it has the policies and the programs to guide 1.6 million unemployed to that destination?

Finally the House must address the question of where the guidance and leadership will come from to correct the failures of the 1994 federal budget and to produce a contingency plan for Canadians. I am genuinely sad to say it is apparent this guidance and leadership will not be coming from our chief executive officer, the Prime Minister of Canada. This is regrettable because experience in this country and others has shown that major efforts at government cost cutting are almost never successful unless they are fully and vigorously backed by the leader of that government.

Unfortunately the present Prime Minister made it clear on his visit to Alberta last week that he could not be counted upon to provide that kind of leadership. He is quoted as telling an Edmonton radio audience there will not be a new round of tough spending cuts. There may be some changes in reference to the reform of social programs but there will be no spending cuts in the next three years other than those announced in last week's budget.

• (1630)

Second, it is equally apparent that guidance and leadership in correcting the failures of the 1994 federal budget will not be coming from the Official Opposition. If you analyse the speeches made by the Bloc members in response to the budget you find they are totally negative with virtually no constructive alternatives to offer.

It is not enough simply to point out the weaknesses and deficiencies of the budget. Anyone can do that. What desperately needs to be done is to provide constructive alternatives, contingency plans to remedy those weaknesses and deficiencies, something the Official Opposition has failed to provide.

We also notice that underlying most of the budget speeches of the opposition is the assumption that you could balance the federal budget by simply cutting administrative fat. If Bloc members would spend even five minutes studying table 17 on page 56 of the budget plan, they would see that federal transfers in support of social programs in 1994–95 will amount to $67 billion or 55 per cent of all program spending whereas the total spending on government operations is $20 billion or 16 per cent of government spending.

In other words you can cut the fat, the tissue, the muscle and the bone out of government operations and you will still only reduce the deficit by half or, put another way, there is absolutely

no way the federal deficit and debt can be brought under control without reforming social spending.

The responses of members of Parliament to the federal budgetary problems are totally negative or utterly unrealistic and cannot be counted on to develop viable contingency plans for this or for any other ship of state.

If we cannot count on the Prime Minister or the Official Opposition to remedy the failures of the 1994 budget or to produce contingency plans for coping with its negative impacts, whom can we count upon?

Reformers say that in this instance as in all others affecting affairs of state we can count first and foremost on the people themselves, the taxpayers, the workers, the unemployed, the underemployed, the recipients of social services, the people whose interests are most seriously injured by the failures of the 1994 budget and the absence of realistic contingency plans.

It is the intention of Reform members to register our disappointment and apprehension concerning the 1994 budget in debate and in committee, but it is our intention to do more. It is our intention to call for the development of a contingency plan for Canadians and we invite other MPs and concerned Canadians to contribute.

We envision a contingency plan that really comes to grips with the federal debt, deficit, and overspending by proposing the needed additional spending reductions that are missing from the budget. We envision a contingency plan that calls upon taxpayers to register their opposition to overtaxation and their desire to secure tax relief.

We envision a contingency plan that puts our social programs on a more secure financial footing and that directs public social spending to those that are most in need.

We envision a contingency plan that responds to the needs of the unemployed and underemployed by the stimulation of private sector job creation and by supporting workers in their journey from the old economy to the new.

We envision using our positions, offices, and resources as MPs to combine our ideas with those of the public into a contingency plan for Canadians to control federal spending, secure tax relief, stabilized social services and stimulate private sector job creation.

This is the Reform response to the 1994 federal budget and when the day comes six months, one year, or two years down the road and Canadians realize how badly the 1994 budget missed the mark there will be a constructive alternative to which they can turn.

• (1635)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, first of all I am delighted to welcome the leader of the Reform Party to the debate. As the Prime Minister, myself and other ministers went across the country we missed his presence in the debate over the last couple of weeks and we are delighted to see him back.

Let me simply make a couple of points because I know the time is very short. The leader of the Reform Party talks about the necessity for jobs and in the same breath he talks about the requirements for tremendous cuts. I am sure he would recognize that even the Alberta treasurer said that as a result of his cuts the growth in Alberta was going to be cut by almost a full percentage point. I am sure he would not recommend to us as a country that wants to create jobs that we begin on the kinds of cuts that are simply going to bring the economy to its knees which is indeed the result of the kinds of recommendations that he has made.

What we have done is follow what the OECD has done, which is a far more balanced approach, one which will lead to deficit reduction at the same time as job creation.

The member opposite talks about eliminating the deficit. He talks about doing it by the end of this mandate, which is indeed his party's program, but the fact is that the deficit is now $13 billion higher than when he originally prepared that program. I would ask where would he make those cuts or what kind of growth would he get.

In his own projections he talked about growth of $16.5 billion in revenues over three years. That is based on assumptions which are simply Alice in Wonderland. I look forward to sitting down to understand how this country which was not able to grow faster than 2.4 per cent last year is going to triple its growth over the course of the years to come.

I go on. He talks about cuts in OAS. He says he would do it at a level of $54,000. An objective assessment of what the member opposite has said would in fact talk about having made those levels of cuts to people who are making lower than $20,000 to $25,000. He would cut subsidies to business by $800 million. That is $200 million more than in fact is given to business through the regional agencies and basic subsidies. His arithmetic is fundamentally wrong or his understanding of the public accounts is wrong.

He called for a 25 per cent reduction is subsidies to crown corporations. I simply ask him: What would he cut? VIA? Would he cut the CBC, eliminate it? Tell us. Do not simply give us these numbers in the air.

I go on. He says taxes. He says we should not have done on the tax side what we did. Does that mean he would keep the $100,000 capital gains tax exemption of which the previous government, according to its own studies, said there was no proper evaluation? It was not able to make one iota, one scintilla of relationship between that capital gains tax exemption and job

creation or benefit to the country. Would he keep that? We eliminated it and we are very proud that we did.

He talks about a carbon tax. He was the first person to raise the carbon tax. It is part of an ongoing study set up by the previous government which we are continuing, but he is the person who raised the carbon tax.

I must say to talk about a tax revolt in the House, a revolution against the tax of his own imagination, is somewhat specious to say the least.

Mr. Speaker, I know the time is precious, but let me simply summarize it by this. The essence of the position of the Reform Party is that what we should do at the present time is have a full review of the defence policy before any cuts are made, but that we should immediately embark upon a savage cut of all those government support programs which go to single mothers, single parents, senior citizens, widows, and children.

I simply do not understand. I do not understand a political party which says that the cold war is not over and therefore we should continue defence spending, going ahead as we have in the past, but on the other hand that we have won the war on poverty. That is simply unrealistic.

The Deputy Speaker: The leader of the Reform Party will have as long as the Minister of Finance just took, which is about four minutes.

Mr. Manning: We are going to exhaust the question period.

The words in the minister's remarks that I think are the ones I can agree with are when he said: "I do not understand".

What we have had in this exchange is perhaps one of the problems of debate in this Chamber. The minister made a number of statements about the Reform Party's approach to deficit reduction in which either he misunderstands our position or we have not communicated it clearly.

Even our growth projection figures, which are based on about 3.5 per cent and which we now acknowledge are a little bit high, are not that much higher than what the minister is using. We can defend our spending reductions. We would be prepared to do this. I think the more proper forum for this—and I think the minister has invited us to do this—would be on one of these nights, away from the media, away from where we are scoring political points, for the minister to bring his officials who can roll up their sleeves, we will bring ours, and we will hash over these numbers.

• (1640)

I have enough faith that I think the government is seriously enough concerned about this that if we can score points in that debate and say: "Look, here is an area where something more could be done", it will listen. If we are wrong on some of these projections, we will back off on those in our public presentation. I think that is the place where we are going to make a contribution or not.

There is a second point I would like to make. I think this is where there is a philosophical difference between ourselves and the government. It is a question of how jobs are created and what is the role of the government in that versus the private sector.

I have looked at the minister's budget. I notice that when the government talks about reducing unemployment insurance premiums by $725 million to $2 billion over three years, it says the effect of that will be to create about 40,000 jobs. In other words, by leaving money in the hands of businesses and taxpayers it is going to create about 20,000 jobs per billion dollars. Then the government comes along and says: "But we are going to have an infrastructure program and we are going to tax $6 billion between the three levels of government out of those taxpayers, and we are going to reinvest that and we are going to create 65,000 jobs, in other words about 10,000 jobs per $1 billion spent".

There is an inherent contradiction in those numbers. If you can create 20,000 jobs by leaving a billion dollars in the hands of taxpayers, why would you not leave the $6 billion in the hands of those taxpayers and create that many more jobs? This is the philosophical difference between our approaches. I look forward to hashing it out.

What we are interested in, and I am sure other members are, is getting answers. We are not interested in just scoring political points on this. We want to get to what is the best way to create self–sustaining employment. If our way is better we hope you would acknowledge it; if your way is better we would be pleased to acknowledge that.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, in 1984, when I ran for the Conservatives, we talked about three things: decentralization of government, spending cuts and national reconciliation. I would like to say to the leader of the Reform Party that, as of June 1990, none of that had happened.

National reconciliation had just fallen through. There were no cuts; they were spending more. As for the decentralization of power and of government management, they continued to centralize more in Ottawa, as the Liberals had done. I think that is the main reason for the deficit and the national debt and that is why I resigned.

I would like to know the position of the leader of the Reform Party on this. Does he think that a big decentralization, giving much more power to the provinces, would lead to better manage-

ment and more efficiency, so that expenditures would be lower and the economy would grow more?

[*English*]

Mr. Manning: I thank the member for his question.

I do not think there is a simple answer to the question of whether centralization or decentralization is better. We have got into a pattern where one generation of politicians seems to think that the answer is to centralize all the power in Ottawa—I think we had a lot of that under the Trudeau administration—and the next generation says "No, the answer is to flow all the power out to the provinces". I do not think the answer really is either of those extremes.

It seems that what you have to do in a federation like ours is go through the entire set of power. In some cases you want to strengthen the federal power or the central power, in other cases you want to decentralize.

Our program, for example, calls for strengthening the federal commerce powers, the ability of the federal government to strike down interprovincial barriers to trade. That is a strengthening of the federal power.

On the other hand, we would like to leave the jurisdiction over linguistic and cultural distinctiveness more in the hands of the provinces and the non–governmental sectors. Therefore we decentralize certain aspects of power and centralize others. I think that is the balance we are seeking and not just a knee–jerk reaction one way or the other.

• (1645)

The Deputy Speaker: There are five other hon. members standing who wish to make comments or ask questions. Since the time has expired is there unanimous consent of the House to proceed for another 10 minutes?

Some hon. members: Agreed.

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I am really delighted with this opportunity to actually put a question to the leader of the Reform Party. During the campaign I often spoke with candidates so this is a special pleasure.

During his speech he remarked that the government would be better off cutting social programs which had a lot more money, a lot more fat I think he said, than government operations.

Could he specify how he would cut these programs, by how much and which ones? Perhaps he could give me four or five specific examples.

Mr. Manning: Mr. Speaker, first of all I should correct the impression the member gave in his question. I appreciate the member's question.

I was trying to make the point particularly for Bloc members because I have studied their speeches, that there is no way any government is going to get the deficit or debt under control without doing something about social spending. This was simply my point. The reason is that 55 per cent of program spending is in this area.

The Bloc often talks as if the deficit could be brought under control by cutting administrative fat from the government. My point was that the entire government operations sections could be cut from the budget and still we would be only halfway toward controlling the deficit. I am trying to make the point that it is of necessity and not particularly because we want it.

My second point is if social spending has to be reduced, the way to do it is to target spending to those who are most in need. In other words reduce the entitlements for people above a certain income level. This is where we could have a great dispute.

When we get together with Department of Finance officials, there are conflicting figures on how much social assistance, how much unemployment insurance, and how much OAS is going to families above the national household average. Some economists say it is up to $20 billion and some say it is far less. We have to hash that out.

Our point is that spending should be targeted to those in the lower income areas. We say that in virtually every social spending envelope. Significant amounts of dollars can be saved by doing it.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, my roots are from the country where the word democracy and its practice were born.

I listened to the debate of the hon. leader of the third party. I also listened to him during the election debates and was very impressed to hear that his party was going to come here as a constructive group to present alternatives, different views and so on.

When I heard the words "let us get together with your officials and our officials in private" I was astonished. Is this what the Canadian people elected us for, to get behind closed curtains and discuss things? Is this what the Canadian people want? I am sure that is not the vision of members of the Reform Party. I am sure that is not the campaign style they had. When I heard "let us get together behind closed doors and have a private session" I was astonished.

Could the leader of the third party tell me why a debate between the minister's officials and other officials has not been in public? Is this not the forum where we must have these debates? Is this not the forum where we must argue? Is this not the forum in which the word democracy should originate? Is this not where we should discuss things rather than in private?

Mr. Manning: Mr. Speaker, I thank the member for his question. Again I think he is labouring under two misapprehensions.

• (1650)

First of all we were invited by the minister to have this meeting to try to thrash out our views. We welcomed that but we did not initiate it. This came from the hon. member's side not our side. His speech is well directed but it ought to be directed to his side of the House.

My second point is we have participated in public debate on the deficit and debt reduction for 18 months now. Personally I have given thousands of speeches on this subject, many of them in public meetings with open question periods. We welcome that and we welcome doing it in this House. I was making the point that as many members know, when one debates these issues so often the partisan aspects get into it and we get away from the real issues.

We know in question period if we raise some hot topic about the jets and the $140,000 expenditure on that we can get a great hit on the evening news. We can get a great deal of attention by doing that. However if we raise some structural problem with the health care system which can probably save $1.5 billion to $2 billion that is not even newsworthy because it is complicated and it cannot be discussed in short exchanges.

I welcome all kinds of opportunities for public debate and debate in this House. However I do think there would be some merit in accepting the minister's invitation to sit down around a table and get into the details of some of these issues. Then those discussions could be carried into the House as well.

Hon. Lawrence MacAulay (Secretary of State (Veterans)): Mr. Speaker, I am pleased to stand in my place today and speak in support of the budget brought down on February 22 by my hon. friend and colleague, the Minister of Finance.

We should congratulate the minister on his first budget since this government assumed office. He has steered a wise and careful course. He has set in motion a measure which will lead to major changes in the years to come.

As members are aware the Minister of Finance consulted widely with Canadians before he brought down his budget. It is clear that he was listening. I can tell because I have been listening to my constituents and to the people of Prince Edward Island.

They told me they want action to build the economy and create jobs. They want a social security system that is fair and compassionate, but they also know that Canada needs social security that is affordable. They told me that government has to get its finances in order.

This budget responds to those concerns. It sets the foundation for growth and jobs in the future. At the same time it balances the need for social reform and deficit reduction.

I know many veterans were concerned about the impact this budget might have on them. These men and women have served our country well. They devoted the best years of their lives to Canada and they have personal memories of the devotion of comrades who made the final sacrifice for Canada and the values we hold dear.

I can tell members there is no group of Canadians more passionately concerned about Canada's future than our veterans. There is no group more outspoken about our need to preserve our quality of life. I know that veterans across Canada welcome the measures to reduce government spending.

We are going to launch a review of the government's operations so we can get things done more efficiently. We are going to look at all our programs and find out where we can reduce overlap and duplication.

In Veterans Affairs Canada we will be looking at our own operations. That is how it should be. We are going to find ways to trim administrative costs just like other departments in government.

However, we are not going to touch veterans pensions or allowances. We want to ensure that veterans who need and are eligible for benefits receive them. Veterans deserve their pensions and allowances and this is the time when many veterans need them most. As they grow older many veterans rely on us to maintain the quality of life they so richly earned.

• (1655)

All members in this House have veterans in their constituencies. I am sure no matter what region of the country they come from hon. members will recognize the fairness of the government policy to provide for veterans. It has often been said that Canada provides veterans with the finest package of veterans benefits in the world. We are second to none.

I would like to take a few minutes to talk about my own region, Atlantic Canada, and what this budget means to my home province of Prince Edward Island.

I am very proud that this budget contains provisions to locate a demonstration project in Prince Edward Island. This joint undertaking by the Department of Human Resources Development, the Government of Prince Edward Island and the Canadian Association of Community Living will look at ways to create opportunities for individuals with disabilities.

Canada cannot ignore the potential of its citizens who have disabilities, not at a time when we need everyone to contribute his or her skills to building Canada's future. The government hopes that what is learned with this project in Prince Edward Island can be applied in other areas for other persons with disabilities.

Another budget measure many of my friends, neighbours and constituents in Prince Edward Island have talked about with me are the changes to the unemployment insurance system. As this House knows these changes are the first step in a bigger strategy

to reform social security in Canada so that it is both fair and affordable.

Above all we have to rebuild the system so it does not make it harder to create jobs. A good job is the best social assistance available to any person in this nation. Therefore some of my constituents welcome the steps we have taken in the budget to reduce the cost of UI to employers.

Unemployment insurance is a payroll tax. If it is left too high it kills jobs. Back in 1989 the unemployment insurance premium was $1.95. This year it is $3.07. Maximum premiums have more than doubled for employees. They have more than doubled for employers as well.

These are taxes. Most important these are taxes on small businesses. In my province of Prince Edward Island virtually all businesses are small businesses. My constituents cannot afford to see the UI premiums increased. The small businesses in P.E.I. need some relief from taxes so that they can get on with the job of creating jobs.

That is why so many of my constituents support the budget measures to roll back UI premiums to $3 next year. That is a substantial tax cut from the $3.30 that would be in place if this government had not made that move.

At the same time many Prince Edward Islanders rely on unemployment insurance payments to help them get by until they find work again. These are tough measures for those who are on unemployment insurance and I am not afraid to admit it.

My constituents agree they would certainly rather be working than on unemployment insurance. We are going to do what we can to use the social security system, including unemployment insurance, to help Canadians get back to work.

In the meantime, we know some people rely on UI not only to take care of themselves while they look for another job but they also must look after dependants. That is why the budget improves UI benefits for those who need them most, people who have to take care of a child or a needs parent, or who support a non–working spouse.

• (1700)

After the budget changes to unemployment insurance are in place Atlantic Canada will still receive more unemployment insurance per capita than anywhere else in Canada.

Unemployment insurance recipients in Atlantic Canada will receive an average of $970 compared with $540 elsewhere.

It shows that the government recognizes the special needs of a region where chronic unemployment presents special problems. Nowhere are these more evident than in the fishing industry.

The previous government did nothing to provide funding beyond May 15 to assist those individuals whose livelihood comes from the Atlantic ground fishery. This budget provides for an Atlantic ground fishery industry renewal and adjustment strategy for help over the long term.

This government is working hard to find a method of supporting some 35,000 Atlantic Canadians who will have no income after the current program expires. The Minister of Fisheries and Oceans and the Minister of Human Resources Development are working on measures that will treat these people fairly and with dignity.

I have spoken about some of the measures in this budget that affect the people in my home province of Prince Edward Island and in the Atlantic region as a whole. I have talked about what Canada's veterans can expect from this budget.

There is one message I hear loud and clear from my constituents and from veterans. It is that Canadians know that we need to change the way government operates and they want to have a voice in the way these changes will be made.

The government is on the road to a new approach to job creation and social programs and we are going to make sure that Canadians have a voice in how those changes will be made.

The budget represents the first phase of major reform and the government looks forward to our continuing discussions with Canadians on how best to reshape our great country to meet the challenges of the next century.

The Acting Speaker (Mr. Kilger): Before proceeding to questions and comments I would just like to verify with the hon. secretary of state if he is sharing his time with a colleague and possibly the member for Burlington if I understand correctly.

If that is the case, if he would indicate to the Chair we will proceed to five minutes of questions and comments.

Is the hon. secretary of state sharing his time?

Mr. MacAulay: Yes, we are sharing the time.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I heard most of the comments of the hon. member and I appreciate them. Certainly when he speaks about reform and that we must change the way we do business in the country it is a welcomed statement on this side of the House. We join him in that.

I have asked a question of his colleagues and it is a tough question. I have not received an answer. The budget speaks of the addition of $100 billion to the federal debt over the next

three years. It does not say a word about the consequences to a number of issues, the consequences to the job creation program, the consequences to social programs, the consequences to the one million children reported to be living in poverty in this country.

I wonder if the minister has any ideas or thoughts that would debilitate the government's ability to function adequately and at the level the budget suggests in the light of $100 billion to the debt over the next three years.

What is the danger, if any, of the debt?

Mr. MacAulay: Mr. Speaker, I thank my hon. colleague from Crowfoot.

Our approach quite honestly would be a little different than his approach. If we were to balance the books which are out of line the way the hon. member has proposed we would not have UI changes. We would have a collapse of our social system.

• (1705)

The area that I represent would be devastated. What we have done as a government has changed the direction of government. We will have a deficit of under $40 billion, which is not great but we are on the road to recovery.

If we were to take the path of balancing the books, the people that I represent would have nothing. This government is a compassionate government which cares about people. We have to get our books in order. We are on the path to putting our books in order but we are not going to devastate the Canadians who need our assistance on the way.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I am still not clear about a few things regarding this budget. As we know, the government is not always the most efficient provider when it comes to delivering certain types of services. Take veterans' homes for example. Could someone tell us how much it costs to operate these homes as opposed to having comparable services provided by hospitals in another sector? Could a comparison be made? I think that the difference in costs would be in the tens of thousands of dollars. I would welcome comments on that.

[*English*]

Hon. MacAulay: I would like to thank my hon. colleague for his question. The Department of Veterans Affairs was heavily involved in hospitals over the last number of years. We now have two. One is Sainte–Anne's, as the member is well aware, and one is in western Canada. I do not have the figures before me as to the costs. The number one priority of the Department of Veterans Affairs is to make sure that the veteran gets the proper treatment.

We deal with provincial governments in order to move our institutions from the Department of Veterans Affairs to provincial jurisdiction. We have two hospitals left and we are in discussions with these hospitals as well in order to bring them from the Department of Veterans Affairs to provincial authority.

The Department of Veterans Affairs always makes sure that the veteran gets the best treatment possible. In this country, as my hon. friend is well aware, we take great pride in being able to say that we are number one in providing for our veterans. I can assure the member we are going to remain being number one as a nation providing for our veterans.

Ms. Paddy Torsney (Burlington): Mr. Speaker, it is a great honour for me to be speaking during International Women's Week as the member of Parliament for Burlington, Ontario. Not only am I excited about representing my home town in the House of Commons, but I feel a deep sense of loyalty and purpose toward the job I have been elected to do.

The people of Burlington have given me the opportunity to grow and learn alongside them, and I welcome the challenge and the privilege. Already the rewards have been great and I look forward to combining the unparalleled energy of the populace of Burlington with my own enthusiasm.

It is very important to me that I thank not only my family and friends, without whose help I would not be here, but also the people of Burlington who have graciously given me their support, ideas and ultimately their confidence. Many people worked very hard to see me elected to this House. My parents and my family have supported me wholeheartedly in what seems in hindsight to have been a very fast campaign but what during the summer seemed endless at times.

My parents and my sister came to Canada in 1957 from Ireland and my parents inspired in each of their children commitment in and loyalty to this country, their chosen nation. They taught us the value of hard work and the importance of volunteering and giving something back to our community. I thank them for inspiring in me this deep sense of commitment I feel and for giving me the genes and the energy to fulfil that sense of duty.

[*Translation*]

Now, it is my duty to show the people of Burlington that I am worthy of the trust they have put in me. We must create a partnership with them to share our knowledge and our vision of Canada. I plan to work hand in hand with the people of Burlington to make Canada a better and better place to be.

• (1710)

I cannot do this on my own, no more than I can work alone in this House. We must all join hands and work together. In the daily performance of my duties as member of Parliament, I have noticed how different my riding was from my colleagues'

ridings. There are amazing differences between the communities we represent as well as within these communities.

I think that our society can only be enriched by such diversity. We are not divided by our differences but by our silences.

[*English*]

It is fortunate that we have a forum such as this Chamber from which our travels can begin, where we can discover our similarities, share our differences, our ideas, our knowledge and ourselves.

I envision a walk which encompasses the beauty of our country. It will be a colourful walk. There will be mountains to climb and prairies to cross, for our walk will be as long as our country is vast, yet always there will be colour in the languages we speak and in the land around us. We will walk through the blooming of springs and the harshness of winters and we will come through having understood that we can only succeed if we walk together, if we leave no one behind.

Just as I will work to see Burlington grow and succeed, I will work to ensure that Canada also flourishes. We must build a healthy economy for our future generations and a society with racial and gender equality. These goals are mutually inclusive, for our economy can only be strong if everyone has equal opportunity to participate.

If we do not have full equality our development as a nation will suffer and when we have equal participation in Canada we will be at our strongest internationally.

This government's first budget sets a stage from which to strengthen our country. The reforms being sought by the Minister of Human Resources Development will continue that process.

I am proud to be part of a government that recognizes the inequities in our present systems, a government that is committed to making meaningful changes for all Canadians.

This is a historic budget, the first to note the different economic impacts on women in Canada. Too many Canadian children are living below the poverty line, especially in single parent families headed by women. The budget commits the government to examining the issue of child support payments to ensure fairness in taxation as it is critical to the future of many young Canadians. In my view child poverty in Canada is a threat to our economic future and a complete waste of our resources.

The budget will have a positive effect on small businesses. I am pleased to support Burlington's Business Women's Network, a group fostering entrepreneurship and encouraging growth among Canada's most successful business starters, women. People like Roxeanne Moffat, owner of Hillcrest Florist, and Nancy Brewer, who started her own accounting business, are models of excellence and commitment to our fellow residents and to young people.

The axiom think globally, act locally is certainly relevant to Canada and is important to remember as we set the course for our new Canada. If we improve ourselves at a local level we can have a positive effect on the international scene. In Burlington, for example, we have various community activities and projects which have enriched our region both economically and socially.

We have learned the hard way by allowing our once beautiful Burlington Bay to be spoiled with the sludge of industry. Now we are learning that there is a new sustainable way to develop our economy and that Canadians have a commitment to clean up our past mistakes and share our expertise internationally and profitably.

I am pleased by the variety and breadth of local initiatives to stimulate innovative entrepreneurship. Burlington's junior achievement inspires and encourages young entrepreneurs to run their own businesses. They are closely associated with and influenced by local business persons who act as mentors and peers. It is great to see both young and old working together in partnership for a brighter future.

Certainly the older citizens of Burlington have incredible knowledge and insight to share. Many of Burlington's seniors, in age only and not in spirit, have enjoyed a second career by being involved in CESO International Services, a not for profit volunteer based organizations committed to human and global development with a goal of self–sufficiency whether for the First Nations of Canada or for other citizens abroad. On average CESO's volunteers are 62 years old. They are people like Larry and Patricia McMahon and Anthony Miele from Burlington who offer their skills and knowledge to others.

I believe it is necessary for Canadians to share these resources both within and outside our national boundaries. When we take positive action at a local level we will improve the quality of Canadians' lives. Inevitably this energy will spread beyond all boundaries.

• (1715)

In Burlington we have an organization that works locally and nationally to eliminate violence against women. CAVEAT was started by a local mother, Priscilla de Villiers, and is supported and sponsored by many people in our community.

Internationally, the United Nations has followed Canada's lead in working to eradicate violence against women. This is a human rights issue as much as it is an equality issue. All of our world's citizens will benefit when women need not fear for their lives.

I know that every step we take in the long walk ahead of us has been made possible because of the work done by our foremothers and forefathers. In my riding women make up 64 per cent of the population over 75. This is a thriving community of women who are vital and spirited. Their contributions to Burlington have been many and varied and they continue to act as advisers, educators and role models.

I am honoured to be able to take footsteps beside those of such unique people as Jean Galloway, Burlington's citizen of the year for 1993. At 73 years of age, a mother, grandmother and volunteer extraordinaire, Jean was the founder of the Society for Animal Aid. She works for Meals–on–Wheels, the Red Cross and is one of Burlington's foremost lobbyists for improvements in our community.

In sharing their life experiences with their families and friends, the older women of Burlington have given a voice to something which has often been silenced; the value of women and the work they have done both inside and outside of their homes. Indeed, their lives are rich and multifaceted.

I would like to take this opportunity to thank the older women of Burlington and of Canada for their contributions to society which oftentimes have been overlooked. We must learn from our elders, both women and men, and rebuild our economy in an economically viable manner.

Together with all Canadians the government will draw up the blueprints for that rebuilding. This budget is the first edition.

I am pleased to be able to work with my constituents and with this House to bring Canada into the 21st century, into an era of equality for all citizens in Canada and in the world. I hope that all members of this House will join with me in this walk into our future.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I listened with great interest to the speech made by the hon. member from the Liberal Party. She praised the entrepreneurship of some of her constituents, and I think that, indeed, we must all pay tribute to the entrepreneurs in our respective ridings, right across the country.

The hon. member also referred to the elderly. I have a great concern about seniors, and this budget only makes it worse. I want to tell the hon. member about it, so that she can give me her own opinion.

Seniors receive a federal pension. However, those whose income is higher than $29,000 will now have to pay back a portion of that pension. As you know, quite often these people bought a property many years ago. It was a small property at the time, and it was affordable. Sometimes, the value of that property increased rather considerably over the years, and so much the better. However, property taxes represent an additional fiscal burden for these elderly people, who are now going to be deprived of part of their pension.

I think the government is looking in the wrong place to find money which it could get elsewhere, including from those businesses which benefit from a number of tax shelters, particularly abroad, which I find totally unacceptable. I would appreciate it if the hon. member could comment.

Ms. Torsney: Mr. Speaker, I think all levels of government must work together for the benefit of all Canadians. It is necessary to review taxes at the municipal level as well as here—

[*English*]

—at the federal government and the provincial government levels and to make sure that we are not having a double hit on all our constituents. Sometimes it is a triple and a quadruple hit in Ontario with regional government.

• (1720)

I am pleased that the government was able to protect for 75 per cent of the senior citizens in this country the age tax credit. I have heard from many seniors that they are concerned about being knocked into the next level and losing that exemption. However, many people have said to me that they too want to share in rebuilding our economy and pay their fair share. Many people recognize that this country needs a lot of work on our deficit.

I think we have made some positive moves in terms of protecting the age tax credit for 75 per cent of the seniors in this country. We have a lot of work to do with the other levels of government in making sure that we are not harming seniors and others in our population. Together we can work on this.

[*Translation*]

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, I listened carefully to our nice colleague on the right, and I would like to make a few comments to her.

I found her speech nice and well presented, except that I do not find in the budget, which she calls the budget of the century, the super budget, any funds that will help mothers with children, especially those who are single parents, when it comes to child care. When the government opposite was on this side of the House and was the Official Opposition, the present Deputy Prime Minister fought to have the government invest in day care—I remember her words. There is nothing for it in this budget. There is nothing for social housing either. We know the huge needs for social housing and we find practically nothing about it in this budget.

I feel that they have tried to solve the present economic problem by attacking the unemployed instead of unemployment.

I find that regrettable. I think that they should probably have rather gone after family trusts, for example, of which we have spoken a lot.

Since time is pressing, I will let the hon. member opposite comment on what I said.

[*English*]

Ms. Torsney: Mr. Speaker, I thank the member for his comments. It was very clear that the government campaigned on the issue of child care. We committed ourselves to increasing the number of child care spaces available in each year following 3 per cent growth.

I am pleased to be part of a government that recognizes that child care is in fact very important to the equality of women.

We have also undertaken to look at the issue of taxation and child tax credits for those who choose to stay in their own home to take care of their children, whether that be men or women in our communities. It is important that we make options available to them. It is important that we care for their future.

I believe our children are our greatest resource and we have to do something to make sure they are brought up in a healthy environment and that they are cared for and fed. Child care and the child care option for many parents is very important and we do have to work for that.

I for one will be working very hard to make sure that we fulfil those commitments in each of the years of our mandate.

[*Translation*]

The Acting Speaker (Mr. Kilger): I want to thank the hon. member for Beauharnois—Salaberry for his co–operation, as well as the hon. member for Burlington for her brief answer. Resuming debate.

Mr. Nic Leblanc (Longueuil): Mr. Speaker, first I would like to refer to the finance minister's *Budget in Brief*, which outlines three central goals: first, to help small businesses; second, to ensure a responsible social security system that is fair; and third, to restore fiscal responsibility to government.

I will express my opinion on the first goal: to help small and medium–sized businesses. I refer to page 5, to the first goal: to help small business. Last January, just before the budget, the minister started by increasing unemployment insurance premiums to generate about $800 million in revenue.

• (1725)

About half that amount must be paid by businesses and, of course, by workers. This means that the government will collect $800 million, thus reducing even further people's purchasing power. As a result, people will buy less and businesses will produce less; this will hurt business. I do not think this is a measure to help create jobs, as the minister stated on many occasions. This measure is the first example he seem to give to illustrate his efforts to help business.

He then says they will create a network of business services centres that will be expanded to provide access for small business in every province. He is talking about a single federal government centre. He talks only of this single federal government centre when, for several years now, the Quebec government, members from Quebec, and members of the Bloc Quebecois have been saying that, to substantially reduce government management, we need instead one–stop centres housing both the Quebec department of economic development and its federal counterpart.

As we know very well and as I have said many times and am repeating again today, the Bélanger–Campeau Commission concluded that duplication between the provinces, especially Quebec, and the federal government costs between $2 billion and $3 billion a year.

It is a huge amount. Besides costing $2 to $3 billion a year, we know that it is also very inefficient because companies, especially small and medium–sized ones, have great difficulty making their way through all that.

If the Minister of Finance were serious, he would not have talked about a single centre; he should have talked about a single window with Quebec or the provinces and the federal government—one–stop shopping, if you will. You must really be unimaginative and your ears must be completely blocked not to hear Quebec's demands.

Another great advantage that he mentions for increasing productivity and job creation in our small and medium–sized businesses is that he will consult and study.

Mr. Speaker, this is my tenth year in the House of Commons and for at least ten years we have been consulting and studying. I thought that the Liberal Party had such a clear program, because almost every day, if not several times a day, they tell us about their marvellous red book which had all the answers. I realize that the red book was not so complete since, when it comes to job creation and aid for small business, the government consults and studies and it will go on studying for a long time.

On page 5 of *The Budget in Brief*, it says: "A special task force will recommend, on a fast–track basis, a better regulatory regime to help improve the competitiveness of business".

But I thought that the red book was complete and that the government was ready to act once it took power. Now they are in power. Why study and consult? I am still quoting page 5: "The government will consult the business community on a wide range of tariff cuts on imported manufacturing inputs [—]" More studies, but studies already exist on the subject.

• (1730)

A little further, the red book says: "The Minister of Transport will launch an effort, in consultation with provincial governments [—]" Again, more studies and consultations. That is how the Minister of Finance can say that he will revitalize the economy and create jobs. I do not think that he is really prepared to act, so he consults. There is also the House Standing Committee on Finance reporting its recommendations on a tax to replace the GST. Again, they are not ready to act to create jobs and help small and medium–sized businesses create jobs.

What has the government done in concrete terms? It has eliminated the $100,000 capital gains exemption. That is not a bad idea, but I am convinced that abolishing the $100,000 capital gains exemption is not going to help the employment situation or make small business prosper.

Also, income tax deductions for entertainment expenses have been reduced. But many small businesses, self–employed workers and salespersons need tax deductions for entertainment expenses if they are to be able to do their jobs properly. We know full well—and so does the Minister of Finance, I am sure—that the day tax deductions for entertainments expenses were reduced, several restaurants felt the pinch and complained about the number of jobs lost, because restaurants and hotels are losing more and more business. The Minister of Finance is aware of the statistics. He claims to want to support job creation, but he is actually hindering job creation by reducing tax credits for entertainment expenses, an action affecting self–employed workers and salesmen, those involved in product promotion and the rest.

Does the Minister of Finance actually believe that by taxing businesses more, he will be supporting job creation? The federal government will raise an additional $1.7 billion in taxes from small and medium–sized businesses over the next three years. It will also raise an additional $1.8 billion from individual taxpayers, which translates into $3.5 billion in new taxes for businesses and individuals over the next three years. Does the Minister of Finance believe that by reducing the spending power of businesses and individuals, he is going to create more jobs? Surely not.

I have here the findings of a survey and they are, in my view, rather astounding. The Canadian Chamber of Commerce surveyed 658 member businesses and asked them the following question: Are you satisfied with the federal government's fiscal policies? A full 22 per cent of the businesses surveyed responded either that they would consider moving, were prepared to move, or had already moved part or all of their operations out of the country.

• (1735)

The February 15, 1994, edition of *La Presse* states the point clearly: Federal policies are driving businesses out of the country. If the Minister of Finance believes that his policies will create employment even while his recent budget has placed a heavier administrative and tax burden on businesses, if he believes this is the way to create jobs, then he should have read the survey of the Canadian Chamber of Commerce. It is unfortunate, sad and astounding to see that 22 per cent of these businesses have decided to move either part or all of their operations out of Canada.

Times are hard and the debt is very high. However, I think the Minister of Finance does not have a clue as to what must be done to create jobs in this country.

[*English*]

The Acting Speaker (Mr. Kilger): I would just like to make a suggestion to the House before I recognize the next hon. member if in fact there should be agreement to the suggestion that I make.

I have in my possession a list of speakers to follow. There would be four: two opposition members and two from the government side. If it were the view and the feeling of the House to consider waiving the five–minute question and comment for each of the four speakers that would take us to 6.15 p.m., at which time I understand we must go on to another business of the day.

I am not forcing it; I am just making a suggestion. I am in the hands of the House. I see in the House the four persons who wish to speak on the amendment today. I will wait to hear some direction from the House.

Possibly the Secretary of State for Parliamentary Affairs might want to make that suggestion, or should I ask simply for unanimous consent?

Some hon. members: Agreed.

[*Translation*]

Mrs. Pauline Picard (Drummond): Mr. Speaker, we were told that the government's first budget would give new hope to Canadians. This hope which the Liberals promised to restore during the election campaign, was to be primarily generated by a relentless fight against unemployment, a will to reduce the deficit, the elimination of frivolous expenditures and waste, as well as the near certainty that taxpayers would not be put to contribution once again, since they simply could not give any more.

Nice things were said indeed, but when the time came to deliver, last February 22, Canadians were in for a rude awakening. First, the message sent by taxpayers was not heard. The government will take $500 million from seniors and $500

million from workers by taxing life insurance premiums. As for controlling the deficit, you can forget about that. For the first time ever in a federal budget, a government announced that the deficit would be close to a staggering $40 billion.

In that respect, the minister is confirming that he cannot do any better than his predecessors, even though he himself strongly criticized their inability in the past. Government spending is reduced by a mere $400 million, while the Auditor General is proposing useful solutions which would translate into savings of $5 billion.

As for the evil of unemployment, the government is simply using the wrong approach by targeting the unemployed, instead of providing effective solutions to solve the problem. Is that the kind of hope the government promised to restore? I do not think so. I believe that this budget will go down in history as the budget of the broken dreams.

The government also said that the National Forum on Health would ensure an in–depth review of our health system. However, this forum will have to allow for a real dialogue to identify the obstacles facing the provinces, and to develop appropriate solutions, given the need to adequately finance our health system and take into account the prerogatives of the provinces.

More importantly, this national forum must not be used by the government to justify any unilateral change in transfer payments for established programs financing which would go against the interests of the provinces.

• (1740)

If we take a close look at the budget of the Minister of Finance and forget all the rhetorical frills, we soon realize it is just another version of the Tory budgets which the minister himself strongly and openly criticized when he was in the opposition.

The present government was elected on a platform for change and renewal. However, it seems to have a different concept of change. In fact, the Minister of Finance is perpetuating the Tory government's policy by freezing the federal per capita contributions until 1994–95.

In his budget speech, the Minister of Finance said there would be a National Forum on Health, specifying that "no further changes in respect to EPF health transfers are contained in this budget, in order to set the stage for that discussion. Our commitment to maintain the principles of the Canada Health Act remains firm and unaltered". And yet, reality is brutal for Quebec and for the other provinces.

No further changes, indeed. The minister maintains the cuts introduced by the Tories and says that for 1995–96, established programs financing will be indexed to the GNP growth rate, minus 3 per cent. The federal government has again acted unilaterally by refusing to honour its commitments and transferring its cash flow problems to the provinces. The question arises whether the government will approach the National Forum on Health with the same good intentions and the same tendency to make unilateral decisions.

The Bloc Quebecois has stated repeatedly that the freeze on transfer payments will have a major impact on the tax burden of the provinces. By perpetuating this policy which was initiated by the Tories, the Minister of Finance is putting the provinces in the unenviable position of having to deal with the increasing cost of health care on their own.

The Deputy Prime Minister was also critical of the freeze on transfer payments when she was in the opposition. She said the precarious state of federal funding was about to provoke a crisis in the health care sector in this country. Why did the Minister of Finance choose to ignore this very sensible comment? The government keeps on unloading a portion of its deficit thinking it will get away with it, instead of addressing the real sources of the problem and being less stubborn in its desire to maintain overlappings and duplications.

Two years ago today, on March 9, 1992, in an eloquent speech during debate on Bill C–60, Mrs. Diane Marleau, now the Minister of Health, denounced the adverse effects of reductions and freezes perpetuated by the Conservative government in provincial transfers regarding health programs. She noted at the time, and I quote: "Transfer reductions in that area did not contribute to a better management of our health system". Also, the minister aptly noted the following: "We literally shifted the deficit burden to the provinces, telling them they had a choice between raising taxes and reducing services. In many cases, they did both".

This speech, which made a good case, was not given 20 years or 10 years ago, but on March 9, 1992, two years ago today. What happened during those two years to cause these sound perceptions to be so dramatically reversed? There was indeed an election. And the people who were rightly denouncing the always well hidden cuts in EPF transfers are now in office and making the decisions.

Now I understand why the budget speech only included five lines on the health issue. It is because the Liberals were shamefully hiding the same restrictive policies as the Conservatives, sweeping under the carpet our valuable principles and thereby contradicting the very foundations of the election discourse contained in the famous red book with which this government got elected.

• (1745)

Trickery has its price: the mistrust and loss of confidence of our fellow citizens towards political institutions and those in government. To illustrate this lack of trust, let me quote a last time from the speech delivered by the hon. Minister of Health on March 9, 1992: "Cutting back on the transfers in these areas has not contributed to better management of our health care system. They have only contributed to the cutbacks and to the fear that

we feel now across the nation as the middle income group, which is the largest group of Canadians, are frightened and afraid of what is going to happen to them in the future. Will there be a health care system for them? Will they be able to get the drugs that they need at the prices they can afford to pay when they need them, when they get to be a certain age. There is this feeling that perhaps the federal government is letting go of its responsibilities in this matter". This quote is as revealing as it is current.

So, the federal government's underfunding of transfer payments to the provinces on health care has serious consequences, in the end, for users, something that the author of the budget tabled on February 22 simply forgot.

Let us take, for example, the case of Sainte–Croix Hospital in my riding, whose budget shortfall is about $10 million a year. Our community has seen the rise of a widespread support movement to ensure the survival of this hospital serving a population of 90,000. It is not in a developing country that we are talking about saving a hospital, it is in Quebec, in the Canadian health care system that we like to describe as one of the best in the world. Yes, trickery has its price: the mistrust of our fellow citizens when they can no longer receive the services that were promised to them and that they are entitled to under the law.

The budget announces the creation of a centre of excellence for women's health. What about this centre and how much will be allocated to it, when the Medical Research Council's budget has been slashed by $10.8 million, cut from the networks of centres of excellence program. As for the commitments regarding a prenatal nutrition program, is it new money or will the funds come from terminating secondary programs—$31.2 million—or exceptional assistance programs—$30.2 million? The figures are misleading and suggest that programs were eliminated to make room for those promised by the government during the election campaign.

The drastic cuts in the Unemployment Insurance Program will necessarily result in a certain deterioration of the socio–economic living conditions of UI recipients and their health will be affected.

The most unfortunate aspect of this policy and these cuts is that they affect mainly the less fortunate segment of our society. How can an individual with an annual income of $25,000 and two dependent children support his or her family if the benefit rate is reduced to only 55 per cent of insurable earnings? How will the health of the less fortunate be affected by this measure? Did the government assess the risks and costs of such measures which will have an impact on provincial health budgets?

This reduction will make it difficult for the poor to afford decent food, clothing and housing as well as heat. It will result in poorer health and an increase in health care costs. If the government hopes to reduce its expenditures by jeopardizing the existence of the less fortunate, it is dead wrong.

[*English*]

Mr. Dan McTeague (Ontario): Mr. Speaker, I have the distinct honour today not only to congratulate you on your position but at the same time to congratulate the hon. Minister of Finance on one of the most balanced and reasonable budgets presented to the House in recent times.

This is my first opportunity to address the House as the newly elected member for Ontario. It is a privilege to be able to stand before the House in that capacity. Before me have gone some great members who passed through the House. I am thinking of the Hon. Norman Cafik, the Hon. Michael Starr and more recently Rene Soetens, the member who served here from 1988 to 1992.

• (1750)

I take the House very seriously. The constituents of the Ontario riding have given me an opportunity for once to express their interests on their behalf. It is a humbling task which I plan to serve with diligence, integrity and honesty. I would like to say a bit about my riding before I proceed into some of the highlights of the budget as I saw it and some important aspects of the budget that are worth while pursuing and supporting.

Ontario riding is one of the largest populace ridings in the country. It stretches to include the ever growing towns of Ajax, Pickering and Whitby. It also includes a vast urban–rural area known by some who have been in the House before as the Pickering airport lands or as the Seaton lands. It is growing rapidly and it is in many respects a microcosm of the future of Canada. It is one of the reasons it elected one of the youngest candidates, one of the youngest members of Parliament on the government benches. I am quite privileged to be able to perform in that capacity, but in order to understand a bit about the budget I had first to understand a bit about my riding.

The budget starts the process of getting Canada working again to bring our economy from a position of stagnation to a position of growth. In previous years we have seen a neo–Conservative policy adopted by the government which preceded us. I believe the policy did much to hamper our understanding and appreciation that the economy around the world including Canada has changed fundamentally.

The appreciation of that change has allowed us as a government to signal and to design a new way, a new approach and a new economy, an economy based on ideas, on innovation and on the recognition the government plays a very strong role in the maintaining, supporting and ensuring of an effective direction for economic viability.

What Canada is about to undertake could otherwise be known as planning its own future. It could be known by some as being able to prepare ourselves as to where we want to go. A famous quoter from years ago made the following comment: "If you do not know where you are going, chances are you are going to wind up somewhere else". I would submit to the House that is precisely where Canada was until 1993 and until the budget more recently.

In this economy we have seen the view that deficits are not as important as growth or jobs. I take a different view. In the country over the past few months we have seen the faces of many people who have lost their employment, businesses that have gone underground and companies that have simply shut down. That is no longer acceptable in this great land. We have designed a policy which we believe will help Canada not only renew itself but the people within it.

People do not want to live on UI or welfare. Canadians want to work, to earn a living and to obtain the respect that having a job brings. They want to talk about the personal experiences they have in business, how to run one and how to maintain it in periods of difficulty.

This is an area which the budget has addressed. It has recognized the importance of small business. My riding, perhaps unlike other ridings, has a higher number of people working in the private sector with small businesses, companies of 10, 15 or less. It is important for the government to appreciate the role it has in terms of access to capital. It is one of the reasons I commend the hon. Minister of Finance for his tenacity in ensuring that a code of conduct was instilled in the budget.

• (1755)

If we did not have such a code of conduct banks would be basically able to make suggestions as to where they were going to priorize their lending priorities and small businesses which are creating wealth in this economy would simply pack up and leave or go underground.

In order to address the subject of the underground the budget focused on the GST. The finance committee has been charged with the task of amending or changing what is perceived as the most hated tax in modern times in Canadian history. We believe the GST if changed could help make a new economy. It could help make business work once again.

Parliament has an obligation to the people of Canada to put forward some sound fiscal policies and to restore faith in our political institutions. We have a duty to reform Parliament and do away with the perks and privileges to which ordinary Canadians do not have access. We must be an example for Canadians. Parliament is in no position to ask Canadians to make sacrifices if it fails to practise what it preaches.

That is one of the reasons as a younger member of Parliament I would certainly support an initiative at some point that would redress the great and grotesque imbalance Canadians rightly perceive between what is taking place in the real world and what is taking place in the House of Commons.

Ontario riding has a population of some 200,000. Its size is one of the most daunting tasks confronting me as a member of Parliament. It is not one I am prepared to take lightly. Daily we receive letters from all sorts of constituents addressing any number of issues at a given time. I do my best to respond to them.

In the period leading up to the budget I noted two or three issues that the constituents of my riding asked me to ensure were taken into account by the Minister of Finance. The first was that there be no charge for the benefits of dental and health care. That is something the government delivered on. It listened, it acted, it delivered.

Another area was to try to stimulate the housing industry through the use of RRSPs. I note that policy initiated by the last government on a temporary basis was actually a ripoff of the Liberal Party policy in 1988–89. It was a good policy then. I am pleased the government decided to adopt it on a temporary basis, but I am even more proud of the Liberal Party for deciding to make that permanent. It recognizes that the construction industry is not a simple cog in a wheel as far as this economic situation is concerned. It realizes it is one of the fundamental keys in our economic picture.

The budget process is an ongoing additional budgetary measure that we should believe will be examined in the course of time. It should be brought forward in a few months to allow Canadians, certainly people in my riding, an opportunity to discuss its many important attributes.

I am looking right now at an opportunity for my constituents with whom I have had an opportunity to discuss the budget last week to become more meaningfully involved in the overall decisionmaking not only of a member of Parliament but of the actual budgetary process. It is a great tribute to the government that it has taken upon itself the opportunity of ensuring there is before Parliament a chance for public input.

Canada is benefiting as is my riding from the infrastructure program. Some $47 million has been allocated to my riding that will result in over 1,000 people being employed who might otherwise not have had an opportunity to work. I could put that into another perspective: a 1,000–job investment in infrastructure, sewer and water upgrades, will help the economy.

I am pleased to support the budget. I thank the residents of Ontario for their support.

• (1800)

Mr. Charles Hubbard (Miramichi): Mr. Speaker, I welcome this occasion to speak on the budget debate and the concerns of Miramichi riding in New Brunswick. Speaking in this Chamber on behalf of all my constituents is an honour, a privilege and a

tremendous responsibility toward those people who elected me last October.

For 15 years Maurice Dionne represented the Miramichi. I continue to rely on him for advice. The people of the Miramichi are indebted to Maurice for his tremendous efforts on their behalf. Last weekend I participated with the Rotary Clubs of Newcastle and Chatham in presenting Maurice with the Paul Harris award, the highest award in the world of Rotary.

The Miramichi is a geographic expression, an identity and a free spirit that actually exists across this entire continent. It is a rural area that depends on its natural resources.

From its early years people had to leave the area in order to seek employment. For generations the young people of the Miramichi migrated both westward and southward. Yes, during past generations the spirit of the Miramichi can be found in most Canadian provinces and many American states.

Basically the Miramichi is a river that begins in the central highlands of New Brunswick and flows eastward into Miramichi Bay facing the province of Prince Edward Island. Its people for the most part live along the river valleys with the main river or one of its tributaries within sight of their homes. We speak of the Tabusintac, the Bartibog, the Black, the Napan, the North West, the Little South West, the Barnaby, the Renous, the Cains and other rivers.

Newcastle and Chatham are two small towns. They are the business centres of our community. We also have seven incorporated villages. We are proud to have three native communities at Burnt Church, Eel Ground and Red Bank.

Forestry, fishing, mining and agriculture are the main sectors of employment. Until last week CFB Chatham was one of our major employers.

The Miramichi has traditionally been a Liberal riding. With one exception since World War II the riding has returned a Liberal member to this House. Within the region there is a strong tradition of faith in the principles of liberalism and a belief that the good times of the people in our area are best guided by those who support Liberal policies.

A government represents the people. A budget is a plan by government for accumulating revenues and regulating expenditures. It is a plan that should bring the most good and the least pain to the many groups and individuals that make up the nation. It is a plan for sharing and a plan that must be fair. It is a plan that must balance the available resources with the needs of our people. Above all it must be a plan that maintains confidence in our economic system by both our own financial institutions and the international monetary community. It is my belief that the finance minister has walked the tightrope that balances these forces. This budget is a good beginning for our new government.

I want to point out that we must not lose sight of the most important element required to turn our economy around: the need for our people to have the necessary confidence so that they will spend their money, they will invest in our nation and they will look in a positive manner at the economic future.

There must be a demand in order for business to sell its products. This demand can only be created by the consumer wanting the goods and services of business and having the necessary moneys for their purchase.

Our government must create an atmosphere where despondency does not exist, where gloom and doom are no longer the bywords of our people. It must be one where Canadians believe they are led by a government that has a vision and above all a determination to spend its resources prudently and in the best interests of all citizens.

This budget calls on all Canadians to make sacrifices for the good of the nation. Atlantic Canada has been called upon to make sacrifices greater than any other area in Canada.

The amendments to the UIC program will cause the people in our area to lose millions of dollars in payments. Those involved in fishing, forestry and the tourist sector will have difficulty obtaining the necessary work weeks in order to qualify for UIC. Those who do will be able to draw for a shorter period of time. The result is that many individuals who relied on this form of income support will be short in the moneys needed to provide for their families. The New Brunswick economy will lose an estimated $200 million in cash flow which affects every business in Atlantic Canada.

• (1805)

It is important therefore that the review of all social programs within the human resources development department must address this concern. It should define the status of work as we approach the 21st century.

More than 150 years ago Great Britain had harsh labour laws, conditions that demanded tremendous sacrifice from men, women and children. Today we have reduced the weekly hours of work to 40, yet most households in the country require two wage earners to support their needs. In many cases teenagers have little time to enjoy the years of youth because they work part time while trying to complete their education.

Will history see our present generation as an age where so much effort and so much time is required to support the needs of one's family? Or can we afford for our people on an equitable basis to reduce their work time and offer them more time for leisure, relaxation and recreation?

The Miramichi has made another great sacrifice in this budget: the loss of Canadian Forces Base Chatham. The closure of this air base, which has been a part of our community for over 50 years, means the loss of 240 civilian jobs, nearly 700 military ones and more than $50 million to our local economy.

We all recognize that the Department of National Defence is being reduced and must be made more efficient. Unfortunately for the Miramichi this cutback is at a time when our pulp and paper industry is in recession and our mines at Heath Steele are closed due to low base metal prices.

Therefore 1994 is a turning point in the future of our region. Our people are ready to meet the challenge of developing a new economy. However we will need full co–operation and assistance from both the federal and provincial governments.

The Premier of New Brunswick, the Hon. Frank McKenna, is working hard to rebuild the Miramichi. As a member of the government I too will devote my energies in this direction so as to create a new future for our people.

Canada must be represented throughout our nation. I strongly believe our government must be decentralized with the government departments and agencies spread across this country. If Canada is to survive all Canadians must be part of this great enterprise.

Canada and the federal government must not be portrayed as a great bureaucracy located in Ottawa and several major cities. It must reach out to our nation and to all Canadians in every region of the country. They all must enjoy the fruits of their participation.

Chatham, New Brunswick with its community college has assumed leadership in the electronic highway with distance education and multimedia learning. In this age of electronic communication any government department, provincial or federal, could easily be located in our constituency.

In recent years the underground economy has been a major loss of revenue for both the federal and provincial governments. It is my belief that many Canadians have joined this economy because they believe our governments have been guilty of two serious offences: overtaxation and unwise and imprudent spending of their hard–earned dollars.

As members of the 35th Parliament we together have an opportunity to correct the situation. It is important that each of us work with our constituents and with the civil servants of this country to see that moneys are not wasted and the people of Canada receive good value for their expenditures.

Waste must be eliminated. Efficiency must be improved. Above all fairness and equity must be the order of the day. Everyone must realize that avoidance of taxes and misuse of funds is literally robbing one's neighbour. It places a heavier burden upon those honest people who support the government.

Civil service budgets must not be seen as an amount that must be spent but rather as a guideline that should not be exceeded and hopefully a measure that can offer savings. Those with philosophies that budgetary amounts must be exhausted by March 31 each year cannot be left in positions of responsibility.

In October the people of Canada told us they wanted a new system, that they were tired, angry and frustrated by the methods, attitudes and behaviour of the former government.

• (1810)

This budget begins a new agenda. Members on all sides of the House have an opportunity to create a new type of government, a new atmosphere. Let us hope we can work together to improve our nation and everyone's tomorrow. We must not lose sight of our goals or we become waylaid by the bureaucracy that surrounds us.

The challenge is great, but we can work together to achieve our goals.

Mr. Philip Mayfield (Cariboo—Chilcotin): I am very pleased to stand with my Reform colleagues and take part in this debate and speak on behalf of the riding of Cariboo—Chilcotin.

The Cariboo—Chilcotin constituency rises from the south of British Columbia to the high plateau of the central interior. Its approximately 103,000 square kilometres lie between the crest of the coast range mountains and Wells Gray Park.

Cariboo—Chilcotin has long had the reputation of being one of the last frontiers. What newcomers today call highway 97 is still remembered as the old Cariboo wagon road. This was the route that was first designed in the last century by the Royal Engineers to carry the wagons of the miners to the gold fields and the ranchers and their families who opened up the country for the people living there today.

Cariboo–Chilcotin is also home to the Chilcotin, Carrier and Shuswap aboriginal people. They are an integral part of the diverse cultural plurality found in this constituency today.

Every year communities throughout Cariboo—Chilcotin celebrate their heritage. The city of Quesnel has its Billy Barker days. Williams Lake holds the Williams Lake stampede. Lillooet has "Only in Lillooet" days. The town of Barkerville has been restored to how it used to be in the old gold rush days. I could go on but suffice it to say the entire riding remembers our pioneers and celebrates the way of life these pioneers left for us to continue.

Today the lumber industry has taken the economic lead. However the independent attitude, self–reliance and earthy

frankness which characterize relations among Cariboo—Chilcotin people still continue and may it always be so.

It gives me much satisfaction to reflect upon these people. Many people came to Cariboo—Chilcotin with nothing but the determination to get a job and get ahead. They are people who have prospered by their ingenuity, determination, shrewdness and hard work. Their independence and pride would not allow them to ask for special favours or special consideration.

What these pioneers really wanted was the opportunity to prove their ability to make a life for themselves and their families. Many people came with nothing and discovered the life they sought.

This is the Cariboo, this is the Chilcotin, this is my home.

However high taxes and intrusions of big government are not making it easy for people looking for lifestyles based on independence and self–reliance. Mind you high taxes are giving a new meaning to these words. People blessed with ingenuity find ways around the obstacles that politicians and bureaucrats devise. If this is so in the sultry cities, consider how ingenuity thrives in the fresh air of the Cariboo.

For example, a couple of weeks ago I was talking to a man who invests other people's money for them. From one small community in the constituency, population 10,000, he received in the month of January alone over $1 million of new money to convert to other currencies and invest in foreign countries. He went on to tell me that the rate of these receipts increased during the month of February. That is one investor in one small community.

People have some ingenuity. If the government is determined to wreck the economy of our country, people who understand what is happening will use their ingenuity to do what is necessary to protect themselves.

In 1993 Canadians bought a record $12.8 billion worth of foreign stocks and bonds. A growing number of Canadians are moving their assets out of Canada. Last year Canadians bought more foreign stock mutual funds than Canadian equity funds.

This export of money from Canada is a major problem. It is a problem caused by fear, fear that our economy will go the same way the economy of New Zealand went. We are seeing the early signs in Canada, signs that were present 10 years ago in New Zealand. We can soon suffer the same consequences. Ten years ago New Zealand's foreign debt was the equivalent of 44 per cent of the GDP and its annual deficit was the equivalent of 9 per cent of the GDP. Suddenly, very suddenly, the foreign markets refused to buy New Zealand bonds.

This shortage of revenue forced the devaluation of its currency by as much as 20 per cent as well as deep cuts in pensions, welfare and medicare. Accounts of wages being cut in half and a person's net worth being reduced by 80 per cent were commonplace.

People taking their money out of Canada are afraid that soon the same thing could happen here. Government mismanagement of our debt is the leading cause of the present high conversion of our currency. Canadians fear equivalent losses as experienced in Sweden and New Zealand when deficits hit crisis levels. Outflow of Canadian money is preventing the economic expansion we require for our nation to prosper.

We must take real steps to control the deficit, to assure the business community that Canada is a sound place to invest money.

People from Cariboo—Chilcotin, like Canadians from every part of the country, are using great ingenuity and creativity in the development of the underground economy. The sad part of this growing phenomenon is that so many people feel that nothing immoral is being done even though it is illegal. Some even consider this means of tax avoidance a positive political statement as well as a means of economic survival. The impact of the underground economy renders any economic growth meaningless to federal revenues.

During the 1980s a 1 per cent growth in GDP would result in a 1.2 per cent increase in tax revenues. Now that same increase yields only .4 per cent growth. This budget is another example of a government depending on optimism to solve its economic woes.

We have seen in the past the folly of a government depending on economic growth to increase revenues. This budget demonstrates that the government has not learned from past mistakes. With a half a trillion dollars debt Canada can no longer rely on optimism.

The underground economy is now estimated by Ernst & Young to be 15 per cent of the GDP or $100 billion annually. If this revenue could be taxed it would yield $40 billion in tax revenue, roughly the amount needed to eliminate our deficit.

Michael Manford, chief economist of Scotia McLeod Inc., estimates these numbers are even higher with an annual underground economy growth rate of 10 per cent to 12 per cent.

Canadians have expressed disappointment in the limited cuts made in this budget. The red book was part of a campaign based on a much lower deficit of only $35 billion. Canadians are demanding a balanced budget and the only means left to do this is by cutting government spending, not by increasing spending or by introducing new programs. The Government of Canada must show better judgment in the way tax dollars are spent.

Cariboo—Chilcotin is populated mainly by people who left or whose ancestors left other places to seek opportunities, be independent and prosper. Like those immigrating to Canada today many of us have ancestors who came seeking relief from

domineering and intrusive governments, governments which supplanted an agenda of serving the people with being served itself.

I speak with great pride of Cariboo—Chilcotin but these people are simply a microcosm of our great country. Since coming to Ottawa I hear people in the stores and on the streets saying the same thing as I hear them saying at home. Wherever I go I hear a common message given: "Get our taxes down. The taxes are killing us economically".

I do want to take this opportunity to applaud the Minister of Finance for some of the steps taken in the budget. For example, in the provisions made for small business he certainly has listened to some of their concerns. Indeed the fastest way to generate real economic activity is to lower taxes and give Canadians a reason to work. This is what was promised with the rollback in unemployment insurance premiums. We still need to target more areas of small business overtaxation and deal with those areas.

I also commend the government for its common sense in making the home buyers' program a permanent feature. Since being elected I have received more mail from my constituents regarding this issue than any other subject. Home ownership is at the top of most people's priority list and this government initiative will certainly help.

To get back to the issue of taxes, the most effective way to control the underground economy would be to offer a real decrease in taxes to all Canadians with the legislative promise of further decreases if participation in the underground economy drops and revenue goes up. As long as the underground economy continues to grow so will our deficit.

We do need some services. Canadians acknowledge this and want them. No one will deny this fact. We want all Canadians to have health care, housing, food and all that is necessary for all of us to live well. Canadians should have every opportunity to supply these needs for themselves. Assistance must be available to those who cannot provide these necessities for themselves. However, these essentials should be provided on a short term basis only to those temporarily facing misfortune and on a long term basis only to those who are permanently disabled.

To most Canadians it is not acceptable for the government to foster a way of life that stifles independence and self–reliance. Canadians must once again feel that their input into government decisions really counts. Often Canadians vote for the lesser of evils when they go to the polls. Hon. members opposite mistake this for an overwhelming mandate.

When people's concerns are ignored by the government they stop participating in society. Some have given up on the political process and stopped voting. Even worse are those who have given up on the economic process and send their money abroad or participate in the underground economy.

Canadians on the whole are not cheats and frauds, but right now they feel they are being forced to a survival mode under threat of losing their jobs, their homes and their way of life. They are tired of governments that ignore their concerns. When will the government realize that the people of Canada want less government interference and most of all want hard earned tax dollars spent wisely and frugally?

Although the budget has some commendable features, the current government must realize that further action has to be taken to bring Canada's financial affairs under control.

The Acting Speaker (Mr. Kilger): It being 6.15 p.m., pursuant to Standing Order 84(5), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to ways and means motion No. 6. The question is on the amendment.

Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

(The House divided on the amendment, which was negatived on the following division:)

(*Division No. 11*)

YEAS

Members

Althouse	Asselin
Axworthy (Saskatoon—Clark's Crossing)	Bachand
Bellehumeur	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bouchard	Brien
Bélisle	Canuel
Caron	Chrétien (Frontenac)
Crête	Dalphond–Guiral
Debien	de Jong
de Savoye	Deshaies
Dubé	Duceppe
Fillion	Gagnon (Québec)
Gauthier (Roberval)	Godin
Guay	Guimond
Jacob	Lalonde
Landry	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)	Lefebvre

Leroux (Richmond—Wolfe)
Marchand
Mercier
Nunez
Picard (Drummond)
Pomerleau
Rocheleau
St-Laurent
Tremblay (Rimouski—Témiscouata)
Leroux (Shefford)
McLaughlin
Ménard
Paré
Plamondon
Péloquin
Sauvageau
Taylor
Tremblay (Rosemont)—54

NAYS

Members

Abbott
Adams
Anawak
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Benoit
Bertrand
Bevilacqua
Blondin-Andrew
Bonin
Breitkreuz (Yellowhead)
Bridgman
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Cauchon
Chatters
Clancy
Collenette
Cowling
Culbert
Dhaliwal
Discepola
Duhamel
Dupuy
Eggleton
Epp
Finlay
Fontana
Frazer
Gaffney
Gallaway
Gilmour
Goodale
Graham
Grey (Beaver River)
Grubel
Hanger
Harb
Harper (Churchill)
Harris
Harvard
Hermanson
Hill (Macleod)
Hoeppner
Hubbard
Iftody
Jackson
Johnston
Karygiannis
Keyes
Knutson
Lavigne (Verdun—Saint-Paul)
Lee
MacAulay
MacLaren (Etobicoke North/Nord)
Malhi
Manley
Marchi
Martin (Esquimalt—Juan de Fuca)
Massé
McClelland (Edmonton Southwest)
McGuire
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Ablonczy
Allmand
Anderson
Assad
Augustine
Baker
Barnes
Bellemare
Berger
Bethel
Bhaduria
Bodnar
Boudria
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Brushett
Bélair
Campbell
Catterall
Chamberlain
Chrétien (Saint-Maurice)
Cohen
Comuzzi
Crawford
DeVillers
Dingwall
Dromisky
Duncan
Easter
English
Fewchuk
Flis
Forseth
Fry
Gagliano
Gauthier (Ottawa—Vanier)
Godfrey
Gouk
Gray (Windsor West)
Grose
Guarnieri
Hanrahan
Harper (Calgary West)
Harper (Simcoe Centre)
Hart
Hayes
Hickey
Hill (Prince George—Peace River)
Hopkins
Ianno
Irwin
Jennings
Jordan
Kerpan
Kirkby
Lastewka
LeBlanc (Cape Breton Highlands—Canso)
Loney
MacDonald
MacLellan (Cape Breton—The Sydneys)
Maloney
Manning
Marleau
Martin (LaSalle—Émard)
Mayfield
McCormick
McKinnon
McTeague
Meredith
Milliken
Mills (Broadview—Greenwood)
Minna
Morrison
Murray
Nunziata
O'Reilly
Pagtakhan
Payne
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Richardson
Ringma
Rock
Schmidt
Serré
Sheridan
Simmons
Solberg
Speller
Steckle
Stinson
Szabo
Terrana
Thompson
Torsney
Valeri
Volpe
Wappel
Whelan
Williams
Mills (Red Deer)
Mitchell
Murphy
Nault
O'Brien
Ouellet
Patry
Penson
Peters
Phinney
Pillitteri
Ramsay
Regan
Rideout
Robichaud
Rompkey
Scott (Fredericton—York—Sudbury)
Shepherd
Silye
Skoke
Speaker
St. Denis
Stewart (Brant)
Strahl
Telegdi
Thalheimer
Tobin
Ur
Verran
Walker
Wells
White (Fraser Valley West)
Wood—206

PAIRED—MEMBERS

Members

Chan
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Daviault
Loubier

● (1855)

The Speaker: I declare the amendment lost.

[*Translation*]

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

The House proceeded to the consideration of Bill C-3, an act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, as reported (without amendment) by the committee.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to.)

[*English*]

The Speaker: When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Martin (LaSalle—Émard) moved that the bill be read the third time and passed.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it gives me great pleasure to speak on third reading of Bill C–3. Bill C–3 amends the Federal–Provincial Fiscal Arrangements and Federal Post–Secondary Education and Health Contributions Act. Essentially, Bill C–3 is about one thing, the renewal of the equalization program.

As members of the House well know, equalization is of such over arching importance that the principle has been enshrined in the Constitution. The unique sense of Canadian sharing goes back to Confederation and shows that the Canadian federation works.

In considering the renewal of equalization we on the government side have had to balance the need to provide provinces receiving equalization with the appropriate financial resources on the one hand and the need to be fiscally responsible on the other.

I have no doubt that this bill does both. Equalization is projected to rise from $8 billion this year to $10.4 billion in 1998–99. All seven provinces that receive equalization are expected to gain from these increases. Provinces currently eligible for equalization are Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba and Saskatchewan.

Equalization is the most important federal transfer program for reducing disparities in provincial governments. Before equalization payments the revenue raising capacity of the seven recipient provinces is 85 per cent of the national level. After equalization it is roughly 93 per cent of the national average.

• (1900)

Let me now go through some of the details of Bill C–3.

First, it is proposed that equalization be renewed for five years. Accompanying a five year renewal is a commitment by the government not to change the structure of the formula. This means that there will be greater certainty in budgetary planning for the provinces. This does not mean that all work on the equalization program will cease, rather ongoing work on measuring the revenue raising or fiscal capacity of the provinces will continue, as will research on the general structure of the program with a view to the needs of the next equalization renewal.

Second, the equalization standard will be unchanged. The so–called five province standard measures the fiscal capacity of Quebec, Ontario, Manitoba, Saskatchewan and British Columbia.

Third, as already mentioned, a ceiling will be retained.

Fourth, the program floors will remain unchanged. The floor provides protection to the provinces against large year to year declines in equalization. The floor depends on provinces' revenue raising abilities, with the less well off equalization receiving provinces receiving the greatest protection.

Fifth, a number of tax base changes to update the measurement of provinces' fiscal capacity will be introduced. This is critical in order to maintain the fairness of the program in measuring provinces' revenue raising abilities. For example, the recent decline in farmland values has particularly disadvantaged Saskatchewan, a technical update to the program calculations adjusts for this.

Finally, the legislation contains a means to alleviate excessive reductions in equalization for provinces with specific and exceptionally large proportions of the tax base for certain natural resources. This will remove a long standing irritant to the provinces on this so–called tax back issue. This will enable provinces to retain 30 per cent of the revenues from the relevant natural resources rather than losing equalization on a dollar for dollar basis. This measure has been welcomed by the affected provinces.

This is very fiscally responsible and I recommend its passage to the House.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, I am pleased to rise at this stage of consideration of Bill C–3, which was tabled by the government to renew the equalization payments program. This bill is yet another proof of the inefficiency and inequity of the federal system for the provinces, and particularly for Quebec.

In principle, this program is basically designed to reduce financial disparities between the provinces. It is more than time to see if this objective has been reached. In the case of Quebec, our province is still penalized, in the long term, by such a redistribution of revenue. Of course, some will say that Quebec receives more than its share of federal transfers, but let us not forget the historical causes which put our province in this uncomfortable situation.

Indeed, is it not strange that, since the implementation of equalization programs, the money given to Ontario was intended to cover structural expenditures such as investments in research and development, or infrastructure expenditures which have promoted a stable economic development for that province?

All these measures have weakened Quebec's position and, to this day, even if our province's contribution still accounts for more than 23 per cent of Canadian wealth, it never gets its fair share when the federal government decides to distribute monies

for structural investments. The statistics are quite eloquent in that regard, and I want to mention a few.

Between 1979 and 1989, Quebec's share of research and development was 18.5 per cent, while Ontario's was 50.1 per cent. Again, let us not forget that Quebec's contribution accounted for 23 per cent of Canada's wealth.

• (1905)

As far as federal investment is concerned, in recent years Quebec's share has been 15.4 per cent, with the remainder allocated outside Quebec. When we consider the value of infrastructures in the defence sector, the figures become even more revealing and damning, with Quebec receiving only 13 per cent of investments in this sector, compared with 25.8 per cent in Ontario, 34 per cent in the West and 27 per cent in the Maritimes.

While we are on the subject of infrastructure, there is also the St. Lawrence Seaway which goes back at least 30 years, in which although it did provide opportunities for ports in Quebec to expand, also stimulated development of ports in Ontario and especially the development of the automobile industry in Southern Ontario.

Meanwhile, Quebec was allocated funds for unemployment insurance and welfare benefits, symbols of a negative outlook for Quebec's economic development. As we have seen, the difference in fiscal capacity between Ontario and Quebec continues to exist, despite supposedly generous equalization payments to Quebec.

As a result, Quebec has become increasingly dependant on federal transfer payments, because its unemployment situation has always been worse than Ontario's. For decades, unemployment in Quebec has always been from 3 per cent to 5 per cent higher than in Ontario. It was a situation bound to please those who favoured authoritarian federalism.

Bill C–3 provides that the ceiling on equalization payments will not be abolished but extended for a period of five years. However, this measure negates the very principle of equalization by failing to provide for equitable redistribution of Canada's wealth. In a particularly underhanded way, it will actually reduce transfers to the provinces, and Quebec will again be stuck with paying most of the bill.

If the rate of growth of the GNP reaches 5 or 6 per cent a year, as predicted by our very optimistic Minister of Finance, that is under the best possible assumption, Quebec will suffer a loss of $900 million, or 60 per cent of the planned $1.5 billion reduction in transfer payments, solely as a result of freezing the ceiling for the next five years. That is the perverse effect of this bill.

Once more, the federal government is passing the buck in terms of the deficit to the provinces by giving Quebec and other provinces less money while their citizens require the same level of services. It means that they will have to raise taxes.

I can already imagine what the members opposite are going to say. They are going to say loudly that the critics from the Official Opposition are exclusively motivated by crass sovereigntist—if not separatist—intentions, since it seems that last week the Prime Minister learned that the Official Opposition intended to pull Quebec out of the Canadian federation.

• (1910)

Let us come back to Bill C–3. The Quebec minister of finance and Premier Johnson form the most federalist pair imaginable; yet even that minister of finance could not help but make some negative comments on the bill dealing with equalization payments. Naturally, as a good champion of Canadian unity, Minister Bourbeau said that he was generally satisfied with the results of the Federal–Provincial Conference of Finance Ministers held in Montreal last January. However, Minister Bourbeau made some negative comments on this bill. His criticisms take on a very special significance since Mr. Bourbeau is member of a Quebec Liberal Cabinet which was ready, as we saw with the Charlottetown Accord, to accept any shady deal to save a semblance of Canadian unity.

So, that was what the Quebec minister of finance told us in a press release dated January 21. We can consider that that declaration is still in order today. The minister said, and I quote: "However, I have a hard time accepting that the federal government decided to maintain the ceiling on equalization payments". If the Quebec minister of finance, who is definitely a federalist, declares that that decision is hard to swallow, that means it is simply ridiculous and unacceptable to the population of Quebec.

With this ceiling, we are moving away from the aim inscribed in the Constitution, which is to give provinces enough revenues to be able to provide quality public services based on more or less comparable taxation systems from one province to another.

It is always surprising to hear a Quebec minister, and a keen partisan of federalist orthodoxy, declaring himself satisfied with a provision that moves away from one of the major aims of the Canadian Constitution. But the contradiction did not end there, and the Quebec finance minister, as we saw recently, will not let a contradiction stop him.

Indeed, the minister went on to say in the same release: "Property taxes are the second largest source of revenue used to calculate equalization payments, and Quebec's fiscal capacity in that area is clearly overestimated, which results in a serious shortfall in that regard. For the Quebec government, the fact that

we have to wait for five years before this standard of fiscal capacity is significantly improved is hard to swallow".

How can anybody claim to be pleased with a measure that is so detrimental to him? The answer is quite simple and is matter of common sense. Everybody knows the perfectly legitimate position of the Quebec finance minister and his government on the preservation of federal ties. Everybody knows as well that a general election is looming in Quebec and the provincial government has nothing to gain from a confrontation with a newly elected federal government, and a Liberal one at that.

Not too many people are pleased with Bill C–3. One positive proof that sovereignists are not the only ones to condemn the ceiling on equalization payments is the declaration of the Manitoba deputy minister of finance, Mr. Newman, who recently said to the Standing Committee on Finance, right here in Ottawa:

• (1915)

[*English*]

"The proposed ceiling on equalization payments violates the spirit and intent of the Constitution. Continued application of the ceiling is unwarranted and detrimental to Canadians living in the less affluent provinces".

[*Translation*]

If you combine the principle of transfer payments to provinces with the various discretionary powers of the federal government, as is the case presently, you get a result which is particularly bad for Quebec.

Let us see what happens: first, in order to finance programs which, in many instances, are of provincial jurisdiction, the federal government levies taxes on Canadian and Quebec taxpayers. Then that same federal government creates supposedly national standards which everyone from coast to coast must observe. This is pure and simple interference in provincial affairs, and such interference is especially unacceptable, even indecent, when the federal government reduces its own contribution to programs while maintaining national standards that provinces must keep on respecting.

In other words, the federal government is asking the provinces to maintain the same level of services while giving them less money to do so. That is exactly what happened in Quebec in the health and post–secondary education sectors, which are still exclusively provincial jurisdictions, according to the Constitution of Canada. Between 1977 and 1993, the federal government's share for the provision of these two programs was cut from 47 to 34 per cent of total costs.

Then this same federal government told Quebec that it was going to keep on taxing the province more and more, as shown in the finance minister's recent budget speech, to fund both these programs. But it was going to give Quebec less money to provide services to its people. If you call such transfer payments fair, I do not know what fairness is!

In the health care area, while the federal government was continuously decreasing its share of contributions, it compelled the provinces to abide by health standards it had set. Quebec is not getting greater control over its health care system, it is getting the power to cut without being able to decide where to cut. Another one of the great inequities of the present system of transfer payments to the provinces can be found in established programs financing, under which the federal government comes and takes money from Quebecers to implement national programs according to Canadian standards, even though they do not always fit the Quebec reality.

The distinct society is much more than a hollow formula which emerged one day out of a lake that was the scene of a so–called constitutional agreement—the distinct society is, for believers, and we are among those, much more than that; it means also that Quebecers are a nation and that their specificity is rooted in a very real social and political situation.

• (1920)

A nation draws its sense of identity from the values shared by its people. Its programs and infrastructures should be based on these values, which should also be reflected in government programs which will determine people's standard of living. Quebecers have come to identify less and less with the standards imposed on them by the federal government. For its part, the government still refuses to recognize Quebecers' distinctiveness.

Let me give one example which the Minister of Health herself used in this House a while ago. I am talking about the network of local community service centres, or CLSCs, which Quebec established without the help or advice of the federal government. This network was set up in the early 1970s and the minister cited it as a model for service delivery. This mechanism which allows Quebecers to benefit from health care and social services right in their own community was fully developed and funded by Quebecers.

The Bloc Quebecois advocates radical changes to improve federal transfer programs to the provinces. By carrying out small sectoral program reforms, the federal government is manipulating the figures and pushing through changes which are not in the best interest of the provinces. As we have seen with the recent budget, the budget which is now before us, on the one hand, the government is slashing $2 billion from established programs financing in the area of post–secondary education and the Canada Assistance Plan, while on the other hand, it is maintaining the ceiling on equalization payments, despite the resulting inequity that I described earlier. All this just to confuse people and to make believe that the federal transfer payments system has been upgraded, when it is not so.

The Bloc Quebecois is strongly opposed to Bill C–3, which renews—

Mr. Milliken: It is unbelievable!

Mr. Bernier (Mégantic—Compton—Stanstead): Yes, and I repeat it, it is opposed to Bill C–3 which renews the ceiling on equalization payments, a measure which, I want to remind you, means a loss of 900 million dollars for Quebec and perpetuates the federal government's tradition of unloading its problems on the provinces.

[*English*]

Mr. Stephen Harper (Calgary West): Mr. Speaker, before I discuss Bill C–3, the bill to renew the equalization provisions of fiscal transfers for the next five years, I would like to thank the government for allowing us to have this debate tonight.

Originally the government had wanted to discuss this bill on Friday when I and the critic for the Bloc would be unable to attend. We were able to reach an agreement to debate this bill this evening. I say that in all sincerity in spite of the fact that I will oppose the bill. I will also express some concerns about the process not so much on this bill but the general process followed in reviewing such pieces of legislation.

As I have indicated my party opposes the bill. I want to take the time tonight to reiterate the nature of that opposition and also to review concerns about the process of discussion and debate used here in deciding some of these matters.

Our party does support some elements of this bill and it is important to indicate that. We support for example the concept a ceiling. It is important for anybody who is serious about fiscal responsibility and the nature of the problems we find ourselves in to not have a situation where the federal government finds itself liable for open–ended transfer payments. That certainly could be the case without some kind of a ceiling.

• (1925)

We also support the concept in this bill of some kind of compensation for excessive tax back of unique resource sources in the equalization formula.

[*Translation*]

While making these remarks, I would also like to say that the position of my party is not that of the Bloc Quebecois or that of the member from Mégantic—Compton—Stanstead. Despite his well–thought out remarks, our views are totally different.

[*English*]

I would like to take a few minutes to mention those differences in perspectives. As a party we support the concept of equalization. I would point out to all here that the concept of equalization is embedded as a principle in the Constitution Act, 1982, which our party recognizes and which we believe all provinces of Canada are part of. I understand that is a very different position from that of the Bloc Quebecois.

I also want to point out that in spite of whatever shortcomings this bill or other federal programs may have, this particular program is very generous to the province of Quebec. This has come up before. This year roughly $3.8 billion of the $8.4 billion spent under this program will be directed to the Government of Quebec, none to the Government of Alberta and none to the Government of British Columbia. While there may be shortcomings in the bill it is important to acknowledge that. All Canadians should acknowledge the importance of these transfers not only symbolically but in dollar terms.

I also point out, although we will get into this debate at a later date, that the Bloc Quebecois at some point is going to have to address more seriously than it has its support for independence and opposition to the Constitution Act on the one hand and its apparent love for some of these social programs and some of this spending on the other. In spite of the considered words of my friend there is a contradiction in not liking Canada and having such great love of the Canadian dollar. However we will discuss that at a later date.

The nature of our opposition is primarily the expenditure size involved and the fact we are making enormous commitments without proposals for comprehensive reform in this area. Our zero in three plan had called for reductions in the area of equalization as part of some fairly small reductions over all to the level of transfers to the provinces.

I note with this program even with the ceiling that the projected growth rates for equalization are about 5 per cent per year. That is very high in comparison with the expected rate of growth for spending on federal programs generally. It is certainly higher than most programs which involve federal transfer payments to the provinces. The cost of the equalization program will grow from $8.4 billion to about $10.4 billion over the five year period, fiscal years 1995 through 1999.

On top of that we are making these kinds of commitments in the absence of a comprehensive reform proposal. This bill was tabled and second reading debate occurred before the tabling of the budget, before the infamous red ink book.

We know the federal government in making this announcement reiterated its commitment to federal transfer programs. It implied as it had during the election that it would never consider cuts to social programs or to federal transfers. However the budget revealed that despite the renewal of this particular program, the renewal of the current dollar levels, there were going to be planned cuts in transfer payments in other areas, some of which we do not particularly support.

• (1930)

I note, for example, the budget talks about additional caps to the Canada assistance plan that would kick in the 1995–96 fiscal year. We would begin to limit spending in absolute dollar terms to the level of 1994–95 combined with established programs financing for post–secondary education. In 1996–97 the combined total of CAP and EPF post–secondary will not be allowed under the budget to exceed spending for those two programs combined in 1993–94.

This raises the spectre of something I think has been missed in much analysis of the budget, that is planned expenditure reduction by the government in the area of post–secondary education which is not a target that we deficit cutters have specified. We certainly have not found support in the country for making that a priority for reduction.

It is very funny that while we advocate some cuts in our plan the government is saying it is renewing this program. It is planning cuts to transfer payments to the provinces but there is no particular plan for any kind of comprehensive reform or rationale.

This is interesting considering that debate on the bill both at second reading and in committee has raised the fact that there needs to be such an examination in the case of equalization as well as in the case of other transfer programs. Generally speaking there is a lack of clarity on the objectives and the operations of the equalization program.

The hon. member for Lethbridge pointed out during second reading and in committee that if the formula created equity in federal programs, if we had equalization for that purpose, why would we then support in a number of ways special funding over and above this that recognized have not provinces in particular programs in other areas? I think, for example, of the infrastructure program, RRAP or the cap on CAP in the case of the have provinces. There is definitely a duplication of efforts and clear objectives.

As well there are problems that go back to the very beginning of equalization. Professor Tremblay of the University of Montreal pointed out to the finance committee in his presentation the original economic justifications for programs like equalization based on economic deficits and surpluses created by the system of tariff payments in the country. Those things are now obsolete, particularly with the implementation of free trade. That is not to say the program is unnecessary but the original economic justification of the program has been eclipsed.

Important questions were raised not only by Professor Tremblay but by other people in committee and at second reading: the impacts of equalization on regional dependency and on structural unemployment and whether it prevents natural adjustment to market forces and outward migration of population from areas with low income potential.

These are all very important questions. We are undergoing an examination in certain federal programs—unemployment insurance and welfare—of the effects of these programs on individuals and the restructuring of incentives. It certainly would be appropriate to undertake a similar study here on the effects of these programs on large governments both provincial as well as municipal.

The government in its defence of the bill has said that it now requires certainty in the area of federal transfer payments to the provinces, in particular certainty on the equalization formula. This is one reason it is anxious to support it and one reason government members gave for supporting it.

I would point out to the Chair that in the course of our committee hearing one government representative we did hear from, Mr. Neumann of the Intergovernmental Affairs Office of Manitoba, indicated considerable doubt about that as the previous speaker from the Bloc indicated. There is not unanimous provincial agreement with this particular approach. Governments are expressing some doubt about the issue of certainty. Mr. Neumann had indicated over and above his concerns about the ceiling, which I do not share, that some particulars in the calculations lend themselves to uncertainty about future receipts and that we should be examining those sorts of things. Of course we did not.

• (1935)

There are other specifics that are difficult with this. This bill leaves on an indefinite basis choices between two different kinds of equalization options for certain Atlantic provinces. We continue to have inequities in the equalization formula. They are well documented.

The treatment of natural resource revenues can be very different depending whether they are owned by crown corporations or private enterprise. The formula is extremely complex, difficult to understand and administer. On top of that, the formula does not use any kind of standard measures of fiscal capacity. It is a very unique formula developed only for this type of transfer and once again, there is no particularly clear rationale, at least to myself and to others I have talked to, between the particulars of the program and the objectives of the equalization program.

I have tried to lay out not only our general objection to the cost but also the fair range of issues that this bill really provoked both at second reading and in committee. I point this out because this is my first time as a new parliamentarian being a critic for a particular piece of legislation and being part of the system and seeing how it works.

We had the debate here. We went to committee with these bills. Points were made in the committee by members of the

opposition in both parties in opposition to the bill. Points were made, concerns were raised about the bill and about the philosophy of the bill by witnesses who appeared before the committee.

What was quite interesting to me was that the government members, generally speaking, who engaged in debate here and who talked in committee generally made no effort or only the most minimal effort to refute or to comment on any of the points raised.

I am not trying to be critical of any individual but the general defence of the bill offered by government members was certainty. The other was that equalization is about sharing and sharing is good, therefore let us pass the bill.

With that kind of orientation, we proceeded to pass the bill. We had two committee hearings and then proceeded to move to clause by clause, somewhere between 30 seconds and a minute, sums of money totalling $45 billion to $50 billion over the next few years.

I suppose an option available to myself or to members of the Bloc Quebec or other members of the Reform Party or perhaps any member would be to endlessly filibuster the bill, to bring speakers forward, to continue to raise these points in committee and in the House.

I follow our leader's example on this. There is no point saying that one is going to practise economy in government if one cannot practise economy in words. I am not interested in endlessly filibustering this bill but surely the point of the process is that we do an examination and even if we do not reach agreement that we at least sharpen our arguments so that we can better rationalize this bill.

Of course this does not happen because in our system with the pattern we have fallen into of government confidence on every motion and lack of free votes, the issue becomes not the substance of legislation but simply what party one belongs to.

Unlike in other legislatures, for example in the Congress of the United States, the one closest to us, it is unnecessary for us as individual members to defend or explain our position on pieces of legislation, even pieces of legislation that we are personally responsible for. All we have to know is that the government voted for it. If one is a government member, they had to support it.

That disappoints me. I am not suggesting that there are not members of the government who do not understand the equalization bill or who could not give good defences of this piece of legislation but this certainly did not transpire in the debates that I was involved in.

Why are we rushing this? This has all occurred very quickly. The bill was tabled before the budget. The government originally wanted it through committee around budget time. It certainly wants the bill through this House and has our limited co–operation to do so because as I say we are not interested in endless filibustering. It wants the bill through the House by March 31. Why? Because the program is slated to kick in on April 1 and is to go for so many years. In spite of the fact that we do not really have full provincial agreement this decision has been taken.

The bill had only been debated or on the order paper for a couple of weeks when I was contacted by Professor Boothe of the University of Alberta who has written extensively on federal transfer programs to the provinces. He would have liked to have said something on this but the committee hearings were done before he was aware we had a bill.

Why does this occur? This kind of rush occurs not because there is any real necessity or that there will be any collapse of the federal–provincial system if we do not pass this bill by March 31. It is because there is an attitude of the government, an attitude passed over from Parliaments in the past, that this process is a formality. This is a rubber stamp. It does not matter the sums of money that are involved, the objective is to pass it. In fact the decisions have been rendered in the executive. They were rendered in some other forum and there is no particular need to become knowledgeable only to get it through and maybe we will defend it at the next election.

These kinds of things concern me. I do not make these criticisms of the bill or of the process here as attacks on any particular government member or even on this government. This is the pattern of legislative process that we have fallen into in this country. It does not work. It is how we got ourselves into the kind of financial mess we have in this country.

I remind members once again that in many, many areas of public policy we spend more money than just about every country in the world, whether it is on education or health or unemployment insurance, transfer payments to lesser levels of government or whatever. We are spending as much or more than our competitors. The results are simply not comparable to what is required to compete in the international marketplace.

I think I have said my piece on that, Mr. Speaker. As I said, we anticipate the bill will pass. We oppose it on principle and will oppose it on division.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

(Bill read the third time and passed.)

The Acting Speaker (Mr. Kilger): It being 7.40 p.m. this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7.40 p.m.)

HOUSE OF COMMONS

Thursday, March 10, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to table, in both official languages, pursuant to Standing Order 36(8), the government's response to four petitions.

* * *

PARLIAMENTARIANS' COMPENSATION REPORT

Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, on behalf of the President of the Treasury Board, I am tabling this morning, in both official languages, the report prepared by Sobeco, Ernst and Young on parliamentarians' compensation.

[*Translation*]

The report, entitled *Parliamentarians' Compensation*, examines the allowances and privileges of members of Parliament.

[*English*]

The government is referring this report to the Lapointe commission to review allowances of members of Parliament.

* * *

BILL C–16

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C–16, an act to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope and Fort Norman and the Metis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related amendments to another act.

(Motions deemed adopted, bill read the first time and printed.)

* * *

PETITIONS

SERIAL KILLER CARDS

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition on behalf of the constituents of Victoria—Haliburton who are vehemently opposed to the importation of serial killer cards.

This petition adds to the growing list of Canadians who are opposed to the killer cards which glorify serial killers and send a negative, violent message to the youth of our country.

The petition calls upon the Parliament of Canada to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards in law and to advise producers of killer cards that their products, if destined for Canada, will be seized and destroyed.

I note the first signature on this petition is by an 18–year old, my daughter.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, question No. Q–1 will be answered today.

[*Text*]

Question No. 1—**Mr. Taylor:**

What is the government's intention regarding the automated security systems planned for the Fort Battleford national historic park in Saskatchewan, what is the rationale for the conversion, and what tests have been done on the system under consideration to guarantee that it works?

Hon. Michel Dupuy (Minister of Canadian Heritage): The government's intention is to install an automated security system at Fort Battleford national historic site. The system will be installed in five historic buildings, as well as the maintenance shop, administration office, visitor reception centre and storage garage by March 31, 1994.

The rationale for the conversion is to effect an annual saving of approximately $51,000, as follows:

1. An electronic security system was approved for Fort Battleford national historic site in the 1989 management plan.

2. Once the security system was approved for implementation, the site's two security staff were redeployed to the visitor activities department with no loss of salary.

3. The Corps of Commissionaires was contracted through a master standing offer to provide security services on an interim basis until completion of the installation of the electronic security system.

4. The average annual operation and maintenance (O & M) costs from April 1, 1990 until March 31, 1994 for the standing offer with the Corps of Commissionaires are $58,019 per year.

5. One time installation costs for an automated security system are estimated at $60,000. Annual O & M cost based on existing system are estimated at $5,000 per annum (maximum).

A saving of approximately $51,000 will be realized annually, beginning April 1, 1994. In one year, installation costs will be recovered. Savings can be redirected as per the approved management plan.

The highest criteria imposed on installation proposals were utilized: all hardware had to be CSA (Canadian Standards Association) or ULC (Underwriters Laboratories of Canada) approved; must meet the approval of the Dominion Fire Commissioner and Labour Canada; only systems presently installed in several businesses and government offices across the country are being entertained as viable; generally similar systems have been used successfully at other National Historic Sites.

[*English*]

The Deputy Speaker: The question as enumerated by the parliamentary secretary has been answered.

Mr. Milliken: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1010)

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 9 consideration of the motion that this House approves in general the budgetary policy of the government.

Ms. Maria Minna (Beaches—Woodbine): Mr. Speaker, this day marks the first time in history that a Liberal has stood in this House to speak on behalf of the people of Beaches—Woodbine. I am proud to be that Liberal.

As I campaigned door to door throughout last year's election, I promised the people of Beaches—Woodbine that we could have social justice and jobs. It did not have to come down to a choice of one over the other.

The budget brought down by my esteemed colleague, the Minister of Finance, reflects very much my commitment to the people of Beaches—Woodbine. He has succeeded in creating a judicious balance between the need to put our financial house in order and the equally important need to ensure that Canada remains a truly just society.

That hard to achieve balance is very important to the people of Beaches—Woodbine and to all Canadians.

Our long lasting commitment to social justice is the hallmark of our society. It sets us apart from most nations. If members think that is an overstatement, ask the millions of men and women who left their own countries over the last several decades and made a deliberate choice to become Canadians. Their being here has helped to make Canada a vibrant, dynamic model of living together, a model for the entire world.

Ours is a truly remarkable society and we must ensure throughout the nation–wide debate that is about to take place that we remain a truly just society of which we can all be proud.

We do have to take all necessary steps to arrest the growth of the deficit, reduce it to a manageable level and put in place sound economic policies to create jobs. The budget brought down by the Minister of Finance is a major first step in that direction.

The budget is, however, but one of several initiatives set in motion by the Liberal government. It is designed primarily to ensure that our financial house is put in order as quickly as is humanly possible.

I am more concerned, however, about the social justice part of the equation, that which sets us apart as a great, caring nation.

As we embark on the national debate about our social security systems, I find myself a little uncertain about the outcome.

Because of the pressure that has been placed on the economy and the social safety net by the recession there appears to be an almost panic mentality that has taken place. Get on with it is what everyone seems to say.

Because of my promise to the people of Beaches—Woodbine on social justice and jobs, I will do everything in my power to ensure that appropriate time is given and taken to ensure that the social safety net review is carried out in a worthwhile manner.

There is a great deal of talk of the stress that social programs have put on the economy but we must also look at the stress that the economy has put on the social programs. Despite some of the holes in our safety net this held out very well despite the huge demands we have put on it.

I believe that the social security system that we will need in the future should be one that can address the needs of Canadians from cradle to grave. It must be a system that is comprehensive, holistic in approach, completely accessible to all and flexible. People now are often falling between the programs.

This may mean a guaranteed income supplement. We have had a form of guaranteed income supplement in this country for quite some time. The old age security system, unemployment insurance and the way we have used them in eastern Canada has been a form of that.

We will have to make some fundamental choices, however. For instance, the labour market is changing with low value, short term and part time jobs on the increase. What choices will we make in the need for continuous upgrading of skills, the type of day care available and retirement planning?

Apart from the real fact that the comprehensive child care program is essential, if we are to have a chance at succeeding with upgrading, retraining and development of programs I believe it is our collective responsibility to ensure that children are cared for. The physical and mental well–being of children will mean healthy and well adjusted adults.

• (1015)

Today's youth are tomorrow's leaders. I attended a youth conference in Toronto on Tuesday of this week. It was attended by some 200 young people from all walks of life. Some had received welfare and were now on the youth employment program. Some were university graduates out of work and some were single parents on social assistance. The one thing they all had in common was their desire to want to work and their concern that maybe we, the baby boomers, were not interested in their concerns, did not understand their plight and did not have a commitment to tackle the problems that they are facing.

They made very insightful observations about the strengths and weaknesses of the current social assistance programs and their recommendations I thought were very practical and realistic. These are some of their statements:

"Most kids decide what to do by grade 10. They either stay in school or they drop out. So why can we not start apprenticeship as a career choice at grade 10". "I was asked to move back home in order to receive employment and training assistance", said another. "I have not lived at home since I was 15, so why am I going to move back now"?

Yet another: "I had to drop out of my college program because student aid was not enough and welfare would not pay if I received student aid. I now owe $3,000 in student loans, but still do not have an education. I really want to be an interior decorator".

Grants for students should come back.

They refer to themselves as the lost generation. They asked me if the government was really serious about addressing their needs. I said that if we did not do anything at this time and did not move quickly, we would be totally negligent and very stupid. They are the future of this country and we must meet their needs.

Social programs might cost more than we would like at first, but in the long run we save. If a young person is working they pay taxes. They will be able to create other jobs as they build their own businesses.

A comprehensive child care program allows parents to work and results in healthier children and we will save on further social costs.

Finally, the cost of the delivery of the programs does not necessarily have to be as costly as it is today. If we use an integrative approach instead of a selective approach and utilize all existing infrastructures such as schools for child care, the voluntary sector, and developed one stop shopping for all three levels of government it might just save some money. Economic renewal does not have to be at the expense of social justice. In fact, I believe that a strong social justice system will aid economic development

As I stated at the outset I am the first Liberal since confederation to stand in the House and represent the people of Beaches—Woodbine. And, yes, I do consider this an honour. The Beaches part of the riding's name derives from the fact that we have the best area of beach in metropolitan Toronto. Every summer and throughout the year thousands of people from outside the riding descend on the beaches and become honorary beachers for several hours of a day.

Our international jazz festival attracts upwards of 60,000 people, devotees of jazz across North America. The beach

family festival reflects a devotion to family and community that makes the beaches such a great place to live.

The Woodbine part of my riding's name takes up from the tree lined streets of the beach to Little India at Gerrard and Coxwell, the family run stores of the Danforth, the postcard perfect bungalows of the seniors in East York and the largely immigrant population high rise towers of Crescent Town. Does it not sound beautiful?

Beaches—Woodbine is a truly diverse riding and being the member for that area is a rewarding and demanding challenge. We have no factories in Beaches—Woodbine, no company head offices despite a large number of small businesses. We are very much dependent on opportunities for jobs outside the riding. That is why it is very important to us to ensure that metro Toronto gets its fair share of the infrastructure program and all other programs for economic stimulus.

As Toronto grows so does Beaches—Woodbine. You can be sure, Mr. Speaker, that I will avail myself of every opportunity to ensure that Toronto gets its fair share and makes its fair contribution to the growth and prospects of the whole country.

It is the whole country that should be speaking in the House in the debate on the budget, the social security system, our defence, health care and other national issues. We simply cannot afford to pull back, to think only of our ridings and of our regions. Today more than ever before it is important that we speak as one, as one country, one nation, one great people.

• (1020)

Mr. Speaker, I want to assure you that the people of Beaches—Woodbine will be well represented in national debate. We will be heard.

The Deputy Speaker: Congratulations to the member on what I take was her maiden speech.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, first I would like to commend the hon. member opposite for the comments she made in her speech. Since we started this debate on the budget, I believe this is the first time we have heard a Liberal member who is so emphatic about social justice, who tells the government to take its time in carrying out the reforms it plans to make and to examine all sides of the question in order to create the kind of social justice—and I was particularly struck by this comment—that will guarantee a better future for our young people, and the hon. member is to be commended for saying so. Throughout her speech, she repeatedly referred to the future of our young people and the fact that they too will have to make a life for themselves. I am sure that many members of her party will be mindful of what she said in her speech, for the greater benefit of young people in Quebec and Canada.

I understand where the hon. member is coming from, because I have worked with teenagers for many years, and the problems you described and heard described by various people sound familiar. I must say, Madam, I am impressed.

Before we finish, I would like to ask how you intend to persuade the Liberal caucus to share your views?

[*English*]

Ms. Minna: Mr. Speaker, I thank the hon. member opposite for his kind comments.

In my caucus there is very open discussion on these issues. We have embarked on something that is quite unusual. A standing committee of the House normally does not embark on public hearings prior to legislation or prior even to a proposal being put before the House. In fact we are doing that right now, talking to Canadians to hear their concerns about these issues.

Once the proposals are presented to the House by the minister, which will be a discussion paper not yet legislation, we will again travel this country to discuss with every Canadian who wishes to talk with us. We will try to reach as broadly as we can to discuss those proposals and to share what kinds of ideas we want to share and to see what future we want to have.

I will continue to fight and work within my own caucus. A lot of my colleagues agree with me. I do not have to work very hard. I have a tremendously strong and very committed caucus with regard to social justice. I do not think that is something we need to be concerned about too much.

Once legislation is brought in at the end of the year at that point we will be able to consult on the legislation itself.

To explain to members opposite, there will be plenty of time to be able not only to share ideas but to work out solutions, to adjust and to share them and discuss them again with Canadians. Certainly for my part I intend to hold two or three public consultations in my riding. Every member of the House can do the same. In fact I think they are being asked to do the same by the minister so that we have as broad a consultation on this issue as possible.

Certainly the commitment that I have to social justice which is 20 years long is not going to diminish during this process but rather will increase.

• (1025)

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, as this is my first formal speech in the House of Commons I would like to begin by offering a message to my constituents of Annapolis Valley—Hants. I thank them for putting their trust in me to represent their views in Parliament. I consider it an honour

and a privilege to have been elected to this position. Julia, Patrick, Kelly and I consider ourselves most fortunate to live in the valley where the warmth and generosity of our people enhance the natural beauty of our area.

When my Liberal colleagues and I were elected to form the government last October, it was as a result of our commitment to jobs and long term economic growth. This budget is a first step in fulfilling the commitment and promise made at that time. It strikes a balance between economic renewal, social policy reform and deficit reduction, a balance that will provide the foundation for jobs and growth.

This budget offers fundamental restructuring of our thrust to this balance so we can move from a passive system to an active one. The changes we are offering will cause some pain but this new active approach will bring on the creativity that is inherent in the people of my riding of Annapolis Valley—Hants and of all Canadians.

I know there is a lot of unemployment in my riding and I feel very badly. It is easy for me to say this because I am fortunate; I have a job. However, I will commit my energies to be a part of the process that will create jobs in my riding.

I recently had an opportunity to travel to CFB Greenwood and meet with the base commander and the defence staff. I have also had a chance to meet with the regular forces and reservists at Camp Aldershot. I am extremely impressed by the dedication, commitment and high levels of professionalism of these military personnel. While these centres have only been minimally affected by the budget, I will work to ensure that the military and civilian jobs at these bases remain secure over the long term.

As the budget indicates, one of the most effective ways to encourage economic growth and jobs is through support of the small business sector. I have talked with many small business owners in my constituency who believe that the federal government can play a very active role in helping small business not only remain viable but grow and create new jobs. I am also working very closely with the local agricultural industry which is the backbone of small business in the community of Annapolis Valley—Hants. By working with this local advisory group we can best determine how the government and the agricultural sector can work together to create jobs.

I have also in the past had the pleasure of working closely with first–rate institutions such as the Acadia University Centre for Small Business. Such centres are not only promoting local community networks but also provide valuable information services to help individuals get their ventures off the ground.

According to a recent survey conducted by the Canadian Federation of Independent Business, a freeze or reduction in government payroll taxes was one of the most important conditions necessary for small business owners to hire more employees.

We have listened. By rolling back unemployment insurance premiums for small business, we are providing these firms with incentives necessary to increase both investment and job creation. I applaud the Minister of Finance's announcement that we are moving ahead with programs such as the Canada investment fund, the Canadian technology network, and a commitment to work closely with banks to improve access to capital for small business.

Aside from assisting small business, this budget has set the foundation for economic recovery through a number of important initiatives. First, the national infrastructure program is progressing rapidly. In Nova Scotia the federal contribution for this program over two years will be $69 million. Annapolis Valley—Hants is largely a rural riding and, having high quality physical infrastructure, it is imperative for the future economic viability of both the businesses and individuals who call this area their home.

Organizations in my area have submitted several innovative proposals and I hope they will receive positive approval.

• (1030)

Another major commitment we have made in this budget is the extension of the RRSP home buyers program. Prior to the budget I received many letters from the real estate companies and home builder associations in Annapolis Valley—Hants in support of this program. All of these letters indicated the housing industry will play a central role in Canada's economic recovery and that by promoting this program over the long term the government would be greatly assisted in this recovery.

The budget also makes a $50 million a year commitment to the residential rehabilitation assistance program. This will further boost the housing construction industry and help create many jobs.

The most important aspect of our commitment to economic restructuring however is our pledge to help individuals obtain the skills necessary to find meaningful jobs. It is my commitment to the people of Annapolis Valley—Hants that I will work tirelessly in this endeavour.

By investing in programs such as the Canada youth service corps, the youth internship and apprenticeship programs, we will assist young Canadians in gaining the training and skills necessary for jobs for the long haul.

I have received over a dozen phone calls in the last week from groups and individuals interested in putting forward proposals for the national youth service corps. I am committed to working

closely with youth interest groups in the riding to assist them in getting involved and benefiting from these important programs.

With respect to education and training I would like to take the opportunity to mention one program which is currently under way in my riding. It is a technology recycling program sponsored by a non–profit organization, Nova Knowledge, in conjunction with the federal government and a number of private sector organizations.

The purpose of the program is to collect used computers from organizations planning to purchase newer technology. These computers then go into community colleges across the province and students refurbish and repair them for shipment to many Nova Scotia schools.

I am proud to say that the province's first program is located in Annapolis Valley—Hants. Students at Kingstec Campus, Nova Scotia Community College in Kentville have refurbished more than 20 computers at this point in time which have gone to public schools. These are the types of innovative programs this government is committed to.

We are working with all the stakeholders to provide valuable training programs which will serve to benefit the local and national economy now and in the future. An important part of our commitment to education and training is our pledge to ensure that people collecting social assistance have access to skills upgrading programs.

It is quite clear the old system is not working. We need to find and make more jobs available. We need to make our approach more active. When we offer assistance we must also offer the opportunity to develop the necessary skills to find a meaningful job. At the same time we must assist small and medium sized businesses in creating a fertile economic environment.

As both the Minister of Finance and the Minister of Human Resources Development have outlined, by revamping our social assistance program we will be able to reinvest our resources into initiatives geared toward finding innovative ways to get people back to work. In that regard I applaud the announcement of $800 million being made available over the next two years for pilot projects so that we can help with the training of the unemployed.

I am confident this budget will set the course for growth and jobs in Canada. I believe these initiatives will have a positive impact in my riding of Annapolis Valley—Hants. I am proud that as a government we are fulfilling our commitment.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, I would like to ask a very brief question to the hon. member. In his speech, he mentions that the deficit is quite reasonable, but the fact is that it is the biggest deficit ever announced by a government, a $39 billion deficit. Does he believe that such a deficit is acceptable? Should he not rather try to convince his government to review spending so that we can really make the necessary cuts and get room to manoeuvre to really create jobs, not only in the infrastructure area, where jobs are less specialized, but also all other types of jobs?

• (1035)

[*English*]

Mr. Murphy: Mr. Speaker, I thank the hon. member for his question. What really arises is that we are attentive to the deficit. We have spent a great deal of time trying to explain that issue to members across the way.

My emphasis is not less on the deficit, because we need deficit reduction and we are working toward that goal. However it must be remembered that we have to create a climate in which there is economic growth so that we can work on that deficit. This is a parallel, two–pronged approach which we need to work on.

I only tried to emphasize job creation, training and the advancement of an economic climate because in my riding I can make some differences working with people. I certainly have had an opportunity to talk with our Minister of Finance and our caucus over time. Yes, we are working on the deficit. I would only encourage members opposite that we work together.

I came to Parliament so that I could work with people to get them back to work and achieve economic recovery. I come from a psychiatric background and know what dependency is all about. I have been at it for 30 years. I want to see people become more independent. That is a goal for Canada, for members across the way and for our party. I look forward to the enhancement of that in my work here in Parliament.

Mr. John Cannis (Scarborough Centre): Mr. Speaker, I want to congratulate the member for his presentation. I was very impressed with what he focused on. There is no question he outlined our deficit problem but it is very simple. He emphasized economic renewal. If we through the programs he outlined enhance economic renewal there is no question we are going to be addressing that problem.

I was impressed by how he used the approach that we have now moved from a passive to an active system. That is a prelude to attacking this deficit problem. More so I was impressed with the used computer concept, to refurbish them for use by schools.

I would like to introduce this program in my riding. We are accomplishing two things. First, we are educating people on how to train and upgrade themselves by repairing the computers. Second, we are passing this on to other institutions which use the refurbished computers thus allowing people to elevate themselves to a higher level.

There is no question that automation is where it is at today and where society is heading in the future. Therefore, the passive to the active system has very much impressed me. I thank him for sharing that.

Mr. Murphy: Mr. Speaker, I have thought for a long time this was the route we had to follow. There is pain in this route, but I believe when we move from the passive to the active we bring on creativity. As a government we are allowing people to create opportunities and jobs. Therefore as a government we become facilitators. We are not the creators. We are the facilitators helping small and medium sized businesses get started and get the economic recovery back on track.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, in this budget the government has attacked the most vulnerable members of our society. Unfortunately, the elderly and the unemployed had less clout than the Liberal Party's backers. This is unacceptable, and some day, Quebecers and Canadians will remember this.

We strongly condemn the $7.5 billion cuts in social programs especially as they affect unemployment insurance. A slow recovery, with little stimulus for employment, is hardly the answer to the tremendous economic problems facing us today.

The safety net introduced by Canadians is now, more than ever before, absolutely essential to the survival of individuals, families and communities that are in need. And now, when we need it most, the minister has decided to weaken the safety net.

• (1040)

The budget has attacked all aspects of the unemployment insurance program: benefit periods and rates have been reduced; to qualify for unemployment insurance, a person must have worked at least 40 weeks in his first job; and it now takes 12 weeks instead of 10 to be eligible for benefits. A measure that will be particularly hard on seasonal workers, for instance.

Incidentally, Serge Côté and Normand Anctil of the group for interdisciplinary research on regional development in Eastern Quebec at the University of Quebec in Rimouski have just published a study conducted with the co–operation of with the Minister of Human Resources Development. According to the study, 25 per cent of the unemployed in Rimouski are seasonal workers, and the figures is 50 per cent in the rest of the region, which means they represent 37 per cent of UI claimants. The study also found that 83 per cent of seasonal workers would prefer regular, steady jobs, which puts the lie to the stereotype that these workers are lazy and perfectly happy the way they are.

The minister has cleverly camouflaged cuts in benefits as a way to help low–income women, while at the same time invading the privacy of these women, who will be entitled to more benefits only if they can prove to UI employees—who are not always very understanding or forthcoming—that they have dependents and are the sole breadwinner. Moreover, women whose only fault is to try to get a second income for the family will be discriminated against, since they will suffer a reduction in their payments.

The Minister is thus launching a policy of intrusion into women's private lives, refusing them the right to live or cohabit with whoever they please, very often solely to save money and make ends meet.

What about social housing? During the election campaign, the Minister had personally promised that a Liberal government would, as it should, guarantee to one million Canadian families decent housing at a reasonable price. Looking at his budget, we realize that he forgot that promise. In 1989, $133 million were allocated to public housing. In 1993, the amount is down to $41 million and, in 1994, it will be nil, no money being allocated to new social housing projects.

What is worse, the government is refusing that municipalities use the infrastructure program to build social or co–op housing. Yet, building housing units is profitable in many respects. Because they are saving on rent, people can spend more; social expenses for shelter, soup kitchens or protective lodging are reduced; they offer greater security to low income seniors who cannot afford private foster homes.

The Minister should look around, because the situation is disastrous. In my riding, you can tell people are getting poorer by the fact that 40 per cent of households must spend more than 30 per cent of their income on housing. Senior citizens who are going to be affected by the elimination of the tax credit or the changes in their pension plan, as we now know, will see their situation deteriorate.

While the government is making cutbacks and is overlooking job creation, their friends can live in peace. In fact, the contribution made by businesses to government revenue over the last ten years has decreased. If only the minister had the courage to establish a minimum corporate tax, like the one in United States, taxpayers would pay less and might even benefit from a lowering of taxes without any changes required to our social programs.

At a time when the GST is a nightmare for all Canadians, the minister, once again, has spared the holders of some $25 billion worth of listed shares when he could have gained substantial revenues by taxing them.

I want to take a closer look now at some aspects of the expenditure plan of Canadian Heritage. The budget announces that the red book is going to be fully implemented, including an investment of $60 million over a period of three years in the cultural sector. That is great news if you think it involves new money, but such is not the case. In fact, as it is said in *The Budget*

Plan, these initiatives will be "funded through internal departmental reallocations".

• (1045)

The government cuts with one hand and reinvests with the other. The left hand does not know where it will cut and the right one does not know where it will reinvest. I hope the Holy Spirit will enlighten the Prime Minister, the Minister of Finance and the Minister of Canadian Heritage, and that this new trinity will inform this House as soon as possible.

The estimates for the Department of Canadian Heritage are all the same: they give us very little indication about where the government is heading. On that point, the Minister of Canadian Heritage should make the Cabinet understand the importance of culture not only as part of our national identity, but also as a major driving force behind our economy, and increasingly so.

It is unfortunate that the federal government's inconsistency should have such an impact on major institutions such as the CBC and Telefilm Canada at a time when the main industries of the future are telecommunications and entertainment. The cuts of $100 million will be maintained for 1995 and 1996 for CBC and, during the coming years, the Corporation will have to deal with a structural deficit which will amount to $169 million by 1996.

The Minister of Finance is saying to CBC: Make the cuts yourself, take on that responsibility. Like Pontius Pilate, he is washing his hands of the whole question.

Moreover, the government keeps on repeating that it is guaranteeing CBC a five–year budget, but one should remember that, during the last campaign, this same government was promising that it would maintain social programs. Barely four months after the Liberals' coming to office these solemn promises have vanished into thin air. You understand now why we are working so diligently to bring about Quebec's sovereignty, so that we will not be around three years from now, when this government goes back on all the promises it made over and over again.

As far as Telefilm Canada is concerned, this budget maintains the 10 per cent cut in its operating budget announced by the previous government. As a result, for 1994–1995, Telefilm must give $10 million back to Treasury Board. The overall cut of more than $116 million over five years is maintained, at a time when the emergence of new technologies and specialty channels create an almost limitless demand for cultural material of Quebec and Canadian origin.

The Liberal government could not come up with a better idea than clipping the wings of such an essential cultural agency. However, to have us believe that culture is of great concern to them, the Liberals exempted Telefilm Canada from a further 5 per cent cut.

On behalf of the francophone and Acadian communities, one must rejoice in the reinstatement of the Court Challenge Program, the abolition of which they had condemned. It is thanks to this program that the right to be educated in French in Canada was recognized. However, I would like to point out that even though the courts have upheld this right, its formal recognition still leaves a lot to be desired in Canada.

In another connection, I would like to add that the Minister of Canadian Heritage recently allotted enormous amounts of money for the promotion of a failure, Canadian federalism. Here are a few examples.

Communications strategies, $16 million; negotiation of constitutional amendments for native people, $27 million; Knowing Canada Better Program, $6 million; for a better understanding between Canadians, $15 million; Canada Day, $3.6 million—48 per cent more than what was anticipated; the 125th anniversary of Confederation, $22 million; forty–two medals commemorating the 125th anniversary, $1.3 million.

Time is running out and I would be remiss if I ended my speech without saying a few words about amateur sport and especially about the Athlete Assistance Program. The Minister of Canadian Heritage went to Lillehammer where he met athletes and gave an interview on television. In answer to questions by two Quebec gold medallists, Gaétan Boucher and Sylvie Bernier, the minister admitted that the athlete assistance policy would have to be reviewed.

The last budget increase for that program goes back to 1985. To compensate for the loss of buying power due to inflation since then, benefits under the Athlete Assistance Program should have been raised by at least 43 per cent. What did the heritage minister do? He accepted a budget cut of 7 per cent which will bring average benefits to individual athletes down to $5,100 a year from $5,500.

The federal government lost no time in claiming the gold medallists of the last Olympics in the name of national pride and rewarding them with the country's highest decoration, but as for helping them on a day–to–day basis, they force them to live below the poverty line.

• (1050)

[*English*]

Mr. Julian Reed (Halton—Peel): Mr. Speaker, I would like to take a couple of minutes to reminisce after hearing the words of the member for Rimouski—Témiscouata. In 1967 I had the distinct privilege of travelling through the member's riding with 200 Boy Scouts from western Ontario. It was during Centennial Year. We travelled 3,600 miles, as they were in those days,

through the south shore of Quebec and into the maritimes and so on.

One evening we camped in the town of Rimouski in a field beside the high school. Maybe it is still an open field, I do not know. We were wonderfully treated by the people of that town and by one of the service clubs. We were treated to a typical south shore dinner of turkey and rabbit. It was a wonderful evening.

We could not speak very much French and the local people could not speak very much English. However, I recall that when we returned to the campsite from dinner the young people from the town of Rimouski had all gathered and made a big bonfire. We discovered that we could sing together. We sang songs in both languages until about three o'clock in the morning. When we finally recovered and got on the buses we recalled it as one of our most wonderful experiences.

I was very interested as the hon. member talked about the need to support national identity. I concur with her in that regard. It seems to me that our duality and our national identity needs all the support it can get these days. I stand with her in that regard, even though I had a bit of a problem when she said she felt that somehow it was a lost cause. I want to go on record as saying that I do not believe it is a lost cause at all. It is the thing that makes us different in North America; it is the thing that makes us great.

I want to ask the member a question. At the outset of her speech she talked about the government is attacking the most disadvantaged seniors. Does she feel the 25 per cent of senior citizens who are in an upper income bracket of over $25,000 are disadvantaged senior citizens? I would have to challenge the statement.

I realize senior citizens deserve support and protection, but I believe many seniors in upper income brackets are willing to participate in helping Canada get out of its financial difficulty.

The Deputy Speaker: Order, please. The point has been made. It is time for the hon. member to reply.

[*Translation*]

Mrs. Tremblay: Mr. Speaker, I mentioned two things. Presently, I want to reassure my colleague. Even when we are sovereign, he will still be welcome in Rimouski. We will still have parties on the beach and sing around a bonfire.

I think that the elderly, pensioners, did not have the chance to live in the same context that we did. They did not have a chance to save up as much as we did. Some of them did but I do not know how many. Perhaps the Minister of Finance could tell us how many of them are in his millionaires' club, but I doubt it is the majority of the seniors of our country. I think they need help.

• (1055)

Again, there were suggestions made, plenty of them. I mentioned two: one is a minimum corporate income tax and the other is the levying of GST on transfers of listed shares. With such measures, it would not have been necessary to make changes affecting the public or social programs. As long as there is no reform of federalist parties that keep on being financed by big funds and big business, there will never be a government in this House with the courage to change the Income Tax Act and tax those with the big bucks.

In the end, if we took care of corporations and tax shelters, we could lower the burden of taxpayers as they did in the United States instead of adding to it all the time. We cannot pay any more. If the government keeps on ignoring this simple fact, we will keep on heading towards bankruptcy.

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, we have come to the stage in today's proceedings, pursuant to the Standing Orders of the House, when we resume debate the budget speech. For several days now, members have had the opportunity to voice their concerns about the budgetary provisions. However, I think we can rightfully ask ourselves the following question: What is the government going to do with the views expressed in this House on the budget?

Given the government's obstinate refusal to change its mind about closing the Collège militaire de Saint–Jean, I think the answer to this question is obvious: Nothing! The government has no intention of acting on the concerns expressed during this debate. It has no intention of listening to or taking into consideration the arguments put forward by the members of this House. Just a few minutes ago, my colleague, the hon. member for Rimouski—Témiscouata, mentioned several suggestions made in this House that the government has chosen to completely ignore.

It was not so very long ago that the government was boasting of wanting to consult Parliament and the public before drafting its budget. Yet, it does not seem to be able to benefit from the opinions, suggestions and concerns presented. The Liberal government, which appears to be suffering from acute "consultationitis", spent vast sums of money staging mock pre–budget conferences and was unable to draw little, if any, inspiration whatsoever from the opinions expressed.

However, by holding these conferences which were given wide coverage by the media and which provided an opportunity to float a series of trial balloons, setting Canadian taxpayers up to expect the worst, the government deliberately maintained an atmosphere of austerity. As a result, the vast majority of our fellow citizens were fully prepared to do their share to help bring the deficit under control, provided all segments of society were asked to make equivalent sacrifices.

Did the government take advantage of the implicit consensus among Canadians and of the admirable movement of collective solidarity? No, it foolishly let this opportunity slip away by tabling a highly disappointing budget designed so as not to stir up the waters too much. In some respects, the budget is a reflection of the Canadian government's powerlessness in the face of the catastrophic state of public finances.

After unemployment, the deficit is one of the biggest concerns of Quebecers and Canadians. This government wanted to work on three objectives at the same time: first, to promote economic growth; second, to stem the increase in public spending so as to reduce the deficit; and third, to carry out at all costs the promises made during the election campaign. In doing so, the government literally overlooked two objectives to which it should have given the greatest importance: deficit reduction and job creation.

It seems that this government was not able to attain both these goals at the same time. In fact, instead of attacking the problems, it chose instead to go after the citizens themselves, especially the most disadvantaged.

Indeed, 60 per cent of the too small deficit reduction projected for 1995–96 is due to the new measures reducing the amounts allocated for the unemployed. Furthermore, the government is increasing the tax burden of seniors and eliminating a tax break that benefited the middle class.

Let us consider for a moment the structural deficit, which is approximately 3.5 per cent of the gross domestic product. The Bloc Quebecois and many Quebecers are convinced that Canada is running up such huge deficits because of the very way this country is structured. Federalism is inherently inefficient with the many overlaps, wasted energy and contradictory policies.

• (1100)

The structural deficit is due to the huge government bureaucracy. What is the government doing in the 1994–95 budget to improve the poor management practices that exist and are perpetuated in this bureaucracy? What is it doing to eliminate the waste which the Auditor General has made a point of denouncing many times in successive reports? Very little.

One of the solutions put forward by the government is to cut transfer payments to the provinces by $2 billion, $466 million in 1995–96 and $1.54 billion in 1996–97. Of course, the Minister of Finance defends himself by saying that he will spend $800 million to finance new approaches to social security. What are these new approaches? Can he assure us they will not, once again, lead to federal government intervention in areas of exclusive provincial jurisdiction?

It is disturbing to see that one of the solutions considered by the government is to increase the tax burden of middle–income seniors and of middle–class taxpayers in general. How can they justify their decision to reduce the age credit? In total, between 1994 and 1997, this measure will take $490 million from the pockets of seniors, while high–income taxpayers are still benefiting from tax shelters.

On the other hand, when the Bloc Quebecois called for stimulation of the job market and lowering of the unemployment rate, it did not ask the government to shift the responsibility for its problems to Quebec and the other provinces. Unemployment insurance reform will neither motivate people to work nor, of course, increase the number of jobs available. It will in fact put more people on the welfare rolls.

The government's dithering is impossible to explain and unforgivable when every wasted minute aggravates its financial situation as well as the suffering of individuals and families hurt by unemployment and poverty.

The government seems to count mainly on economic recovery to fill its coffers. Recent experiences have taught us to be wary of such calculations. We should have expected the government to take vigorous measures, but it has not done so.

The Desjardins Group, the Quebec Deposit and Investment Fund and the Conference Board all forecast an unemployment rate of around 10 per cent in 1995. How did the government come up with this more or less realistic and much too optimistic percentage of 8 per cent?

The sluggish recovery is mostly due to the excessive tax burden and unacceptable unemployment rate. No wonder Gallup pollsters found out last November that participation in the underground economy is considered acceptable by 33 per cent of Canadians and 42 per cent of Quebecers.

The only real solution to the underemployment problem proposed by the government to Quebecers and Canadians is the infrastructure program. It is better than nothing but it is far from being the solution to all our problems. Furthermore, the short–sightedness with which this program was designed is alarming. In fact, it will only provide 45,000 short–term jobs in economic areas having rather little value–added, so it does not stimulate Canada's international competitiveness. Quebec's 437,000 unemployed are perfectly entitled to question the government's good faith.

Yet, when all available means must be used as efficiently as possible, the government does not seem to understand that enhancing the production and export capability of the thousands of small and medium–sized businesses throughout Canada and Quebec can truly create jobs and produce wealth. The government recognizes that two million jobs depend on exports, which

account for more than one quarter of the GDP. It also acknowledges that priority should be given to increasing the exports of the small and medium–sized business sector, which account for only 10 per cent of the total volume of exports. It fails, however, to take concrete measures to realize its wishes.

The Minister for International Trade himself declared that measures to stimulate expansion in this sector are insufficient, overlooked and therefore inadequate. Several members received complaints from heads of small and medium–sized businesses who say that they cannot get the information, the expertise or the logistical support needed to access foreign markets. It is therefore urgent for the government to correct the situation and ensure that the information, which apparently exists, is made available.

• (1105)

This is only the tip of the iceberg. This sector's real problems result from the treatment small and medium–sized businesses receive from banks and their inability to access funds. In this regard, the minister does not have anything concrete to propose apart from planning a vague consultative process between himself and Canadian financial institutions, but, of course, without the main stakeholders, namely small and medium–sized businesses. Once again, the Minister only uses the future tense. Unfortunately, action must now replace discussions and pious wishes.

We know that, in the past, the governments of some provinces, especially Quebec, made efforts to promote small business development. What is the federal government doing to coordinate its initiatives with those of the provinces? The fact is that small business assistance programs, particularly those related to exports, are not only inadequate, but often competing and conflicting.

Solutions to problems are deferred. After being so alarmist for several weeks, the government finally tabled a budget which had no real direction and managed to make everyone unhappy. Once again, the government resorted to a policy with no long–term vision, thereby leaving us with the poor result that we know.

This budget reminds us of an administration which, not long ago, was vehemently criticized by the Liberals themselves. This budget, like the ones tabled by previous governments, fails to reach the original objectives set by the government.

It does nothing to reduce the deficit. It does not provide adequate measures to create employment. Moreover, it targets social programs, instead of eliminating costly waste and overlapping in government expenditures. One could almost think, and I will end on that note, that it was Michael Wilson or Don Mazankowski wearing the Minister of Finance's work boots, last February 22. And that certainly does not augur well for Canada and for Quebec.

[*English*]

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I would like to thank the hon. member for Verchères for his very interesting remarks and I would like to make a comment. He said that one of the reasons for the high cost of federalism was overlap and duplication between the federal programs and provincial programs. I took note of that fact.

In that context I wonder whether he would agree that it would be a net saving and a reduction in the deficit if Quebec returned control of immigration to the federal government as it is in the rest of the country and as it is constitutionally. Would he agree that is a good plan?

[*Translation*]

Mr. Bergeron: First of all, Mr. Speaker, I would like to thank my colleague for his question.

The hon. member commented on one part of my speech where I most specifically addressed the issue of costs inherent to our federal system. I mentioned of course the costly overlap and duplication, but I could also have talked about the scattering of public moneys all across Canada, supposedly to defend regional interests and to avoid offending regional susceptibilities. This is one aspect of Canadian federalism which, because of our vast territory, is at the root of some of our financial problems.

To reduce overlap, the hon. member suggested that Quebec opt out of the immigration field. At the outset, I find it horrible that members opposite would only take note of the fact that we find that overlap costs us a lot of money. First, we were expecting a lot more from them. We thought you would act energetically to eliminate overlap and duplication between the federal and provincial governments. Second, Quebec negotiated with the federal government a special immigration agreement which, in a certain sense, does not involve additional costs either for the federal government or for Quebec. This agreement only transfers the responsibility for managing the case files of immigrants and applicants. In my opinion, what the member suggested was somewhat irrelevant, since it has more to do with the Quebec government than with the prerogatives of the Official Opposition.

• (1110)

[*English*]

Mr. John Williams (St. Albert): Mr. Speaker, I thank the hon. member for his speech. I know we are the opposition on this side of the House, but I do not think that means we have to be so negative. The hon. member knocks the budget but there is nothing concrete, no proposals being put forth by Her Majesty's Loyal Opposition that also sits on this side of the House. He talks about the bank's being difficult on small business, about the underground economy growing, about all things that are negative in the country. As members of the House we should be talking about the positive aspects such as how the federal

government transfers $3.5 billion to the province of Quebec through the equalization grants.

When are they going to start acknowledging these things rather than talk like a broken record and say that the duplication of federal–provincial programs seems to be the problem that faces the country? If we repeat that statement often enough people will start to believe it, but the point is that there are many positive things.

Will he recognize that we in the House make a positive contribution to Quebec and every other province in Canada?

[*Translation*]

Mr. Bergeron: Mr. Speaker, this is already the second time I have the opportunity to discuss directly with my colleague from St. Albert on budget issues and, each time, I am under the impression that the hon. member for St. Albert does not listen carefully to what I say.

Duplication was mentioned as one of the factors behind the lack of budget efficiency within the federal system; other causes could have been indicated. So, if he wants, I could meet with him in private or simply make a speech on the factors inherent to the federal system that are responsible for the staggering costs to the country as a whole.

You suggested—and I find it a little sad—that the Official Opposition only knows how to criticize and never has anything positive to suggest. I cannot help but think that you must not have been present in this House very often to say that, since the Official Opposition has not ceased, these last few months, to put forward several budget proposals which the government has not taken into consideration, as I have already mentioned in my speech on the budget.

Moreover, the hon. member has also suggested that Canada is a great country and that it had to be acknowledged that Quebec receives a lot from the federal government in the way of transfer payments. I will put to you that these transfer payments are in the form of unemployment insurance and social assistance benefits and that one does not congratulate oneself on receiving from a federal state investments which are not going into research and development or a job creation program, but which only reveal the poverty of Quebec society within this federal system.

The Deputy Speaker: By the way, I ask you to please address your remarks to the Chair and not to the hon. member, even though you sit close to one another. Debate.

[*English*]

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, I am honoured to have the opportunity to speak about such an important measure as the federal budget. I consider the budget to be a historic document which lays the necessary framework for a renewed, prosperous and just Canada.

As this is my maiden speech, I take the liberty to point out that my great privilege to be speaking today is also a historic occasion. I am the first Liberal representative of Hastings—Frontenac—Lennox and Addington since David Wright Allison defeated Sir John A. Macdonald back in 1883. It is a privilege to be given the trust and good wishes of one's constituents. I will work to ensure the government represents the concerns of my riding.

Hastings—Frontenac—Lennox and Addington extends from Lake Ontario in the southwest and Algonquin Park in the north to the Thousand Islands area in the southeast.

• (1115)

As I travel through the riding and stop in places like Bancroft, Madoc, Marmora, Stirling, Napanee, Arden, Sharbot Lake and my own village of Camden East, I receive many words of encouragement. I also receive general advice and specific suggestions about the issues that face our rural communities. I value this input and I thank the people of Hastings–Frontenac–Lennox and Addington for their support and wise counsel.

I give thanks to several hundred people who gave so freely of their time during the recent campaign. Today I am proud to be representing all of the people of our riding.

I would also like to publicly thank my wife Reta, and Kayla Rebecca, our daughter, for their love and support.

One of the messages I receive over and over again is that people want to see the government come out with an open and transparent game plan for economic and social renewal. My constituents expect no less. This is what the 1994 budget sets in motion, a framework for social and economic renewal.

Our objective is clear: to stimulate growth by targeting our spending without imposing new taxes. Just look at how quickly the government has set about funding initiatives which were promised during the campaign. In this party we take our platform, the red book, seriously.

The national infrastructure program has had a speedy start. In my riding alone 44 local level governments and five school boards are busy preparing their proposals. There is no doubt in my mind and in the minds of rural residents that there are many worthy infrastructure projects.

I received copies of proposals from a number of municipalities in my riding. My riding has the most miles of roads of any riding in Ontario. I have seen proposed projects for road improvements. I can attest that there are many heavily travelled arteries which have yet to be paved. The benefits of these proposed upgradings are many. Besides the prospects of jobs in road construction, there is the added benefit to the local tourist economy. Good roads get residents and tourists to and from their destinations quickly and safely.

Infrastructure projects may even save lives.

My background is in small business. I owned a general store in our community. My constituents own, work in and patronize small and medium sized businesses. Eighty per cent of new jobs are created by small and medium sized businesses. Eighty per cent of all jobs in rural areas are created by local based businesses.

This budget, I am pleased to point out, supports small and medium sized businesses. By its measures to support small business, this budget becomes the foundation for our country's economic renewal.

One of the most common complaints coming from the business community in my riding is that it is difficult to access bank capital for investment or expansion. During the election campaign we in the Liberal Party acknowledged this and promised to act to redress the situation.

The government is acting now in consultation with both financial institutions and businesses to develop a code of conduct for small business lending. The government's role is to act as an honest broker between stakeholders. By consulting with those concerned our government is showing its willingness and ability to tackle the problem of access to capital.

It is only by working with the banks and their business clients that we can together meet our country's common objective to improve the business environment and increase international competitiveness.

With this budget the government has proven that it not only knows how to consult but it knows how to listen and act as well.

More payroll taxes would have been a burden on business and a barrier to jobs. The government has acted decisively to roll back the unemployment insurance premium rate.

As most people know, a common request made to MPs' offices is for information on programs for small business. This suggests to me that Canadians have the will to create new businesses. Canadians have faith in their talent and their abilities. Canadians have plans that they are willing to put into action. Finally, Canadians have the initiative to search out the resources which are available to them.

My staff has been and will remain happy to seek information on government programs for small business on behalf of constituents.

• (1120)

It is only sensible that my staff and my constituents should be able to access complete information quickly. They need direct access to civil servants who hold an expert's knowledge of the content and scope of government programs for small business.

By next year the government will have put a Canada business services centre in every province. This is an efficient one stop shopping scheme for government programs. This is just one more piece of the framework which will serve to support business growth. With this budget the government is putting into place the building blocks necessary for strong social and economic renewal.

Also, on the economic front I am excited about the Canada investment fund and the Canadian technology network, just two more pieces of the framework for our country's renewal.

I am perhaps most encouraged by our government's commitment to fundamentally overhaul the social security system. We will not achieve savings by indiscriminately slashing the budget of social programs. Ours is not the mandate of the previous government. We have not been elected to tear down the social safety net, but rather to rebuild a system that works for all Canadians. This is our mandate and this is what the 1994 budget initiates.

[*Translation*]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, I would like to congratulate the hon. member for his speech. However, I would add that I do not agree with everything he said and I will begin with the end of his speech to illustrate the points on which I disagree.

When the hon. member said that his government was not elected to cut social programs, I wonder if we read the same budget, because it said that the Department of Finance will cut $725 million from unemployment insurance plan this year. Is the hon. member aware of the impact that will have in regions like the Maritimes and Eastern Quebec where, unfortunately, people live on seasonal jobs?

Right now, unemployment insurance is essential there. Like everybody else, workers in those regions would like to be able to work 52 weeks a year, but they need tools. The government says that it did not get the mandate to cut social programs, but nonetheless it is cutting unemployment insurance. The Liberals say that they want to reform and restructure the Canadian social safety net, but I would like to be sure that when they talk about reform, they do not mean cuts and less assistance. What alternative do they have to offer?

[*English*]

Mr. McCormick: I thank the hon. member for his question. Certainly I appreciate the fact that I have had an inside opportunity for the last few weeks of sitting with the Standing Commit-

tee on Human Resources Development. We have been listening to witnesses for 12 and a half hours a day this week, and I will be back there shortly.

Certainly with our programs we are not setting out to cut off anyone and make them suffer and go hungry in this country. We believe that there is a lot of money in the system between the different levels of government, including all the provinces and this government. The strength seems to be that the municipalities can deliver a lot of these systems.

We can save a lot of money within the administration as we study that. We can put this to good use in helping to look after all the people of Canada.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, I congratulate the member on his maiden speech. I would like to bring the hon. member into a point of reality with his analysis of his government's budget.

We must focus on the ugly reality which the government's budget brings about.

• (1125)

I am talking about an additional $100 billion debt that will be attached to the $500 billion debt that has now accumulated. How is the hon. member going to assure business that there is going to be no hindrance to its expansion, to its growth or other such initiatives when there is no other alternative but to increase taxes?

Mr. McCormick: Mr. Speaker, I thank the hon. member for his question.

As I go back to my riding and talk to business people from across 5,000 miles of road a lot of these business people who like to complain about government—I complained about government for many years and I still do—believe there is a new confidence in the air already. I do not believe they are just saying this because I happen to be a Liberal member. I hear people running down the government but who are also acknowledging the fact that there is an atmosphere of confidence today and that things are getting better already.

Back to my small business background, I am certainly glad to talk about the debt. The hon. member's cohorts and my friends in our standing committee are letting every witness who comes in front of us know that we do have a debt in this country. Many of us believe that the only way we can look at this debt and be realistic in this country without ruining it is to have jobs.

Therefore we believe it is very important how we affect this country and certainly we want to provide the right atmosphere to help businesses grow.

The Deputy Speaker: I congratulate the hon. member on his maiden speech. On debate, the hon. member for Vancouver East.

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, tansi. Tansi means hello in Cree, one of the languages of the aboriginal people.

Being an immigrant I feel it is appropriate for me to use it in my maiden speech. I have risen in the House before to make statements or ask questions but this is the first time I have delivered a speech in this House where so many important people before me stood and delivered their maiden speeches.

My riding of Vancouver East is surely one of the most interesting and diversified ridings in Canada. It stretches from Cambie Street on the west side to Boundary Road on the east side and from the waterfront on the north side to Grandview Highway in a zigzag on the south side.

I cannot imagine myself representing another area. I chose Vancouver East for the work I have done in that area over 20 years and I am glad I did. Vancouver is a very seductive city.

Since my arrival from Italy in 1966 Vancouver has grown by leaps and bounds and is becoming an international metropolis by the day. Vancouver East is a microcosm of Canada with its many immigrants and interesting people representing the fabric of the entire nation.

In Vancouver East the Chinese population at over 30 per cent outnumbers the British group at 16 per cent, followed by the Italians, who used to be the largest group, the aboriginal people and all other ethnicities such as Filipinos, Vietnamese, Indo–Canadians and Latin Americans, to mention a few.

In Vancouver East 45 per cent of the population is classified as immigrants. Almost six people out of ten do not speak English. Vancouver East also has one of the largest aboriginal urban populations in Canada. The port of Vancouver is in Vancouver East and so are many of the labour unions.

In Vancouver East one can find several cultural centres, such as the Aboriginal Friendship Centre, the Native Education Centre, the Chinese Cultural Centre, the Italian Cultural Centre, the Croatian Community Centre and the Sikh Gudwara.

In Vancouver East we have the police department and several small business owned by families. A colourful part of the city with core streets such as Commercial Drive, Powell Street with Gastown, Pender Street with Chinatown and Hastings Street, Vancouver East counts on a large number of caring people who provide support to the many needy in the area and who are the heart and soul of the riding. These people operate from centres such as the Carnegie Centre, the neighbourhood houses, the churches and the non–profit organizations' headquarters.

I thank them for the tremendous job they do. I want to thank the constituents of Vancouver East for believing in what I have to offer and for voting for me. They will not be disappointed. But I need them now more than ever. I also thank my son David and

all the people who supported me, those who worked with me in my campaign and ensured my victory.

• (1130)

The human element was the most important factor in my campaign. Because of the nature of Vancouver East, I asked to speak to the budget which contains much of what is needed in a riding like Vancouver East. This was the new government's first budget and was a blueprint of the red book that got the Liberal Party elected.

This budget is the first step of this new government to bring back dignity to our population by creating jobs and restoring faith in government. However, let me speak to some of the important issues for Vancouver East and for Canada.

No tax increases. What a challenge. A fairer use of UIC and lower UIC premiums, giving businesses a chance to reinvest the premium money they save in creating more jobs. This was another challenge and this time it came from the business people.

The support for housing through the RRAP, the continuation of subsidies to the needy on reserve housing, projects to help victims of family violence and the use of RRSP for first house purchases. We would like to see more funding for new subsidized housing but I feel we must become innovative and find private funding as well to be able to continue a subsidized housing system which is the envy of the world.

The infrastructure program for the present and future of our transportation network and of tourism. The prenatal nutrition and the aboriginal head start programs are two very important programs for our newborns. The court challenges program and the establishment of the Canadian race relations committee needed for all minorities.

The centre of excellence for women's health and the national forum on health are two very important initiatives for the prevention of illnesses. The youth services corps, the youth internship program, the literacy programs to help our youth become independent and start their lives. The unification of families during the year of the family.

[*Translation*]

All that was done by the Minister of Finance with the advice and support of government members. The Minister of Finance took into account the requests made by Canadians and often changed the course of his budget according to the advice given to him by his colleagues.

The Minister of Finance also considered the fact that, next year, we will have the results of the consultations that will be held in the areas of defence, human resources and immigration. I think that this budget is a very good example of the government's determination to change course.

[*English*]

What I feel is so important is the slight shift of the work burden from the government to the business sector. We have been counting for too long on the government for our jobs. By offering incentives to businesses, the Minister of Finance is beginning to give the business sector a chance of expanding and creating more jobs. Even the change in UIC is a good step toward creating more commitment on the part of the worker.

During the campaign many single mothers living in my riding called. They want to get off welfare, get some training and start working. This is the answer to their requests.

As a woman, I am quite happy to see that for the first time women's needs are reflected in the budget. I am sure this is the beginning of something.

Sure we would like to see more funding for various programs, but unfortunately due to our financial constraints we all have to share the burden and co–operate. Sure we would like to see a much lower deficit forecast, but this cannot be done without the suffering of all Canadians who are asking for jobs.

Mark Hill, an Ottawa writer, has tried to get rid of the deficit and the debt, but after much general cutting, after: "slashing old age security, unemployment insurance, health care, social assistance and education by 25 per cent", and this on top of what he has already cut, he has concluded by writing: "what if we allowed our elderly to fall into poverty, our sick to go without treatment and our poor to go without decent food or shelter? How many years would we have to suffer after we paid off our debt"? The answer is 22 years of suffering.

[*Translation*]

In conclusion, I would like to bring up an issue that troubles me a great deal. In 1976, I took part in various initiatives aimed at keeping Quebec within Canada. When I arrived in this country in 1966, Quebec was part of Canada and it must stay that way.

• (1135)

I want to offer my assistance to Quebec members who want a united Canada and who would like the support of a Canadian of Italian origin, from Western Canada, who speaks French and who is interested in keeping Canada together.

[*English*]

The Deputy Speaker: Permit me to congratulate the hon. member on her maiden speech.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I too congratulate the hon. member on her maiden speech. As I have said before, that is a very special moment in our political life in this House. I do congratulate the hon. member.

I am going to be very short. I am going to address the issue of jobs and job creation. In this budget, $725 million in UI cuts means 40,000 jobs. A $6 billion infrastructure program means 65,000 jobs. Sixty–five thousand and forty thousand certainly does not add up to 1.2 million. That is currently the number of people in this country who are out of work.

I am having a really hard time understanding how this disparity of 100,000–plus jobs is supposed to get 1.2 million–plus people in Canada back to work. I would like the hon. member to respond to that, please.

Mrs. Terrana: Mr. Speaker, I can see the concern and I know it is only 10 per cent of what we need.

With the infrastructure program it is not just roads and the infrastructure we need. Some moneys are also set aside for arts centres. Fifteen per cent of it is earmarked for other programs.

I would like to say that this is another opportunity to increase jobs. I would also like to say that we cannot get 1.2 million jobs on the first budget and we cannot get the deficit down while trying to do some work in the area of the economics of the country.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, I would also like to thank the hon. member for the quality of her maiden speech. Many of us here have had to make this first speech, and it is always a rather moving experience.

I have a comment about a remark she made in her speech on the change of direction brought about by the new government. We, on this side of the House, do not agree at all that there has been change, considering some significant items in the budget. For instance, this is the record deficit. Never before had the government forecast a $39 billion deficit. There is also the increase in the number of weeks of work needed for entitlement to unemployment insurance benefits coupled with a reduction in the number of weeks people can get these benefits. To me, this looks much more like a continuation of the previous Conservative government's policy.

That is why Canadians and Quebecers find it very hard to accept the results of this budget. During last week recess, people told me this was another case of all talk and no action, since after telling us for two months how serious the situation was, the government ended up with no real cuts. It is just business as usual.

I have a second brief remark. The hon. member said that she wanted to work with Quebec members at building a united Canada. I would invite her to work at making sure that Canada and Quebec set up structures that would make them able to face global competition in the years ahead. In that regard, Canadian federalism no longer represents the kind of structure that will allow us to be competitive in the global market.

Mrs. Terrana: Mr. Speaker, first of all, I would like to comment on the second remark of my colleague. The fact that Quebec has tried to separe from Canada for many years did have an impact on our economy. It is well known that problems are not limited to Quebec but affect the whole country. I believe that, as we say in Italy, united we stand, divided we fall. I do not know how they say it in France, but we say that unity is strength.

As to the first remark on a new direction for our country, I must say I am convinced there is indeed a new direction. This is our first budget, and it was tabled only four months after the government came into office. It is the first of two phases, and the second one will come next year. It will then be possible to discuss the budgetary content because we will have all the findings of the consultation process. The opposition may find that we are right in what we do and do it in the best interest of this country.

• (1140)

[*English*]

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, on behalf of the whip of the Reform Party, I would like to advise the House that pursuant to Standing Order 43 our speakers on this motion will be dividing their time.

I am more than pleased to address an area of concern that is very real to Canadians. Last week I spent time in my riding of Port Moody—Coquitlam, the first extended opportunity I had to meet with individuals and groups since the budget was introduced. I was met with three main areas of concern, two of which I would like to touch on today.

The first topic is the budget. The other is immigration. Both deal in very real terms with the concern of ordinary Canadians about the future directions and opportunities of Canada.

Most Canadians view the budget of February 1994 as a stop–gap measure, an attempt, however feeble, at holding the line on the deficit and yet it has not done too much damage in their own backyard. Predictably those whose livelihoods have been directly affected through base closures or wage freezes or other means are angry. Others who have watched our nation's economy closely through the last several decades are angry.

I put to it the House that this budget is a failure and that all Canadians should be angry.

Canada's debt and deficit situation is now at a point at which it is affecting every individual and every business through exorbitant taxation. Every personal paycheque is slashed by taxes and reduced buying power. Our debt load of over half a trillion

dollars, among the largest per capita debt of the industrialized world, will destroy trade, jobs and our standard of living.

The deputy finance minister admitted yesterday that the tax burden on individual Canadians and corporations is higher in Canada than in any other major industrial power except France. One–third of every dollar we pay in taxes disappears to debt servicing. Those moneys are not there for our country's needs.

Allow me to illustrate. Every second eats up $1,300 in debt interest payment, enough to employ two Canadians for a week. In six seconds you could feed a family of four for a year. In the 10 minutes I have for this speech the debt will have increased by $780,000. It will take an average Canadian 20 years to earn that much.

Remember, this money is not owed just to ourselves as some may like to think. It is a fact that our largest export as a nation is Canadian dollars owed to foreign lenders each year.

Yet with this budget government spending for the coming year has actually increased by $2 billion. As with so many previous budgets there will supposedly always be more revenues, better economic conditions to bring our debt problems in order. Not so then and not so now.

The problem is too severe to be left to the future because it is that future that will inherit not the promises but the crushing load of today's inability to face the problem. Spending must be reduced and Canadians must be prepared to face the problem squarely and honestly.

This current situation demands that all areas of expenditure and human capital be addressed. That is why the budget debate is an ideal time to examine the issue of immigration.

On its own it has been relegated to an untouchable topic associated too easily with suspect motives and easy labels. Our financial and human resources must be opened up for close inspection in this area as well as others.

As the *Globe and Mail* stated on its 150th anniversary, the biggest story of the nineties will be whether we learn to live within our limits in a world already stressed by our excesses.

Our world has become a place of movement, of capital and humanity. Recent reports in the media remind us that the economic and migration issues are not ours alone.

• (1145)

Bosnia is one of almost 50 identifiable areas of civil war. Up to 22 million people in Africa will need emergency food this year. There are 20 million refugees worldwide, plus another 24 million people displaced inside their homelands. One–third of the world's labour force, more than 820 million people, is either not working or is living below a subsistence level.

This dilemma only intensifies as it becomes too apparent that there are no easy solutions. The 1991 Geneva Convention cannot adequately address these developments. International co–operation must be pursued quickly to deal with shared long term solutions.

Canada has one of the most generous immigration policies in the world. We accept more refugees as landed immigrants than any other nation in the world per capita. On February 2, 1994 the Minister of Citizenship and Immigration announced the target for this year's immigration level set at 250,000 or 1 per cent of our population. Per capita it is double that of Australia or the United States, the other two countries which receive the largest amounts of immigrants.

We pride ourselves on our humanitarian and multicultural policies. Yet according to a recent Vancouver *Sun* article recent studies on immigration demonstrated that federal planners cannot know for sure what impact these new arrivals will have on Canada. Reports and studies are mixed. Even the much quoted Canada Council report of 1991 recommends an immigration target of 1 per cent of population only after 25 years.

Historically, Canada's immigration rates have been erratic since the 1970s, ranging from a low of 84,000 in 1985 to more than 200,000 in the last three years. Typically, rates have reflected economic trends with numbers dropping in harder economic times. Historically, the largest flows have been in response to definite need as when record numbers came in the early 1900s to populate a vast western prairie.

Studies seem to indicate immigration has been economically neutral, neither helping nor hindering the economy to any large extent. That would seem to depend on the receiving conditions and the adaptability of the immigrants to the needs of the country. Both these factors have changed dramatically in the past few years.

Canada and Canadians are facing a tremendous economic challenge as we adjust to new world market conditions. Our debt puts us at a growing disadvantage. Domestically, new technologies demand major shifts in a struggling labour force. Jobs are no longer there not only for the untrained but neither for the student nor those in middle management careers.

The present unemployment rate is 11.4 per cent and much higher if we take into account those who no longer are looking or are underemployed. Add to this an immigration policy that will introduce 2.5 million new people in the next 10 years. More than half of the new arrivals coming as refugee or family class immigrants will not have the skills needed in the new economy.

The independent class of immigrants with job and language skills dropped from 54 per cent in 1954 to 27 per cent in 1992. The family reunification class increased at the same time by a similar amount. Immigrants who spoke no English or French used to be only 10 per cent of new arrivals. Last year that soared

to nearly half with over 100,000 of Canada's 250,000 immigrants with no official language capacity.

I saw a living example of such proportions in a Port Moody school last week. Fully half of the students in that school are in the ESL program stream. Students there take their seat in the classroom having arrived two or three days earlier in a brand new land surrounded by brand new sights and sounds.

Immigration decisions made here in Ottawa are being lived out in the burgeoning budget needs of local school boards and the stress of overworked teachers. Language training for new immigrants currently costs the Canadian taxpayers over $100 million a year.

The life and the blood of our nation are its people. Government can seek to prescribe remedies to all kinds of our country's ills through tinkering with this one factor. Will immigration really save our pensions? Will immigration save our dwindling revenues?

Increasingly, we see the band–aids that must be applied to the serious side effects of these choices, whether it be the rising racial prejudice, immigration dependency on social services, perceived welfare abuse and criminal activity among new arrivals, or the stress in our education system.

• (1150)

It is time to go back and honestly review the doctor's prescription. Basic immigration policies and assumptions must be opened to re–examination.

Last week I met with representatives of a Chinese immigrant service organization. Their greatest concern was not in supporting the cultures of those they represent. Their role is to help give new arrivals the tools to make a new life in their new chosen home. For that they need more and more resources to meet the escalating demands of greater numbers and greater needs. They see their main goal as effectively integrating these new Canadians in a prosperous new country. Present immigration policies are ruining their effectiveness. Present economic policies are ruining their hope for a prosperous country.

We have a responsibility therefore to ask ourselves the following question: What drives government policy that invites record numbers and new classifications of new arrivals into an unpredictable future?

I urge all members of all parties of this House to be truly humanitarian and truly compassionate by giving our immigration policies a responsible scrutiny and careful assessment. As members of Parliament we are watchmen at the gate for those who live in this land as well as for those who will come to join us. We must therefore seek out those policies that are proven, which will strengthen and create opportunity and unity.

Mr. Peter Adams (Peterborough): Mr. Speaker, I listened to the member's remarks with great interest. I must say I heard very much of a mixed message. I do not know where she gets some of the literature she cites.

In the province of Ontario, which I know best but I am sure the figures are roughly the same, its population would have decreased every year of the last 10 years if it had not been for immigrants. The population of the province of Quebec would have decreased even more quickly. What is perhaps more important for us all is that while that was occurring, the population of the province of Ontario would already have been close to 25 per cent senior citizens. That is one aspect. How she thinks that works into the mix of our economy I do not know.

The other matter is that the immigrants—by that I mean new immigrants, not established immigrants like myself—in my riding are almost invariably contributing members of our community. They are people who often take jobs well below their qualifications and work very hard in those jobs. They rent first of all and then buy small houses and improve them. They see that their children get educated.

Also in the hon. member's figures she mentioned immigration of 1 per cent. She knows this country has never had 1 per cent immigration. There have been targets of 1 per cent. There is a target at the present time but there has never been 1 per cent immigration.

She mentioned Bosnia. She mentioned unemployment. She mentioned compassion and humanitarian feelings for people in other countries. Does she realize that in her lifetime the world population will double and will then double again? That assumes, by the way, that she lives an average life and I hope she lives longer. What are we supposed to do in this country while the world population doubles and redoubles?

For the member's information 1 per cent of our population, which is the target for immigration we have at the moment, represents at this moment one day's increase in the world population. Do we move into a bunker and let the world population grow around us and try and live as increasingly aging and wealthy people not reaching out to help these people in other countries?

Mrs. Hayes: Mr. Speaker, I thank the member for his comments and questions. Actually I am getting a mixed message from the member as well.

As we look at the immigrants who do come to this country, the thrust of my talk and feeling is we need to give them opportunity when they arrive here, as well as provide opportunity for Canadians who are here already. That should be our bottom line.

• (1155)

I did not say anything about a 1 per cent immigration rate before this time but that is our target. I think we agree with that as the established government target.

There are no studies indicating that 1 per cent is where we should be at. What I do see though and I referred to this in my speech are the surfacing problems. In today's *Globe and Mail* over one–half of Canadians perceive we are accepting too many immigrants. That tells me there is a perception problem which needs to be addressed.

Why is that perception there? The immigrants that do come to this country tend to come to three urban centres. They come to places that are already stressed. They come to places where jobs are not available. They come to expectations we cannot provide because we have not been able to assess how we are going to accommodate these people.

The hon. member has admitted in his question the reasons our immigration policies are what they are. The government wants to provide pension funds because of its own mismanagement of funds in the past. Those pension funds will not be there if present trends continue. Is it fair to the immigrants if we bring in the possibility of reduced employment, fewer jobs for the Canadian population?

I would agree that immigrants are necessary and immigration is a positive force in our country if it is done wisely. Where is the proven wisdom in our present policy? That is what we need to challenge.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, to be quite frank, I find the statements by the member to be quite troublesome.

The member quoted a poll from today's paper which clearly shows there is a problem. Perhaps the problem is accentuated by the fact that people who claim to be leaders in the community stand in places like this and in provincial legislatures and allow the perception that immigrants are a drain on the Canadian society to be put out there without any type of substantiation whatsoever.

It is very dangerous to stand in the House of Commons and give a speech that lends credibility to an argument that has absolutely no foundation in fact. The problem is not that immigrants are becoming an undue burden on our major cities. The reality is that more immigrants with different skin colours are coming to Canada from places like Asia. That seems to be the problem I hear. I would like the member to comment on that.

Mrs. Hayes: Mr. Speaker, I would like to comment certainly on what the hon. member has said.

You say that I have no substantiation in that I repeated something in the paper. The substantiation I have is that it is in the paper. The public perception is there. What are we going to do about it? I would challenge you on your substantiation of the numbers that are now used for the immigration policy. There is no basis for those numbers in the world, except Canada, or in proven studies.

The Deputy Speaker: I would please ask members to try to say "the member" rather than "you". It is supposed to lower the temperature and I think we will all benefit if we use that method.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, I rise to participate in the debate following the first budget presentation in this, the 35th Parliament. My constituents expect me to bring some new perspective and sanity to how government spends the taxpayers' dollars and to what effect and purpose.

• (1200)

My west coast riding covers one half of Vancouver Island's coastline as well as one half of the mainland coastline of British Columbia.

My riding generates major wealth. Its contribution to our gross domestic product is one of the country's highest, if not the highest. It is a resource based economy. We have five pulp mills with the two fastest papermaking machines in Canada, logging, three major mines, sawmills, fisheries and a highly developed tourism industry.

My constituents contribute in a big way to the wealth of this country but do not enjoy the level of services provided in other parts of this country. It is not a question of more government employees. We already average 8,000 federal, provincial and municipal government employees per riding in Canada. What is required is downsizing, better deployment of employees and priorizing of services.

The federal government has cut jobs such as lighthouse keepers and federal fisheries officers, the very people and institutions which deliver services in the field in an irreplaceable way. We all know that reductions in services and employees should be in middle and upper management, not in the field.

There are indications that the federal government is considering closing the fisheries offices in small coastline communities in my riding. This policy is totally contradictory to the government's pledge for example to maintain rural post offices in Canada and is detrimental to hands–on enforcement and habitat measures. These policy decisions send a strong negative signal to these rural communities. It also sends a signal to the people who ask if the federal government has the competence to manage this resource".

It is the only resource managed by the feds and they cannot even get it right. The sports and commercial fisheries ask: "Where are the enforcement, habitat and budgetary priorities of fisheries and oceans going?" The demise of the east coast fishery is on the minds of everyone.

Let me now turn to the budget document. It is very disappointing to me and my constituents to deal with the fisheries issues I have just articulated in the face of increased federal spending.

At the same time the government projects 8 per cent growth in revenue after a drop in revenue last year. This is absurd.

Allow me to put the national debt into a constituency perspective. The Powell River area's cost of servicing national debt allocated on a pro rata basis is $17 million per year. This money is blown out the window. The entire cost of local services provided by the Powell River area for police, fire, garbage, water, sewer, sidewalks, streets and all those other valued local services also runs at $17 million per year. If this does not point out the profligacy and penalty of federal spending, I do not know what does.

Incidentally, similar national debt comparisons can be made for other local governments in my riding such as Campbell River. Our local B.C. governments do not run deficits by legislation. The debt and deficit are weakening confederation and the federal government is in danger of becoming impotent. This government had better get its act together on spending decreases. No tax increase during the life of this Parliament is essential.

Allow me to turn to the Department of Indian Affairs and Northern Development. Most government departments had a 3 per cent cap in the growth rate of departmental budgets in the last Parliament. The department of Indian affairs has enjoyed exclusivity from this policy. The budget of this department should be frozen at 1993–94 levels at the very least.

• (1205)

Since the 1988–89 fiscal year, the departmental budget of Indian affairs has increased $1.6 billion, averaging a $275 million increase every year. This fiscal year departmental spending is projected to increase $396 million over fiscal 1993–94, representing an increase of 8.6 per cent. Compare this with the Environment Canada total operating budget of $737 million. The Department of Indian Affairs and Northern Development increase is almost half of its total budget.

Is there anyone who believes that these spending increases are sustainable or can be attributed to demographics? According to the Department of Indian Affairs and Northern Development, there are 997,000 people in the aboriginal population in Canada. Total federal aboriginal spending now exceeds $7 billion or $28,000 per family of four. I ask if this spending has brought our aboriginal peoples any closer to self–sufficiency.

The myriad of programs and services provided by other government departments for Indian affairs confuses an already complex situation regarding programs and their delivery.

One does not have to look far to find examples of a lack of accountability within the Indian affairs department. For over 20 years the Auditor General has been raising concerns over the management of programs and delivery of services by Indian affairs. In his 1993 report, the Canadian aboriginal economic development strategy is cited as a function where lack of appropriate performance and evaluation information impedes the necessary accountability within the aboriginal communities and between the government and Parliament. This has cost the taxpayer approximately $1 billion since 1989.

The Auditor General went on to say that the department could not demonstrate that it was meeting the strategy's objectives.

As another example in 1992–93 Canada's status Indians and Inuit received non–insured health benefits totalling $422 million administered by the Department of National Health and Welfare. The Auditor General's 1993 report states that the cost of this program could have been reduced by $85 million or 20 per cent if the benefits had been provided in accordance with national program directives and principles.

The Auditor General concludes that the information provided to him on the program continues to fall far short of reasonable and adequate disclosure.

It is evident that reforms must be initiated. A Department of Indian Affairs and Northern Development budget freeze at 1993–94 levels would stimulate activity in priority setting in a long overdue way. The current situation stifles creativity.

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, I am pleased to rise today in support of the first budget of this government announced on February 22 by my colleague, the hon. Minister of Finance.

This budget deserves the support of this House because it provides a solid framework which will both stimulate economic growth and set the course for long term fiscal restraint and responsibility. As the member for Edmonton Northwest, I am very encouraged by this budget. It addresses those issues that the residents of my riding raised with me during the election, issues of job creation, deficit reduction and meaningful reforms to Canada's social programs.

• (1210)

In addition, there are several announcements concerning the activities of my department, Natural Resources Canada, that I wish to highlight.

First I wish to discuss aspects of the budget which affect my constituents in the riding of Edmonton Northwest. The unemployment rate in Edmonton Northwest is high. However, with this budget the government will help restore hope and prosperity not only to the residents of Edmonton but to all Canadians.

A key component in restoring this hope and prosperity will be the creation of jobs by the private sector. In my riding as in many others these jobs will be created primarily by small businesses.

For example, mine is a riding of small businesses. There are over 5,000 such businesses creating employment in my riding.

This budget recognizes the importance of small business, supports its further growth and encourages its natural creativity and initiative. For example we have cut back on premiums for unemployment insurance. That will save businesses $300 million a year which they can now reinvest in new jobs. The government will consult with banks for the first time to develop a code of conduct for small business lending.

The budget also creates Canada business service centres in every province to facilitate contact with our government. It establishes the Canada investment fund to streamline badly needed access to venture capital for small enterprises.

In addition this budget addresses the badly needed reform of our social programs. Our social security system was designed for a different era and no longer meets Canadians' needs. We have hundreds of thousands of Canadians who are unemployed, underemployed or stuck on social assistance, who see unfairness and disincentives in the system and who live in poverty.

We will undertake this reform of Canada's social programs through a wide ranging process of consultation involving other levels of government, the private sector, members of Parliament and their constituents. There will be numerous opportunities over the next few months for constituents in Edmonton and elsewhere to participate in this process and I encourage them to do so.

Now I would like to turn to another key component of the budget, deficit reduction.

As stated by my colleague, the Minister of Finance, the budget reduces the deficit from $45.7 billion in 1993–94 to $39.7 billion in 1994–95 and $32.7 billion in 1995–96. In terms of spending cuts this is the most significant budget we have seen in this country in 10 years.

One of the key components of the deficit reduction program is major cuts in defence spending, some $1.9 billion over the next three years. The budget contained the announcement that 21 defence facilities across Canada would be closed or restructured. While these decisions were not easy they are an example of the tough choices this government has promised to make to get our spending under control.

In Alberta alone the net saving which will be achieved through cuts in defence spending is approximately $44 million annually. We in Edmonton with a proud and long military tradition know that we must do our part to ensure an efficient and effective yet streamlined military force.

At CFB Edmonton several operations will be transferred out, including the search and rescue squadron to Yellowknife and the air transport squadron to Trenton and Winnipeg. These and other operational changes will result in a net saving of approximately $36 million annually.

• (1215)

At the same time the Lord Strathcona Horse Brigade will be transferred from CFB Calgary to CFB Edmonton. By reducing the transit time to the main training area for these troops at Camp Wainwright and by closing the Harvery barracks, this move represents a saving of $6 million annually to taxpayers. In addition, the closure of CFB Penhold will achieve another $2 million in annual savings.

The government believes that our defence infrastructure has far exceeded for many years any probable and reasonable defence needs. The announcements of reductions reflect the realities of the nineties that with the end of the cold war Canada's military presence must be rethought and reconfigured.

The budget also focuses on achieving greater equality in social conditions for all Canadians. In this budget we see investments made in women's health care issues, the well–being of children, young Canadians and aboriginal peoples. These issues are very important to me as they are to many in my riding.

I am very pleased to note several announcements which follow from our promises to Canadians in the red book. The budget provides funding for a centre of excellence for women's health, a prenatal program for low income pregnant women, an aboriginal head start program, a new youth service corps and youth internship and apprenticeship programs.

I believe these programs are long overdue in terms of responding to the needs of these groups and individuals. The introduction of these initiatives demonstrates that this government is committed to the equality of all Canadians.

Further, these programs represent a key step toward meeting the challenge which the Minister of Finance identified in his budget speech, the challenge to construct responsible social programs which are affordable.

Several aspects of the Minister of Finance's announcements will have a direct effect on the women of this country. For example, I would like to note that the package of reforms to the unemployment insurance program will help the women of Canada. As the Minister of Finance said, it is often women who bear the brunt of social stress and economic dislocation.

He said that during our budget consultations a number of issues were raised regarding disparities in the tax and income support systems.

Specifically, while the unemployment insurance benefit rate will be reduced to 55 per cent, the rate will be 60 per cent for individuals with modest incomes who support children or older parents. Many of those people are single mothers. There will be amendments to the provisions governing workers who quit their jobs voluntarily or are fired for misconduct. This acknowledges the concerns of the many women who voice their opposition to

the introduction of these provisions by the previous government.

Furthermore, I am very pleased to note that the Minister of Finance announced that he will act on the recommendations of the federal–provincial family law committee which has been studying the issue of tax treatment of child support payments and the related issues of their levels and enforcement.

While these measures respond to the specific needs of Canadian women, they also respond to the pressing need to reform Canada's outdated social security system to ensure that system builds bridges to work and that system encourages independence, not dependence.

The Minister of Finance also discusses in the budget a number of measures which will create economic renewal and revitalization, including the infrastructure program. In Alberta total investment in infrastructure development and enhancement and job creation will be $518 million. The creation of both short and long term employment, particularly in centres with high unemployment such as Edmonton, comes as welcome news.

Moreover, the infrastructure program will improve national, provincial and local competitiveness and help promote improved environmental quality.

• (1220)

For example, I know that the Edmonton city council is considering a number of projects, including the construction of a major roadway interchange along a truck route, improvements to the Gold Bar Wastewater Treatment Plant and the extension of its river valley park system.

Such programs will help to ensure that Edmonton not only remains a good place to conduct business, but also that its citizens continue to enjoy a high quality of life.

I have addressed some aspects of the budget which directly affect my constituents in Edmonton Northwest. Now I would like to turn to issues which deal with my responsibilities as Minister of Natural Resources.

Let me emphasize the fact that Canada's natural resource sectors are industrial cornerstones of Canada's economy. Through our general economic policies and the work of my department this government is committed to ensuring that the energy, mining and forestry sectors continue to provide jobs for Canadians, stimulating the economies of hundreds of communities in all regions of this nation and continuing to contribute to Canada's positive balance of trade.

Before I discuss specific budget announcements affecting these industrial sectors I would like to address two key concerns identified by Albertans in discussions leading up to this budget. First, the federal government's acting unilaterally to impose a carbon tax was of great concern to some Albertans prior to the budget speech. The Minister of Finance did not impose a carbon tax.

In addition, the Minister of Finance did not reduce tax rebates for privately owned utilities.

One of the things this new government will accentuate is a partnership approach with all key stakeholders such as other levels of government, industry, labour, et cetera. Gone are the days when governments could impose solutions without consulting with those who will be most affected.

The goal of the Public Utilities Income Tax Transfer Act, also known inelegantly as PUITTA, is to reduce interprovincial tax disparities and provide a balanced playing field for crown and investor owned utilities and their customers wherever they are located in Canada.

The principal beneficiaries of PUITTA are those provinces with investor owned utilities of which Alberta, Nova Scotia and Prince Edward Island are the main examples. Under the PUITTA legislation the federal government rebates 85.5 per cent of the federal income taxes paid by investor owned utility companies back to the provinces.

The government is not abolishing PUITTA but merely extending the current restraint on its growth. Albertans are not being targeted. Their utilities receive better treatment from the federal government than from their own provincial government.

In 1990 the Alberta government abolished its own equivalent of the federal PUITTA program.

I would like to turn now to the changes affecting class 34, capital cost allowances. First, I should explain that class 34 allowed the right–off of certain equipment used in co–generation, the recovery of waste heat and renewable energy, including active solar heating, small hydro, energy from wood and municipal wastes and wind energy.

In this budget class 34 has been eliminated and we have created a new and expanded class. Class 34 was created in 1976 and was designed to encourage business and industry to reduce energy waste and use renewable energy sources.

On the energy efficiency side many of the standards used under class 34 were based on the technology of the seventies. Since the purpose of the tax write–off mechanism is to encourage the use of leading edge technology the standards needed to be revised, and accordingly the new class does just that.

• (1225)

On the renewable energy side we have created a new class that now has expanded to include three new renewable energy sources. Photovoltaic energy, geothermal energy for electricity

production and methane from landfill sites and sewage treatment facilities are now included in the new class.

The initiatives under this new class will contribute to the government's greenhouse gas emission objectives. In addition, the government is examining a variety of measures under the national air issues co–ordination mechanism. This examination includes several measures to increase the use of renewable energy in Canada.

There has been criticism about the fact that this budget does not do anything to improve the prospects for mineral exploration in Canada. First of all, the Liberal Party of Canada was the only federal party to have a platform on mining during the election campaign.

Let me also point out that this budget was one of the first in years to address the concerns of the mining and mineral industry in this country. The tax changes concerning mine reclamation, which I will discuss in a few moments, prove that this government is committed to the future of this industry in Canada.

The mining policy mapped out by my party notes the serious economic implications of Canada's declining ore reserves due to inadequate grass roots exploration. The Minister of Finance has listened carefully to my concerns regarding the ore reserve and mineral exploration issues.

He has also carefully considered concerns registered by organizations such as Save Our North, the Prospectors and Developers Association of Canada and various regional prospectors and developers associations. However, the government's immediate agenda for taking action to stimulate mineral exploration and other desirable economic activity must take into account constraints imposed by the country's current fiscal situation.

I should also point out that this issue is being examined through a consultative process called the Whitehorse mining initiative. This initiative, as I know members are aware, is driven by industry and includes federal, provincial and territorial governments, native peoples, environmental groups and other related stakeholders.

Mining has been a significant factor in this country's economic growth since before its very inception. As I mentioned earlier, the mining industry has demonstrated its commitment to Canada through the development of the Whitehorse mining initiative. Late last September the industry launched an impressive public information campaign called "Keep Mining in Canada" which my department enthusiastically supports.

In this campaign's ten point plan the industry called on government to change the tax laws on mine reclamation funding to encourage investment in new mines. Briefly, mine reclamation is the process of decommissioning and rehabilitating mine sites following closure and the termination of production. It involves restoring the site to the same or better state than existed prior to the development of the mine. As I am sure members can appreciate, this often costly process supports our commitment to sustainable development.

By bringing in changes to the mine reclamation tax fund regulations, the Minister of Finance has created greater equity in the tax system. The government has taken a position that is fair to both small and large companies. Smaller single mine companies are put on a level playing field with large mining corporations.

With the new measure such small companies will be able to take the deduction up front to the extent that they are required by provincial governments to make payments into mine reclamation funds.

• (1230)

In short, the measure the Minister of Finance has taken is good for environmental protection. It has brought greater equality into the income tax system and has increased the cash flow of large and small mining companies.

This measure also represents an annual investment of about $15 million by the Government of Canada in our mining industry. I believe this measure addresses some of the concerns raised by the Keep Mining in Canada campaign. It also supports the improvement of the investment climate without doing something which could prove to be fiscally imprudent.

I should add the perception that this new measure creates a system of double taxation for mining companies is false. While fund earnings are taken into taxable income twice, there is a corresponding deduction for the amount of reclamation expenses. Therefore in reality tax is paid only once on the fund earnings.

Finally I should emphasize several measures announced by the Minister of Finance which have positive benefits for client sectors of Natural Resources Canada.

As I mentioned earlier the reduction of UI premiums is estimated to provide businesses with some $300 million to put people back to work. I believe this will spur job creation in small businesses engaged in energy, mining and forestry activities throughout this country.

The establishment of the youth corps is also expected to provide young Canadians with the opportunity to gain valuable on the job experience in our forestry sector. The apprenticeship program will enable other young Canadians to get valuable experience in all three sectors supported by my department.

The technology network represents a first step toward improving the linkage between federal government research and development institutes, universities and the private sector. That linkage will be extremely important as every country in the world seeks to set up electronic highways to improve its competitive edge.

Besides the potential increase in demand for forestry products the residential rehabilitation assistance program may also increase demand for energy efficient products that have been

developed by industry in co–operation with my department's research and technology arm, CANMET.

The redefinition of Canada's involvement in space will boost our commitment to the continued development of Canada's expertise in remote sensing. As members know the Canada Centre for Remote Sensing which is a division of the surveys, mapping and remote sensing sector of my department was almost single–handedly responsible for the push in the early 1970s to develop our expertise in the field of space.

Mr. Speaker, I see that my time is almost up.

The Acting Speaker (Mr. Kilger): I was just going to ask the hon. minister if she could give me some assistance and possibly indicate as to how much longer she might be.

Ms. McLellan: Two minutes.

The Acting Speaker (Mr. Kilger): Is there unanimous consent for the minister to conclude her remarks?

Some hon. members: Agreed.

Ms. McLellan: Mr. Speaker, these last two points I have raised only begin to scratch the surface of my department in terms of its importance in the development of Canada's science and technology expertise.

I can assure members of this House that Natural Resources Canada is committed to greater efficiency in its operations in order to maximize its contribution to Canada's science and technology capabilities which are key to our future prospects for economic growth and job creation.

In closing, as the member for Edmonton Northwest and Minister of Natural Resources, I urge this House to fully support the announcements my colleague the hon. Minister of Finance has made concerning this government's first budget.

Canada faces serious challenges as we move together toward the next century. I believe these measures provide an extremely positive and useful series of first steps to get this country on the road to a more competitive standing in global markets and to get Canadians back to work.

Much has been said about this government's commitment to the concept of sustainable development. It is clear we must move carefully to achieve a balance in decision making between environmental and economic objectives.

• (1235)

At this time our movement toward sustainable development must progress carefully. We know very well that the wrong signals to the marketplace will have a drastic effect on our ability to encourage environmental sensitivity. All Canadians must work to balance environmental and economic objectives. It is that simple.

In conclusion this budget will rekindle that confidence. It is the kind of confidence this country needs to get hundreds of thousands of Canadians back to work and to fulfil their desire to make a positive contribution to the future of this great nation.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I do not think the Secretary of State for Human Resources really understands what the budget does. At least not the way I understand it. I do not see how she, as the Secretary of State for Human Resources, could let the Minister of Finance increase unemployment insurance premiums by $800 million. And since she is supposed to help Canadians who need assistance, I wonder why she let the Minister of Finance raise the minimum entrance requirement and reduce the number of weeks during which claimants can collect benefits. It seems to me that the minister does not have a great deal of influence with the Minister of Finance.

She also talked about research and development. I may remind her that at this very moment, $1 billion more is being spent annually on research and development in Ontario than in Quebec. I hope that from now on she will monitor the situation closely and ensure that funding is distributed more equitably.

She also mentioned infrastructures and the many jobs this will create. I say it will not happen, because increasing unemployment insurance premiums by $800 million means that consumers will have that amount less to spend. The government reduces our purchasing power by $800 million but allocates $1 billion for infrastructures, which means zilch for job creation.

It is clear this budget is not about job creation but job reduction.

Furthermore, corporate taxes will be increased by $1.7 billion and individual income tax by $1.8 million, over the next three years.

If the government thinks this is going to create jobs, I think the reverse will happen. That is why I completely disagree with the secretary of state. And now for my main question, which concerns her directly. Considering her responsibilities in this area, how could she let the Minister of Finance raise unemployment insurance premiums for the current year and reduce unemployment insurance benefits? In other words, how can she let the Minister of Finance do the exact opposite of what she should be doing in her own department, which is to improve the well–being of Canadians?

[*English*]

Ms. McLellan: Mr. Speaker, perhaps my hon. colleague is under some misapprehension as to who I am and what I do. I am not the secretary of state for human resources. I am the Minister of Natural Resources. There is a difference, although I take the

point that perhaps our greatest natural resource in this country is our people. Having said that I will respond to a couple of the comments made by my learned colleague.

• (1240)

In relation to his concern about unemployment insurance as my comments indicated the reforms of this system are ongoing. There will be a far reaching consultative process with Canadians. In the interim however we have targeted those people most in need to ensure that their benefits are increased. Those most in need with modest incomes, with dependents be they children, elderly parents or disabled family members, are going to see their benefits increase to 60 per cent.

In relation to the hon. member's concern about jobs and job creation this government believes the single greatest engine of job creation in this country will be small business.

I reiterate those steps the Minister of Finance and this government have taken to encourage small business to create more jobs. The Minister of Finance offered small business a challenge in his budget. I have no reason to believe that the small businesses will not take that challenge and create tens of thousands of new jobs across this country.

Mr. John Williams (St. Albert): Mr. Speaker, in her concluding remarks in answer to the previous question the minister said she had every reason to believe business is going to take up this challenge and create hundreds of thousands of new jobs. Why then do we actually need an infrastructure program which is going to cost the taxpayers another $6 billion?

The minister asked us to endorse the budget that was brought down by the Minister of Finance. In her speech she talked about creating jobs through small business. Why do we need a $6 billion infrastructure program that loads more taxes and more debt on the taxpayer? We have argued for a long time to start reducing taxes and allow business to do its job and that is how we will start creating employment.

In her remarks on unemployment insurance she was taking great credit for the fact that government is reducing UI premiums. Remember however that on January 1 the government increased the UI and now is taking it back. The net result is absolutely zero. For the government to take credit for reducing the UI premiums I think is false on its part.

The hon. minister talks about the budget, taking great credit for reducing the deficit to $32 billion. By the minister's own admission it will drop on its own to $41 billion this coming year.

Why is the minister asking for our support when the Minister of Finance brought down a dismal budget? It has not been accepted by Canadians and Canadians recognize that government has not even started to address the deficit problem, adding another $100 billion in debt.

Will the minister please explain why we should support the budget as brought down by the minister because I do not think we should.

Ms. McLellan: Mr. Speaker, in relation to the infrastructure program and small businesses, small businesses will create jobs. What do small businesses need to create those jobs—renovated and rebuilt infrastructure. They need good public transportation, good roads, good sewer systems, cleaner air. That is what they need to compete with their competitors around the world.

It is interesting that our major global competitors, Germany, Japan and the United States, are contributing billions and billions of dollars over the next 10 years to renovate their public infrastructure. Why? They know it is a public responsibility to provide the foundation, the bricks and the mortar, so businesses can then do the job they do best which is to create wealth and put people back to work.

• (1245)

That is why this government, with its commitment to long term thinking, is making this short term commitment to the renovation of this country's infrastructure.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, I am pleased to rise in this House today to speak on behalf on the citizens of Mégantic—Compton—Stanstead about the budget tabled recently by the Minister of Finance. Let me assure you that my constituents, like Quebecers and Canadians everywhere, have become acquainted with the measures contained in the budget and, like the Official Opposition, are extremely concerned about the budget's implications on their day–to–day lives.

In the past few days, as I was thinking about what I would say on the subject, the front page of the Saturday, March 5 edition of *La Tribune* caught my attention. In fact, two headlines caught my attention. I would just like to mention that *La Tribune* is owned by the Power Corporation. It has no ties to the Bloc Quebecois and is in no way sympathetic to the Bloc's position. I would invite my colleagues on both sides of the House to subscribe to this daily which, I might add, focusses on the Eastern Townships. On reading the editorial page, they will see that this newspaper has nothing in common with the usual stands taken by the Bloc Quebecois.

As I said, this daily newspaper is sold in the Eastern Townships and outside this region. So, naturally it also reports on the

goings–on in the riding of Mégantic—Compton—Stanstead which I am honoured to represent in this House.

As I was saying, two headlines in the newspaper caught my attention. The first one, which I would like to show to my colleagues, proclaimed the following: "Record Number of Social Welfare Recipients".

Last January, 21,539 people in my region received unemployment insurance benefits, according to statistics supplied by the Department of Human Resources Development. How in all conscience can we speak of human resources development in the face of such a high level of unemployment? In addition, 17,600 people received social welfare benefits during the same period. These figures do not include dependants of unemployment insurance and welfare recipients. In reality, what all of this means is that 28.6 per cent of the region's labour force is unemployed.

The 1994–95 budget launches an assault on the least fortunate, the very group that the Liberal government and its Minister of Finance profess to staunchly defend.

The second headline in this newspaper was a statement made by the Prime Minister of Canada which earned—the statement that is, not the headline—the applause of 700 people attending a luncheon given by the Saskatoon Chamber of Commerce. I assume that very few unemployed people must have attended that luncheon. The Prime Minister is quoted in this article as saying: "Stop complaining. The time has come to stop whining, to forget about the Constitution and think about creating jobs". He goes on to say: "Stop whining—you know what I am talking about—and you will make progress".

The Prime Minister's comments show unacceptable scorn towards the thousands of people who find themselves unemployed, not because of their own iniquity but mostly because of mismanagement by all federal governments of the last 20 years, in particular that of Pierre Elliott Trudeau in which, as Minister of Finance, the current Prime Minister was one of those who started the monstrous deficit spiral that has led to a debt of over $500 billion.

• (1250)

However, we understand why the Prime Minister drew applause from the richest members of our society, since this government has not touched the outrageous family trust system.

I want to point out another perverse effect of this budget on unemployment insurance. I refer to the study done by three economists from Quebec University in Montreal, Pierre Fortin, Pierre–Yves Crémieux and Marc Van Audenrode. What are the conclusions drawn by these economists?

They point out that the new unemployment insurance measures are generally more stringent than the 1990 Tory reform that caused an outcry among members of the current Liberal government then in opposition, and make the unemployed bear the burden of the unemployment insurance reform now under way, which represents 60 per cent of the new budget cuts announced by this government.

According to these three economists from Quebec, the new cuts are in the order of $4.1 billion, $2.4 billion of which comes from savings made possible by the changes to the unemployment insurance program.

In the face of such measures, how can we assume that the government is acting in good faith when it claims it wants to improve income security programs through an extensive reform process and when, even before knowing the first thing about this reform, we already know that this government intends to make cuts of between $5 billion and $6 billion in unemployment insurance and who knows how much in the Canada Assistance Plan? Only yesterday, the Minister of Human Resources Development and the Prime Minister announced outside this House that they would make cuts not only in unemployment insurance and social assistance but also in old age security pensions.

In conclusion, I urge the Minister of Finance to intercede with the Prime Minister to make him show more compassion towards the disadvantaged and more common sense in the administration of federal affairs. If the government really wants to save $280 million at Quebec's expense, it only has to put Quebec in charge of managing job training programs, as all Quebec stakeholders are asking; it will thus save $250 million a year while ensuring that job–seekers receive better services.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I would like to ask the following question: Does he believe that the victims, whom he mentioned in his speech, are the result of policies of the former Conservative government or are they victims of the policies of the new Liberal government, which has been in office for a little over four months? Of whose policies are they the victims? That is my first question. I would like to have a very honest answer to a very specific question.

The second question I would like to ask is as follows. He mentioned that the Prime Minister of Canada, the Right Hon. Jean Chrétien, made a speech where he said that we need to have a positive attitude and stop whining and so on.

• (1255)

Does he really believe that this Prime Minister was targeting people who are unemployed or on welfare? Frankly, that is what I understood, and if that is the message he was sending, I am very, very disappointed, because no member and no party in this

House, be it the Prime Minister or anyone else, would wish such a misfortune on anyone. If I am wrong, let him correct me; if I am right, I would like him to withdraw that comment.

Mr. Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, I will first answer my colleague's first question, in which he refers to his government's responsibility for the state of the Canadian economy. I come back to what I just said in the last ten minutes, something that is mentioned very eloquently in the study done by economists at the Université du Québec. I remember the figures given in this study by the economists, which incidentally was published in the newspaper *La Presse* last Monday:

> The federal budget provides for a net deficit reduction of $8 billion in 1995–96. However, slightly less than half of this had already been proposed by the previous Conservative budget.
>
> The new Liberal cuts are thus about $4.1 billion. Of this amount, $2.4 billion is from savings made through changes to the unemployment insurance program.

So the responsibility belongs both to the previous government and to the present government, because in fact just the label has changed from Conservative to Liberal but the measures are the same.

So, yes, the present government bears some responsibility for the drastic economic situation in which we find ourselves. As I said, the present Prime Minister, when he was Minister of Finance some 15 years ago and more, was one of those who started this deficit tragedy which means that today we have a debt of over $500 billion.

On the second point, I will answer my colleague that I believe that people in all parties are sincere when they feel sorry for the unemployed and welfare recipients throughout Canada, except that a government is judged by its deeds and its actions.

In this budget, dear colleague, the cuts being made are aimed at the unemployed. Again, I take the example of family trusts, on which nothing is being done, although they could immediately have obtained large amounts from them.

If the Prime Minister or members of the government are not talking about the unemployed when they say to stop complaining, I would like them to tell me whom they are talking about. The unemployed people whom I met in my riding last week feel these remarks were meant for them.

Mr. René Laurin (Joliette): Mr. Speaker, this is the fourth day of debate on the 1994–95 budget. According to this budget, expenditures will reach $160.7 billion, which is $39.7 billion more than the anticipated revenue.

While the expected deficit should be 0.2 per cent lower than in 1993–94, it still remains an enormous burden for Canadians, and particularly for the middle–class and the poor.

• (1300)

Indeed, this budget asks the unemployed to tighten their belts even more. It asks the middle class to forget about salary increases, even though this has been the case for the last four years. It asks the elderly to accept smaller pensions. It asks small businesses to still wait for an economic recovery which will come of course when the recession ends. It asks municipalities which, in many cases, cannot afford it, to get even more into debts to improve their infrastructure and create a few thousand temporary jobs.

However, this budget reassures the well–to–do by maintaining most of the benefits which will enable them to increase their wealth as well as the gap between them and their less fortunate fellow Canadians. The rich will continue to get richer by taking advantage of tax shelters. Wealthy families will continue to avoid paying taxes, thanks to the maintenance of family trusts. Similarly, major corporations will continue to cash in millions in non–taxable profits, thanks to tax havens. The 90,000 companies which, in 1987, realized profits of $27 billion without paying any taxes, according to professor Léopold Lauzon, will carry on their operations without having anything to fear from the tax man. The underground economy will be able to continue to prosper.

Yet, according to the Association of Canadian Distillers, liquor smuggling alone results in an annual loss of $1.2 billion for the various governments in Canada. Last November, Gallup conducted a survey to ask Quebecers and Canadians if they had contributed to the underground economy in the 12 previous months. Thirty–three per cent of Canadians and 42 per cent of Quebecers candidly admitted to having paid cash for purchases, so as to avoid paying applicable taxes.

In fact, it looks as though it is perfectly acceptable to promote the emergence of two classes of citizens: the poor who have trouble meeting their basic needs, and the rich who live the life of Riley. The noble definition of just society advocated by the federal Liberals since the days of Mr. Trudeau has very little to do with the reality experienced by Canadians as well as with their perception of that notion.

The deficit is a chronic problem for which the federal government is the primary responsible, since close to 80 per cent of the total public debt in Canada is attributable to it. Yet, the Auditor General tells us that, for several years now, the federal government has been doing a rather good job of monitoring its budgetary expenditures. This was also the case at the end of the Conservative administration. So where is the problem?

To understand the root of the problem, you have to realize that this federal debt results from the accumulation of deficits over time. If we look at the evolution of the deficit in relation to the GDP, we can see that the debt really grew primarily under Liberal governments.

Indeed, from 1970 to 1985, the debt–over–GDP ratio went from a surplus of 0.3 per cent to a deficit of 8.5 per cent, an all–time record.

• (1305)

Usually, increases in budgetary revenues tend to follow a rise in GDP. However, during the 1992–93 fiscal year, the federal government's budgetary revenues fell by 0.41 per cent, despite an increase of 2.6 per cent in GDP during the same period.

The trend has continued. According to the forecasts of the Department of Finance, budgetary revenues will decline by 3.74 per cent or $4.592 billion during the 1993–94 fiscal year. This was abundantly confirmed by the results for the first eight months of the current fiscal year, since federal budgetary revenues were down 5.2 per cent, from the same period in the previous fiscal year.

During the second and third quarters of 1993, GDP increased 3.6 per cent and 3.7 per cent, respectively, on an annual basis. The decline in revenue is largely attributable to a decline in personal income tax payable, another indication Canadians' fiscal threshold had been reached.

Despite the extent of the deficit and the national debt, Canadian taxpayers may be willing to make additional sacrifices, provided all members of society and all economic partners do their fair share. And also provided that those sacrifices will be used solely to improve their individual and collective economic situation. As a guarantee to Canadians that this will indeed be the case and that the objective will be achieved, the government should immediately put in place mechanisms that will inform Canadians quickly and accurately on the state of the economy.

Since so many complex factors are involved, it is not easy for the average person to get a clear picture of the country's financial situation. Since the experts often disagree on the best way to deal with the economic situation, I realize it must be hard for the average citizen to weigh his own immediate interests against the broader, long–term interests of the country.

However, we must not underestimate the ability of average Canadians to make up their own minds if they are given clear and precise information or a number of simple indicators. As was pointed out by the Auditor General in Chapter 5 of his report to the House of Commons, it is important the government provide Canadians and their elective representatives with the appropriate tools they need to grasp the essence of the problem.

Simple tools and periodic information must be made available to Canadians so that they can evaluate the government's forecasts and its achievements. Any discrepancies between the two should be explained to them.

Canadians must be told with delay about the impact their future choices will have. For example, if it had been properly explained to them that the revisions to the 1992 economic plan made in the 1993 budget would mean an $8 billion increase in the projected deficit for 1993, if they had been told clearly that this would translate into an increase of $65 billion in the total debt six years down the road, then they would have understood that the government's objectives sometimes have considerable future cost implications.

• (1310)

The more Canadians know about the state of the government's finances, the less chance they have of being taken in by questionable interests. Better still, they will understand when the time comes to make difficult decisions.

In conclusion, let me just say that if this government honestly believes that it can achieve the economic and financial goals set out in this budget, then it should have the courage of its convictions and immediately provide the public with adequate evaluation mechanisms so that all Canadians can judge for themselves well before the next election whether they made the right choice when they democratically elected this government.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to say to the member opposite that I was quite surprised when he was delivering his budget remarks that he did not mention the two initiatives he talked about in his prebudget speech. He asked the government to make sure these were included in the budget speech.

I refer to the speech the member gave on the budget day consultation when he talked passionately and convincingly about the necessity to maintain the homebuyers permanent plan, allowing first time homeowners to buy homes out of their RRSP funds.

I remember saying to the member that he made a compelling argument.

We listened to the member and as he knows that is in the budget and I thought it very strange that the member did not acknowledge that we on this side of the House had listened to him for that idea he put forward.

That was a good idea and is part of the comprehensive package that this budget is putting forward in trying to put people back to work. As the member knows, with low interest rates right now this is a period in which young people with families could have a chance to get into first time homes. That will create jobs for people in trades.

That is the thrust we are putting all of our energy into, putting people back to work. The member had a very good idea. We listened to it and I am surprised he did not acknowledge that the Minister of Finance had listened to him.

To simply focus on some of the problems with the budget in terms of the unemployed, just to talk about that, is a bit unreasonable. All of us in the House realize this has been a tough budget, particularly for those who are unemployed, but we are trying to get them back to work.

It is very important also that the member should have acknowledged some of the things we are doing in this budget for small business, particularly the study in the industry committee, the study on access to capital for small business. Many of the Bloc members are participating constructively.

My point is that although there may be room for some constructive criticism on this budget, it is also important that the opposition recognize some of the good things in this budget.

• (1315)

Our responsibility in this House is to deal in hope for the people who are trying to get this economy going. I am wondering if the member could maybe acknowledge that.

[*Translation*]

Mr. Laurin: Mr. Speaker, I would not want the hon. member to be too disappointed at not hearing my thanks. I am pleased to thank him today because the Liberal Party decided to accept one of the many measures which we proposed.

Since not many of our suggestions were accepted by the Liberals, you will agree that I cannot spend ten minutes thanking them. I would rather let the hon. member remind me that he congratulated me, and I really appreciated that.

As for the other measures, particularly as regards unemployment, I want to point out, as I said in my speech, that the poor might once again be willing to make an additional and ultimate effort. People in our ridings discuss this issue when we meet them. If ordinary Canadians could be guaranteed that this ultimate effort would eventually help improve their financial situation and reduce the deficit, I think that they would be willing to make that extra effort, but only on the condition that they would not be the only ones to pay. But the government still has not given us that guarantee.

Indeed, the poor and the middle class are affected, but the wealthy have kept their most important privileges. They are only affected in a symbolic way. This is what the poor find unacceptable. They say: If we are an integral part of this society, are we an integral part only when the fiscal burden must be shouldered? Are we there only ones to pay? Should we not also get some benefits?

The humble privilege which should be granted to the poor is the right to collect UI benefits when they become unemployed, usually involuntarily. Instead, the government decided to impose stricter conditions for them to be eligible to UI benefits.

I do not think this is the just society which the Liberals were so adamant about, and I will be very pleased, in a future speech, to thank the hon. member and the government opposite if they are willing to accept our numerous other requests.

The Acting Speaker (Mr. Kilger): I would like to join all members from both sides of the House today to thank you also for your co–operation.

I recognize the hon. member for Rosedale.

[*English*]

Mr. Bill Graham (Rosedale): Mr. Speaker, it is with great pride that I rise today to give the first speech in this House in which I have the opportunity to speak to the members of this House, my colleagues, to some extent about the nature of my riding in introducing my observations about the budget.

I am very proud to stand here as a representative of the people of Rosedale riding and to take the place of a great Liberal who was the last Liberal to represent that riding, the Hon. Donald Macdonald. I do not say that I will be able to fill his shoes. As I am sure you, Mr. Speaker, and his other friends in this House will remember, that would be a difficult task both physically and mentally.

I would like to introduce my remarks by saying to my colleagues in the House that the name Rosedale does not entirely describe the diversity of the riding. I would like to tell members about the diverse areas that we have in our riding. It stretches from Davisville to the waterfront and includes such interesting areas as Moore Park, Rosedale itself, Cabbagetown, Regent Park, Moss Park, Crombie Park and St. Lawrence.

In this area are located six major hospitals, two universities, part of the University of Toronto and a new university, Ryerson University, and other institutions of higher learning.

Toronto's financial district, the notorious if I may say that, King and Bay area is located there and includes the headquarters of five major banks and many other financial institutions. Osgoode Hall, the seat of the justice system of the province of Ontario, is also located there as are many theatres of local and national reputation including the Théâtre Français of Toronto and some 18 co–operatives. In addition, I am sure it will be of interest to members of this House to know that we also have the Riverdale Farm located in the riding. It is perhaps not of enough size to give me credibility among my colleagues in the rural caucus but is at least a presence and a reminder to the people of this urban riding that we too must always be conscious of rural issues.

• (1320)

In human terms, we have here a complex urban mixture, a microcosm, as other members of this House have said, of the society in which we live and, if I may say, not only a microcosm of Canadian society but in fact of the integrated world which we are now living in and adjusting to. It is an exciting dynamic community which represents, if I may say, the best of what Canada has to offer.

The area of Rosedale proper of which I spoke contrasts in some ways with St. James Town, Regent Park and Moss Park where we have many people living in assisted housing, many seniors and single mothers, and others who are working hard to keep ahead. All are united in their desire to have good government, a government with a sense of balance, a government that puts their interests first. Our government I believe achieved that in this budget.

We have in our riding a large component of new Canadians. Some have come to us as immigrants, some have come as refugees. All are decent hard working people, bringing their skills to contribute to this country in the tradition of our forefathers.

The riding also contains the largest gay and lesbian population in Canada who bring a sense of diversity to our community and who enrich many areas of our community life, including the artistic and cultural life of the city. These people look to this government to fulfil long unkept promises of many previous governments to ensure that discrimination in their lives and in their employment will cease so that they may play their full role in our society. It is their right to live in a world with a level playing field and we owe that to them.

[*Translation*]

You will also find in my riding a French community which may not be large, but is important to us. This community is proud, different, and fully contributes to our culture and our economy. Our French Canadian community considers the presence of Quebec within our federation as an asset and a source of inspiration for its own linguistic and cultural future. And our French community hopes that our friends in Quebec are aware of it.

[*English*]

This diversity raises challenges and opportunities. I would suggest that many of those challenges and opportunities are reflected in the budget which we are discussing here today. The merit of this budget in my view is its balance between the various financial imperatives which influenced it, the directions that it sets for the future and the way in which it relates to real people's lives. It puts people first. It does not sacrifice them on the altar of fiscal dogma or orthodoxy.

The people in my riding have responded well to this budget. The people in Rosedale proper who are self–employed were pleased to see that they will be able to contribute to their RRSPs and guarantee their financial future so they will not become a burden on future taxpayers of this country.

The small and medium sized businessmen in the riding were pleased to see their initiatives adhered to and their concerns referred to in a way which will enable them to compete more effectively in this complex world in which they have to operate.

The new Canadians of whom I spoke seek to employ their skills to advantage and are looking for ways to use their languages and their cultural skills in a way in which they can take them out and invest them into medium and small sized businesses and the export markets. This budget points the way in that direction. These skills are a resource of this country which we owe to ourselves to mobilize for the good of all of us because it is the future of the world and the future of Canada which is at stake in the way in which this particular community brings its cultures and skills to play. This budget specifically focuses on that.

• (1325)

People in my riding living in assisted housing see the human resource development initiatives in this budget as an excellent beginning on the way to ending their dependency and giving them back control of their lives so they may live productively without having to rely on the government handouts which they despise.

I had the opportunity last week during the break to assist in a very proud moment in my riding. I went to a meeting at George Brown College where, because of a grant of the Government of Canada, Goodwill Industries was able to reach out and train people who hitherto had been unable to get training. Some of the people had disabilities, some had had drug problems, they all had problems which had inhibited them from being able to take advantage of their lives. They were given a program, thanks to a government grant, which enabled them to complete this program and 70 per cent of them had jobs as of the night they graduated.

When I heard the leader of the Reform Party speaking yesterday about the need for budget cuts and Draconian measures I could not help but think of the smiles on their faces and the smiles on their families' faces, showing the pride with which they graduated from this program. Those programs are the type of programs that this government is creating for people to enable them to get back to work. This is a resource that we cannot afford to lose in our society. This is the budget that is going to enable us to do it.

That is why I am proud on behalf of the people who live in my riding to speak for them, whatever class of society they come from.

It is that element of the budget which makes me proud. I think it maintains an essential, constructive, necessary Liberal role of government and the people of my riding, all parts of it, support it.

Even in the university community there are many problems of finance. I was speaking to the president of the University of Toronto the other day. He told me that the cuts in unemployment insurance premiums, which have had to be paid by the university, are a significant contribution. Universities are very big employers. This will make a contribution to their financial stability.

The infrastructure program has been ridiculed on the other side of the House as being nothing but a bricks and mortar operation. The president of the University of Toronto tells me it is creating a tremendous opportunity for his institution of higher learning to do a better job of training young Canadians who are going to take us forth into the 21st century.

Why do we do negative things like this, just for partisan political purposes? I heard the minister speak, just before I got up to speak, eloquently about the need to deal with our infrastructure. We all have to realize that this infrastructure program has an intellectual component to it which is just as valid as bricks and mortar and I am proud to be part of a government which has seen that, seen the need to renew and seen the need to look forward to the future.

Let me conclude my remarks where I began. I am proud to stand here in this House and make my first speech, recognizing the people of Rosedale who elected me and who put me here. I will do my best for them. I will do my best for my country. I will do my best for this government which I think in this budget has set the framework for a productive and human future for this country.

Mr. Milliken: Mr. Speaker, I am very reluctant to interrupt the question or comment period that is about to start on my learned colleague's speech, but I wonder if I might seek unanimous consent of the House to revert to presenting reports by standing and special committees. I have a committee report which I think will be of interest to members that I would like to table at this time.

The Acting Speaker (Mr. Kilger): Does the hon. parliamentary secretary have the agreement of the House?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 10th report of the Standing Committee on Procedure and House Affairs concerning the items of Private Members' Business which have been selected as votable.

Pursuant to Standing Order 92(2), this report is deemed adopted once laid upon the table.

Normally this report would not be tabled until tomorrow. There was agreement that if it were tabled this afternoon to get the information before members so they know which items have been selected Private Members' Hour would not start tomorrow but would start on Monday.

Accordingly I move, I believe with unanimous consent:

That consideration of Private Members' Business commence on Monday, March 14, 1994 at eleven o'clock a.m.

Motion agreed to

GOVERNMENT ORDERS

• (1330)

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, I am pleased to make a brief comment on my colleague from Rosedale, with whom I had an opportunity to travel to Vancouver a few weeks ago. I got to know him better and I believe that he is someone who can be called a gentleman, as the term was understood in the Middle Ages, that is, a man who is sincerely open–minded towards all his colleagues in the House. I do not at all doubt his sincerity when he speaks or when he expresses the wish that Quebecers feel at home in the Canadian federation.

I also want to tell him that should Quebecers in the near future choose to take charge of their own affairs and thus make Quebec a sovereign country, Quebecers will still be happy and interested to maintain ties with neighbours who show this open–mindedness, like the hon. member for Rosedale.

I commend him for what he said and I hope that we can indeed maintain such a relationship, whatever the future holds for us.

Mr. Graham: Mr. Speaker, I thank the hon. member for his very nice comments about me but he also reserved something for the end that may give us the opportunity to voice more opposition than today.

I would like to put some emphasis on what I said about Rosedale. I suggest to him that it is not only a matter of Quebecers being welcome in other parts of Canada. I assure you that Quebec's attitude and the fact that Quebec and Quebecers have succeeded in keeping alive their culture and their language is an inspiration to francophones outside Quebec, including those in my riding.

I urge you not to endanger, through your actions and what you will do in the future, this fragile flower that must be tended by you, by us and by all members of this House so that the francophone culture can flourish in the rest of Canada like it did in Quebec.

[*English*]

Mr. Paul Steckle (Huron—Bruce): Mr. Speaker, I want to preface my remarks in my first address in this House by offering my own congratulates to our Speaker and our Deputy Speakers for the even–handedness in the way that they have conducted the interventions in this House.

We are witnessing a new civility and decorum in this place rarely witnessed in recent memory. I think all members, regardless of their politics, are showing Canadians that serious discussion, debate and, yes, some disagreement can take place with respect and honour.

I want to take a few moments to reflect on my riding and the wonderful people who elected me as their representative and voice in Ottawa.

My riding of Huron—Bruce is situated on the easterly shore of Lake Huron. It is a riding that consists of the entire county of Huron in the southerly half of the county of Bruce.

• (1335)

It stretches from Grand Bend in the south to Southampton in the north. This beautiful riding includes towns and villages such as Kerkton, Dublin, Teeswater and Zurich, and on the far easterly boundary, Paisley. My riding constitutes 43 municipalities in total.

It is without doubt one of the most truly rural agricultural ridings in Canada. It is decisively agricultural in its base, with pork, beef, dairy and poultry all being produced in great numbers.

The climate is also well suited for beans, navy beans and other cereal grains including canola. I would also like to mention that my hometown of Zurich boasts being the bean capital of Canada. While the town of Goderich boasts being Canada's prettiest town it is also the manufacturing base of Champion road graders which builds graders and other road building equipment. I am glad to see some of that equipment on the streets of Ottawa. Farther to the north of Lake Huron we have the Bruce nuclear power plant, the largest nuclear generation plant in the world.

Among notable Canadians to have come from my area of Huron—Bruce, Paul Henderson in 1972 scored what proved to be the winning goal and made world history in the Canada—Russia summit series.

Timothy Eaton, upon immigrating to Canada, established his earliest roots in Usborne township in the southeast area of my riding.

Kipple Disney, the grandfather of the famous Walt Disney, settled on the family farm in Bluevale. This is where Elias, Walt's father, was born and later went to central school in Goderich.

Most recently we were made proud when another famous person from my riding, Lloyd Eisler from Seaforth, or as he would like it to be known, Egmondville, the suburb, and his partner Isabelle Brasseur from the riding of Richmond—Wolfe won a bronze medal in the 17th Winter Olympics in Lillehammer, Norway.

To all those people who worked and voted for me in Huron—Bruce I offer my sincere appreciation and gratitude. Their friendship and encouragement are reward enough for a task that at times seems impossible.

Most important in my life has been my family, my wife Kathy and our two sons, Cam and Brian, their wives Kathy and Bonnie and our two grandsons, Brent and Shawn. They have all supported me in my efforts to come here and they have also given me great encouragement in the many years I served in municipal politics. Thank you for your love.

This being the year of the family causes me to reflect in the directions we take as we determine social policies for the country. My view, which I think is shared by many hon. members, particularly my hon. colleague from Central Nova, is that life is sacred from conception to natural death. This view will obviously give cause for some difference of opinion. I welcome the opportunity to debate and address this and other issues in this place of democracy.

Prior to the election, Canadians had lost confidence in their political representatives and the institutions in which they served. I believe we as the new government have begun to reverse this opinion and return people's trust and confidence in us as members of Parliament.

During the election the public had some clear choices before it, parties with very different policies and ideas. We as Liberals believe that the people should know exactly what they were voting for and that is why we put our policies in our famous red book.

Canadians overwhelmingly chose to support our party and, most important, our policies. This is where the confidence factor comes in. What better way to improve Canadians' confidence toward politicians than to give them exactly what we promised and ran on in the election?—not exactly a new idea, but one that has been forgotten for some time.

People's confidence is essential if we as a government hope to be successful in making the necessary reforms to a whole host of policy areas from social security to foreign affairs and defence.

Confidence in Canadian institutions has also increased due to the unprecedented level of consultation and open debate that occurred on recent peacekeeping missions in Bosnia and cruise missile testing discussions in northern Canada. This open consultation has also shown that this place does serve as a forum for constructive debate on matters of national interest.

These changes are just the beginning and I look forward to future debates and changes that will further improve our representative role.

• (1340)

If we look at the budget that the hon. Minister of Finance presented last month we see that the commitments made in the red book are almost kept item by item. If I look at page 111 of the book I cannot find anything that has not been acted upon.

As I have told my constituents, the contents of the budget should come as no surprise to anyone. This most of all will increase the people's trust in their representatives. I am also proud of this budget and have absolutely no problem with defending it and selling it to my constituents. It is a balanced, far reaching budget that lays the groundwork for future reform on improvement to programs and services.

In my riding over the last couple of weeks I have spoken with a great many people and have conducted several media interviews. In all instances people had a positive opinion of the budget. What I think people like about this budget is that it is realistic. People were tired of budgets that promised the impossible and then failed to deliver. It is realistic in terms of deficit reduction, economic projections and job creation.

What we did was lay out before the people the serious financial problems of the country which included a deficit that has skyrocketed to $45 billion, far more than what was expected.

We as Liberals believe in getting our fiscal house in order and that is why the minister has put forth a budget that over three years attains a ratio five to one in terms of spending cuts to revenue increases. This sets us well on our way to meet the deficit target of 3 per cent GDP in three years; again, something which was in the red book and is what Canadians supported.

To those who would say that we have not gone far enough, I want to say that we are not going to abandon those in need or risk spiralling back into recession by cutting and chopping, spending wildly or giving no thought to the consequences at a time when 1.6 million people are unemployed, when welfare rolls are skyrocketing and child poverty is up 30 per cent. It is not the time to abandon these people.

Those people who argue for deeper cuts forget that we did not get into this situation overnight and it will take time and a great deal of fairness and compassion to get out of it. These people forget that they were not on a different planet during the time of deficit spending. They voted and supported governments and benefited from the spending just like we all did.

We must now not take radical approaches but take a balanced approach that emphasizes building a framework for economic growth, restoring fiscal balance and creating jobs.

This budget pursues job creation, not in the old ways in which government provided the jobs, but in a way that produces the climate and provides business with the tools to create the jobs.

I also want to point out that the government wanted to invest in the infrastructure of this country, an investment that will enable Canada to stay competitive in this time of increased globalization. This will create approximately 50,000 to 60,000 jobs.

The minister has listened to Canadians who said that they wanted deficit reduction without tax increases. They wanted a beginning to policy reform without drastic cuts to programs for the most needy. They wanted job creation. They wanted a constant, systematic decline in the deficit. They wanted investment in R and D. They wanted economic renewal and revitalization, and they wanted a fair and more equitable tax system.

This is the budget we delivered and it is the one that I am proud to support.

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, I rise in this House today to not only express my dissatisfaction over the budget that the finance minister introduced on February 22, but moreover I want to state for the record the dissatisfaction of my constituents in the riding of New Westminster—Burnaby.

A measure of opinion was expressed to me publicly in a recent town hall meeting. It was specifically called to discuss the budget and the fiscal priorities for the nation. I took the public risk and advertised very widely for an old–fashioned town hall meeting in which any constituent could express himself or herself on the budget in front of their own community. The meeting went for over two hours and I listened to the line–up of speakers who came to the open microphone.

• (1345)

Government ministers should have been there for they would have heard that the Liberals have no political mandate to do what they are doing in this budget. I did not hear a positive thing said with regard to this budget except a relief that the government did not announce massive new spending on grand, misguided schemes. Most complained that there was no long term job creation in this budget. The budget did not inspire hope.

The election was a mandate for change. What the country got in this budget was just more of the same.

There was a promise in the budget to fix sewers and repair old roads. Suffice it to say these are not long term jobs to put us on the international cutting edge.

In the budget the finance minister withdrew the government's support for the KAON particle accelerator project in British Columbia. I suppose it is more important to pave old roads than to keep Canada at the competitive forefront of science and technology.

I can remember back in the election campaign when the Liberals promised Canadians jobs and hope for change. When in opposition, the Liberals decried that the Conservative government had let the unemployment rate rise to 11.2 per cent. The red book, which now looks like the Liberal red ink book, promised to put Canadians back to work and decrease the unemployment rate.

When the unemployed of New Westminster—Burnaby watched the budget presentation on TV they were expecting, and I repeat expecting, that the finance minister would give them a job or at least the hope for one and provide a plan to slash the rate of unemployment.

In his ultimate prediction the Minister of Finance did predict a lower unemployment rate, a walloping .1 per cent. Canadians from coast to coast could not believe what they heard: .1 per cent. Unbelievable for a party that spent the entire campaign promising jobs. We all heard it: "We have the plan, we have the team, trust us".

The Minister of Finance wants us to believe that next year is when more jobs will occur and that is when we will see an improvement in the economy. The mandate for this election was crystal clear. It was to change, to drastically reduce spending, to go in a new direction and thus spur on the economy. The mandate was not to shuffle a few things and hope that the economy would turn around on its own.

The people in New Westminster—Burnaby know that in our present predicament high taxes, the high spending of this budget and high unemployment are directly linked.

The government needs to go on a diet. For starters it should have put a cap on all federal spending at $153 billion bringing the deficit to $27.8 billion rather than the predicted $39.7 billion. This would have been a modest broadly based goal that would have sent the right message to the international markets where we are ultimately judged.

Instead of making an effort to lower federal spending, the government raises it by $3.3 billion to $163.6 billion from $160.3 billion just the year before.

If the finance minister had done nothing at all the federal deficit for 1994–95 would have been $41.2 billion. However, since it is mandatory for the government to introduce a budget, the minister put on his new footwear and lowered the deficit by a mere $1.5 billion.

Folks in New Westminster—Burnaby wonder how federal spending can be so high. I will zero in. Some of my responsibility is in the field of justice and legal affairs. I will comment on some of the spending in that area.

The continued funding for special groups is incredible. For example the Law Reform Commission which was reinstated in this budget had previous expenditures of $4.8 million in 1992–93, $4.9 million in 1991–92 and $5 million in 1990–91. All of this is for an unaccountable organization of academics who turned out obscure reports that were mostly forgotten the day after they were published.

The taxpayers are going to foot the bill for this Liberal academic think tank. It will clothe itself with credentials in the appearance of political neutrality while preaching Liberal dogma. Political parties have their own funding from their supporters. Now the taxpayers are going to fund a Liberal think tank. This is old Canada thinking of the Pearson–Trudeau era. We should support the legitimate academics in our universities to do research on legal public policy. We do not need the social engineering of a reconstituted Law Reform Commission.

Another example of waste is that of the court challenges program. The actual expense of this program for 1992–93 was $1.06 million. In 1993–94 the forecast was $1.26 million. For 1994–95 the main estimates show it will be allowed to use $3.35 million. What a retirement plan for lawyers, well the Liberal lawyers anyway who might get the retainers.

If I sound cynical it is because I watch from here and see it is business as usual, old Canada thinking from yesterday's leader who peddles an outdated budget philosophy ill–suited for the new world economy.

• (1350)

The court challenges program was initially introduced in 1978 to fund individuals who brought forward constitutional cases based on equality and language rights. It was expanded in 1982 for the new charter arguments.

The scope of the program has changed dramatically. It now serves as a taxpayer supported platform for radical feminists, the gay–lesbian agenda and other social engineering groups who want to revise the political landscape via the back door of the

court rather than obtain a mandate for their changes at the ballot box.

The appointments to the selection committee for this program will be suspect and most financially burdensome as there will be no market forces to moderate who gets what. If a case is worth fighting to the Supreme Court of Canada the people of Canada will voluntarily support it. If it cannot fly in the marketplace of ideas in the community, then it should not proceed to court.

I also hear now that salary increments are frozen for the RCMP which is causing an internal uproar. Yet the government is committing millions for court challenges and a commission. What does this say about the priorities of this government? Our economy is in a tenuous state.

The government should have realized that the first cuts to be made should have been to the special interest groups. The National Action Committee on the Status of Women has regularly received $300,000 since 1991 with the exception of last year when it received $270,000. The government gives this group over $250,000 and then the group complains that it is not enough.

By cutting off all spending to every special interest lobby group the government would eliminate two problems. One, it would reduce a substantial part of federal expenditures. Two, it would eliminate the bickering and rivalry that goes on among groups if the government cuts part of their budget. It would stop the divisiveness in our communities.

For Canada the international community is holding its breath and has given the government a short term breather. I am not so optimistic that the Liberals can or will deliver later. Reformers have asked for a minibudget in the fall to stave off what is now starting to happen, especially with those in the area of more liquid assets.

Investors are increasingly betting against Canada and money is going offshore. That trend will continue at a steeper rate until it will actually develop into what is commonly known as a run on the dollar.

Right now Canada is draining its gold and foreign reserves to buy up Canadian dollars on the international market just to keep the price from falling too fast. It is the old law of supply and demand. The problem is that Canada does not have the deep pockets to keep up this defence for any sustained period.

The old standard advantages of political stability and a prospect for reasonable return may not stay in place for Canada. When one places the political instability of Quebec along with the general fiscal malaise we are due for a major shock from offshore.

If we do not straighten ourselves out then the international community will do it for us in blunt, brutal terms. The best predictor for future performance is past behaviour. At least since 1984 the world community has listened to Canadian governments promise time after time to deal with deficits and proportional taxation levels. Then they see a stay the course budget delivered time after time.

The prescription is that we must now run consistent balanced budgets for a number of years because of where we have been economically in the past few years. The cure is known but it takes courage to act. The overweight needs a crash diet to bring us back to health. The pain must be shared equally by all.

The first dramatic steps need to be done with Parliament Hill operations and general spending at the top for a leadership by example package.

Currently the burden is not equally shared. Eighteen new spending programs for ideological reasons are outlined in this budget. Debt charges are underestimated, a very risky forecast. The international capital markets are waiting until this fall but not much longer.

Parliament is where government comes to the people to get permission to tax and spend. This House bears the responsibility for the financial consequences of this nation. It is up to members to decide to take action.

Those in the Reform camp, those who are indeed in touch with their communities, have heard the people speak and have made a start. However, there must be 100 ways for members who are not Reformers to apply pressure against those stuck in yesterday's old Canada thinking. To put it in psychological terms, spending behaviour reveals inner character.

Let it be said right now that where there is conviction let there be the courage to act. If we believe in what we do we can journey to the new Canada where equality is our standard and compassion is our principle, where humility is our manner and truth is what we say.

• (1355)

Mr. David Berger (Saint–Henri—Westmount): Mr. Speaker, I commend the member on his speech. At the same time however I would like to ask him to perhaps go back and check his arithmetic.

He criticizes the rather modest expenditure the government is undertaking in re–establishing the Law Reform Commission, but criticizes the rather sensible decision the government made about the KAON factory. The hon. member should know that the KAON factory would cost the Canadian taxpayers in excess of $200 million a year in capital and operating costs.

Given that extremely high cost and the futuristic nature of the science involved, the government's advisory councils made a recommendation. The National Research Council, the Natural Sciences and Engineering Research Council, the Science Council of Canada and a committee of the National Advisory Board on Science and Technology appointed by the previous Prime Minister unanimously recommended this expenditure could not be justified given the country's priorities with respect to science

and technology and the current levels of science and technology spending and the other needs we have.

The hon. member also failed to mention in his speech that this government has committed in this budget substantial resources to implement the red book commitments for example to upgrade the industrial research assistance program and create a Canadian technology network. There are very important expenditures on the diffusion of technology.

That will benefit the many small and medium sized businesses which really comprise the Canadian economy. Canada has a small firm economy and that is where the efforts of this government have been directed.

Mr. Forseth: Mr. Speaker, it comes down to a matter of opinion concerning basic government priorities. I talked about how spending behaviour reveals inner character and a person's underlying philosophy.

The Speaker: It being two o'clock p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

WOMEN IN ARTS AND CULTURE

Mrs. Jane Stewart (Brant): Mr. Speaker, I would like to pay tribute to the many Canadian women who have made significant contributions in the field of arts and culture. Arts and culture have made a real impact on the continuing development of Canada's social fabric, as well as on our economic growth as a country.

I am truly inspired by extraordinary performers like Karen Kain, by authors like Margaret Laurence and by artists like Keterina Mertikas.

I am proud of women in my riding like Linda Schuyler who recently received the 1994 Order of Canada for her outstanding contribution to the media. Ms. Schuyler is most notably known as the executive producer and series creator of the acclaimed television series "The Kids of Degrassi Street".

Virginia Little is the musical director for the Little String Orchestra in Brantford. Recently Ms. Little was selected Arts Citizen of the Year by the Brantford Regional Arts Council.

As performers, entrepreneurs and volunteers Canadian women are making their mark in the world of arts and culture. My congratulations and thanks to them all.

[*Translation*]

JOB CREATION

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, the *Fondation de l'entrepreneurship* has just launched a new initiative called "A quarantine for employment". The foundation has teamed up with a number of regional organizations in order to generate local initiatives of job creation. The *Défi Emplois* program of the foundation will try to have some input in every community in order to facilitate the emergence of new job–creating businesses.

I wish to congratulate the *Mouvement Desjardins* for putting its network of credit unions at the disposal of the foundation in order to support the *Défi Emplois* program. We must pay tribute to the social involvement of the *Mouvement Desjardins* which, beside this program, is involved in *Forum pour l'emploi*, *Qualité Québec* and the Desjardins Chair for the Development of Small Communities.

● (1400)

It is too bad this government does not show the same enthusiasm in proposing job creation measures for Quebec and Canada.

* * *

[*English*]

FATHER ALBERT LACOMBE

Mr. John Williams (St. Albert): Mr. Speaker, I rise to recognize the anniversary of the birth of Father Albert LaCombe, born on February 28, 1827.

Father LaCombe migrated from his native community of St. Sulpice in the province of Quebec to found the settlement of St. Albert in 1861 and several other missions in the province of Alberta such as St. Paul de Cris.

He worked with the native Indians of Alberta, the Cree and the Blackfoot. His efforts led to the peaceful acceptance of the building of the CPR. During the 1885 Louis Riel rebellion he acted as a calming influence in the region. He was also an adviser on the negotiations of Treaty No. 8.

Father LaCombe was also an accomplished linguist. He wrote a dictionary and a grammar book of the Cree language and he translated the Scriptures into native languages.

In conclusion, I wish to recognize Father LaCombe as a great Albertan and a great Canadian.

TIBET

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, today is the 35th anniversary of the uprising of the Tibetan people against the Chinese occupation of their small peaceful country.

Each year I have risen in the House on this date asking our government to protest with the Chinese government the massive violation of human rights in Tibet, the destruction of its environment, and the denial of its self–determination.

During the past year political arrests have risen by 30 per cent and have included children and Tibetan nuns.

Yesterday China was once again successful in having the United Nations put aside the resolution criticizing its human rights record. That is a tragedy.

The people of Tibet have always pursued a non–violent approach in dealing with this issue. In 1989 the Dalai lama won the Nobel peace prize.

I hope that this matter will be positively dealt with in the government's review of foreign policy. Human rights abuses in Tibet and elsewhere cannot be ignored.

* * *

PROSTITUTES ANONYMOUS

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, there are many success stories among women but some are more touching than others.

Paige was a prostitute sexually abused at a young age. In spite of trying to get into a normal lifestyle she ended up on the streets and became more and more involved in drugs to the point of having seizures when she was clean.

After many years of prostitution Paige had the good fortune of learning of a woman who started Prostitutes Anonymous. This fortunate turn of events helped Paige start on her difficult road to recovery.

Battered women's shelters, drug and alcohol centres and recovery houses became Paige's new environment. In 1991 Paige started Prostitutes Anonymous in B.C. She is now a member of an ad hoc citizens' committee of elected women helping women.

Last week I participated in my first committee meeting. I met Paige and also Cindy–Lou. These women are only two of many who fortunately were able to get out of prostitution. Paige needs help in her task. Transition houses are crucial to give prostitutes a chance.

In this International Women's Week I rise to pay tribute to a young woman who went against all odds and won.

[*Translation*]

QUEBEC WEEK FOR THE DEVELOPMENTALLY HANDICAPPED

Mr. Raymond Lavigne (Verdun—Saint–Paul): Mr. Speaker, next week from March 13 to March 19 will be the Quebec week for the developmentally handicapped, during which traditionally, parents, friends, caregivers and persons who are developmentally handicapped organize various activities throughout the province, to make the public more aware of the experiences of the developmentally handicapped and their families.

I would urge members from Quebec and other provinces as well to take part in the week's activities under the theme: My family accepts me—do you?

This being the International Year of the Family, I want to thank all the people in Verdun—Saint–Paul and especially the "Droit de Vivre" group of volunteers who work with the developmentally handicapped who are living with their families.

* * *

POVERTY

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, recently, the Assemblée des évêques du Québec met with a group of influential people to discuss ways to deal with the ever widening poverty gap which is causing more and more damage and suffering in our society.

The proposals developed by this group of experts echo the pressing demands submitted by many groups and organizations to a government that still refuses to listen.

Mr. Speaker, poverty is not just a statistic. It has a face, that of men and women who suffer and try to recover their dignity in any way they can.

• (1405)

The Bloc Quebecois supports this initiative and intends to make sure that the recommendations of this group of experts is not ignored by this government.

* * *

[*English*]

CAPITAL PUNISHMENT

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, in February newspapers reported that the Solicitor General promised sweeping reforms to the National Parole Board following the investigation into the release of Robert Leech, a convicted rapist sentenced to life imprisonment in 1972, whose subsequent parole resulted in the sadistic murder of Jewel Gamble in Regina in 1992.

Now that Mr. Leech has been sentenced to life imprisonment for the second time, we all wonder what steps the government

will take to ensure Mr. Leech never gets out of jail to rape and kill again. If Mr. Leech hoodwinks the parole system again, will he be released into our neighbourhood?

Considering the fact that national polls consistently indicate the majority of Canadians support a binding referendum on the reintroduction of capital punishment, I beg on behalf of this silenced majority that the government introduce legislation giving voters what they want, a binding vote on capital punishment.

* * *

SOCIAL PROGRAMS

Mr. Geoff Regan (Halifax West): Mr. Speaker, hunger and poverty are very real problems in Atlantic Canada. The Metro Food Bank Society of Halifax—Dartmouth has recently released a comprehensive survey of food bank users in the metro area. This survey serves as a sombre reminder of the often forgotten members of our society.

It found that food bank clients receive incomes far below the poverty line; 94 per cent have incomes of less than $1,000 a month. For the few who have incomes of slightly more than $1,000 a month, most have households of four or more persons. Forty–four per cent of food bank clients experience days when they go without food. Many of these are parents who go without food to ensure that their children have enough to eat.

Here is proof that our social programs are not working. Here is proof of the real need for reform.

* * *

CHILD CARE

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, we must ensure that the needs of self–employed women get as much consideration in tax laws as those of self–employed men.

The number of women in the workforce with children younger than school age has risen to 68 per cent. The majority of these women are working or running a business full time and cannot claim child care expenses as a business expense.

Child care is an important family support service and an integral part of society's ability to sustain a broader income. Because women are the parents whose careers are still most affected by child care responsibilities, the inclusion of child care expenses as a business expense would certainly give women more incentive to further develop their entrepreneurial skills and ingenuity.

Surely child care is more of a true business expense than country club memberships, seasons tickets to a sporting event or the rental of a luxury car.

During this International Women's Week, I join with the Canadian Farm Women's Network, my constituents and, in particular, the women of London—Middlesex in urging the government to consider legislation that would allow the deduction of child care expenses as a business expense.

* * *

ARCHBISHOP OF SARAJEVO

Mr. Janko Peric (Cambridge): Mr. Speaker, Monseigneur Vinko Puljic, Archbishop of Sarajevo, is with us here today.

After 22 months of living under siege in Sarajevo, Monseigneur Puljic received permission from UNPROFOR on Sunday to leave the war torn capital of Bosnia–Hercegovina.

Monseigneur Puljic has long been an outspoken advocate of a just and peaceful solution to the ongoing conflict in Bosnia–Hercegovina and a harmonious co–existence between all of its peoples.

Despite the threat to his personal safety, the Archbishop remained in Sarajevo to oversee the distribution of desperately needed humanitarian aid to all citizens in need.

I would like to welcome Monseigneur Puljic in Croatian as well.

[*Editor's Note: Member spoke in Croatian.*]

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[*Translation*]

LIBERAL PARTY

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, the Liberals have been in office barely four months, but the new government is already showing its true colours. Elected on the strength of a program borrowed from the NDP, they are now resorting to the practices and policies of right–wing conservatives to govern the country.

• (1410)

When the time came to translate the red book into a budget, we see that it was not the corporations or the wealthy families who were enlisted to help fight the deficit, but rather the least fortunate, including the unemployed. The eagerly awaited, much–ballyhooed GST reform will be a camouflage operation aimed at hiding the tax in the overall price, meaning that it will apply to all goods, including food.

The Liberals speak of strengthening the social fabric of the country. Instead, they are dividing society. Retired persons are being asked to sacrifice their pensions for youth training programs.

Now we are seeing the true face of the Liberals. Their election facade has crumbled.

[*English*]

BILINGUALISM

Mr. Randy White (Fraser Valley West): Mr. Speaker, we have heard much from the government about a new integrity in politics. The Prime Minister recently stood in this House and refused to speak strongly about the Leader of the Opposition's promoting separatism abroad. Instead, we have heard the government condemn my party for being against bilingualism.

I rise today to appeal to all members of this House to stop the name calling and deal with the facts. The facts are that we are for individual and regional bilingualism. What we are against is the Official Languages Act and the ridiculous cost it has created.

The government member has asked us to provide accurate costs. We tried to get these costs but his government will not provide them because it does not know what they are. Research estimates the direct and indirect costs at between $2 billion and $4 billion a year.

I challenge the government to provide us with the real costs and open the debate up in this House on this issue.

* * *

FISHERWOMEN OF NEWFOUNDLAND AND LABRADOR

Mrs. Jean Payne (St. John's West): Mr. Speaker, as we celebrate International Women's Week I would like to draw the attention of this House to a unique group of women comprised of the fisherwomen of Newfoundland and Labrador.

While we often talk about the men who earn a living from the sea, the lives of women who fish for a living are almost forgotten. These brave souls face the cold ocean day in and day out to help support their families. In the fishing boat everybody is equal.

In these days of declining fishery activity there is a difficult job to be done and the fisherwomen of Newfoundland and Labrador have proven they are up to the task. Their efforts are a great part of the Newfoundland culture. During International Women's Week their spirit and determination should be applauded.

* * *

INTERNATIONAL WOMEN'S WEEK

Ms. Colleen Beaumier (Brampton): Mr. Speaker, I rise in the House today on the occasion of International Women's Week to invite all members to join me in honouring those women who have offered their services to their relative communities as volunteers.

We will find them in the slums of Third World countries and in the community centre next door. We will find stories of their courage and dedication in the history books and in today's newspapers. We will find them performing singular acts of voluntary courage for their community and we will find them dedicating years of service through unending commitment to various causes.

Women have courageously and selflessly volunteered their services to their respective communities throughout history in a variety of ways.

International Women's Week has given us the opportunity to ponder the achievements of women throughout the world. A week long recognition of these achievements would not be complete without mentioning the efforts which women have made to serve their communities as volunteers.

I call upon all members of this House to join me in recognizing the years of dedication and service which women have contributed to their communities throughout the world.

* * *

UNEMPLOYMENT INSURANCE

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville): Mr. Speaker, I rise today to bring to the attention of this House an issue that I trust all hon. members will support.

Michelle and David Gebe, two constituents in my riding of Markham—Whitchurch—Stouffville, became the proud parents of a baby girl, Erin–Denise, on February 10. They became parents through the adoption process monitored by Ontario Social Services. This is indeed a joyous occasion for Mr. and Mrs. Gebe.

Unfortunately, they have run into a major roadblock trying to obtain maternity benefits through the unemployment insurance program. As adoptive parents, they are only eligible to receive 10 weeks of UI benefits as opposed to up to 30 weeks of benefits that a birth mother can obtain.

I humbly call upon the government to investigate the obvious discrepancies in the unemployment insurance legislation and to rectify this problem. Adoptive parents such as David and Michelle should be supported and rewarded by the federal government. They need our assistance.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

OLD AGE SECURITY

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

We are gradually getting a better idea of the government's real plans for changing our social programs. Yesterday, the Minister of Human Resources Development confirmed that he wanted to review old age security programs. However, during the election campaign, the Leader of the Liberal Party strongly condemned the Reform Party's plans to cut old age pensions and said that it was not something he would recommend.

Why does the Prime Minister feel that cutting old age pensions is advisable today, while that was not the case just before he went to the polls? Why is he coming down hard on senior citizens today and why has he reneged on his commitment to leave old age pensions intact?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I said it before and I say it again, we do not intend to cut old age pensions, and those who insist on spreading these rumours are trying to scare people.

What we have to do is look at the serious problems we have in connection with the Canada Pension Plan. This is a very long–term program, and we know that in 2005 and 2010, it will be difficult to finance the program.

Since we want to do a good job, we are trying to anticipate the problems we will have when we form the government in 2010.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, instead of daydreaming, the Prime Minister should look at the source of these rumours. He should look at his Minister of Human Resources Development and tell us whether he endorses the minister's irresponsible statements. Does he wants to force Canadians to choose between training for young people and old age pensions?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I want to make it clear that I have full confidence in the minister, who is working very hard to reform what needs to be reformed in this country. As Canadians we must ensure that we can once again give people on welfare and unemployment insurance the dignity of having a job. That is what the minister is trying to do now, and I think he is doing a very good job by consulting the provinces and all concerned.

I think there is no connection with what I mentioned earlier. Because of an aging population, we expect that the Canada Pension Plan will run into problems after the year 2000. Our government must start looking at these problems right away, and the minister is doing an exceptional job in trying to restore the dignity of Canadian workers.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, that is the kind of ambiguous statement that will revive the fears haunting the elderly today in Canada and Quebec.

Now that we have a government that attacks the universality of old age pensions, I think we should ask the Prime Minister whether we are to conclude he deliberately hid his true intentions during the election campaign.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I can certainly be no clearer than I was on the first question. It is quite possible that all three questions were prepared ahead of time, so he read them! I said we did not intend to cut old age pensions. Stop trying to scare people! I cannot be any clearer than that!

In a way, I rather enjoy seeing the Bloc Quebecois defending the Canadian status quo every day in this House. We want to introduce reforms, but they do not want us to change anything in Canada. They want us to keep Canada the way it is. We want to introduce reforms for the benefit of all Canadians, including those in Quebec.

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, my question is for the Prime Minister.

The policy of the government is becoming increasingly clear. After launching an assault on the unemployed, the government is now setting its sights on seniors. By reducing the tax credit for seniors, the government is actually increasing their tax burden by $500 million over three years. The Minister of Human Resources Development has also announced a review of social programs for seniors.

• (1420)

Instead of targeting the pensions of senior citizens, why does the Prime Minister not have the courage to eliminate tax shelters?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, in response to the hon. member and the leader before him, if they want to look at the intentions of the government I would suggest the first page they should turn to is page 56 of the budget wherein we commit to substantial augmentation and addition to old age security programs over the next four or five years. If they want the answer it is in the book.

We are trying to say that over the next couple of decades we will have a full doubling of Canadians who are eligible for various kinds of security. We want to ensure the next generation has the same security as this generation. To do that we have to find a way to ensure that we pay for it.

This means that much of the investment now generated out of pension plans and RRSPs must be used more effectively to generate jobs and growth in Canada today so young people can go to work and can pay for the pensions of tomorrow. That is what we are trying to do.

[*Translation*]

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, in 1985, the Conservatives were assailed by the Liberals for wanting to eliminate the indexation of old age pensions. What has happened to the convictions of the Liberals in 1994? Now they are directly attacking the very existence of old age pensions.

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the only person in the House who attacked the existing benefits for seniors is the Leader of the Opposition when he was a member of the previous government. He is the only person in the House to do so.

We are trying to make sure the system is strengthened and maintained for the future. We are not talking about cutting the budgets now. We are not talking about affecting universality. The budget makes that very clear.

We are talking about an open consultation with all kinds of Canadians so that we can have a full discussion about the future security of Canadians, how we use the pension funds to invest in Canada, how we make sure there is a proper CPP, and that we have a proper system of payment.

This generation of Canadians has to look at how we begin to ensure the future of Canadians is as good as the one that we provide for seniors today.

* * *

NATIONAL DEFENCE

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Minister of National Defence. It is also on the social implications of the budget.

The minister has announced plans to reduce the size of Canadian forces in his department by 16,000 people. Many of us in the House regard this downsizing as a test of the capability of the government to help workers shift from employment in one sector to productive employment elsewhere.

Specifically what steps are the minister's department and the department of human resources development taking to help these 16,000 Canadians find and fill productive jobs elsewhere?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, perhaps my colleague, the Minister of Industry, can talk about the defence conversion program; he has responsibility for that.

We are trying something very new and bold in dealing with our public servants and the military, in trying to give them a combination of moneys—we call it an enhanced buyout provision—so they can take early retirement. In some cases money is applied for retraining and other allowances that will help them make the necessary conversion the hon. member is so concerned about.

With respect to the conversion on a mass scale, that is something we are committed to as a government under the defence conversion program. I will be working along with my colleague, the Minister of Industry, to ensure this is done as we gradually downsize the armed forces.

• (1425)

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I would remind the minister we are not talking here about 16,000 tanks or trucks but about 16,000 people with families.

My question is for the minister. Would he be prepared to submit to the House a registry containing the names of these 16,000 people so that Parliament can monitor how many are forced on to UI or welfare or on to dead end jobs and how many in fact make their way to jobs in the new economy the Minister of Industry is talking about?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the leader of the Reform Party has certainly an odd version of democracy where we make the private lives of individual Canadians known on the floor of the House of Commons. We do not do this with the tax system. We do not do this with health benefits, and we are not going to do it with the people concerning defence. I cannot believe the Reform Party is preaching this Orwellian view, something that we totally reject.

We respect the privacy of individuals. We are very concerned with those people who are losing their jobs. I think the statements I made following the budget underlie that.

If the hon. member looks at the severance packages that have been announced, that are now being negotiated base by base and throughout the department, I think he will see we are treating people in a most generous fashion.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, will the minister then acknowledge that what happens to these 16,000 people being laid off by his department is a fair test of the government's ability to help the unemployed in general?

In other words, if the government cannot guide 16,000 people laid off by the minister's department into a new economy, who in heaven's name would believe that it could help 1.6 million unemployed people to that destination?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, obviously the hon. member has not read the budget documents or listened to the speeches I have been giving.

There will be generous severance packages. We probably will have to legislate one part of it over and above the workforce adjustment provisions of the collective agreements that are now in place.

From the discussions we have had with the unions, obviously they are not happy with the numbers of people who are going to be phased out over four years. They recognize that the end is not going to come tomorrow and that this is going to be a regulated process through which everybody is going to be dealt with fairly.

I find it rather ironic the hon. member woke up two weeks after the budget to talk about the plight of these 16,500 people who will be phased out, yet for the last couple of years he has been talking about much more Draconian cuts in the public service.

* * *

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Michel Gauthier (Roberval): Mr. Speaker, I can understand the frustration experienced by the hon. member who never has any questions to ask. He would like to ask his government a few questions.

Yesterday, on the subject of the eventual closing of the military college in Saint–Jean, the Minister of National Defense said:

> It is one that I opposed, the Prime Minister opposed and many people opposed. We would have liked to have done it another way rather than close this college. However, from the point of view of financial sense, it seemed to us that the best business case was to concentrate the college in Kingston.

Can the Minister of Defence assure us today that the decision to close the military college in Saint–Jean was made "only" to save money and not for political reasons?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the answer is certainly yes.

[*English*]

I should explain that in looking at our proposed reductions if we had been able to cut other facilities that were surplus we would have done it. It made sense to rationalize the colleges, all the arguments that have been given here by myself and my colleagues. Naturally no one likes to phase out the jobs of 16,500 people; no one likes to have such a difficult effect on various communities. It was a tough decision that we had to wrestle with. However, in the final analysis, I put forward the list and that was in the budget. It is something that we will defend. The closing of the two colleges is regrettable, Royal Roads and CMR, but it is a decision that is final.

• (1430)

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, the minister also said: "—when I appear before the standing committee dealing with the estimates. I will have all the information available at that time".

People do not understand the minister's decision. In Saint–Jean, they are preparing for a big demonstration to protest the minister's decision. Why is the minister stubbornly refusing to disclose the figures at this time? Could he be fiddling with them to justify his decision?

The Speaker: I know that when we ask questions, we sometimes get carried away. I am sure that the hon. member could replace "fiddle" with another word.

Mr. Gauthier (Roberval): I will put my question more politely. Is the minister manipulating, arranging, or organizing—

Some hon. members: Oh, oh!

The Speaker: You mean "explain." The hon. minister.

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I will be guided by your judgment, but the hon. member has imputed some very bad things that I am alleged to have done. In normal cases I would demand an apology, but I understand the hon. member is new to the House and perhaps we can overlook this.

All the figures will be available next Tuesday. In fact we have given figures on all of the base closings to all members that are concerned. It does not matter what party. We have been completely open. As he knows, I have organized briefings with my department, with the Reform Party and with the Bloc Quebecois. We have been totally open. We have nothing to hide.

A much more detailed discussion really is something that should be done at the committee. He can have all day. I will spend all day and all night just to satisfy the hon. member.

* * *

EMPLOYMENT

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Human Resources Development.

According to the minister's own numbers, government will have to spend $92,000 to create one job through its infrastructure program. On the other hand, cutting UI premiums will create private sector jobs at a cost of $50,000 per job.

My question to the minister is this: If cutting taxes creates almost twice as many jobs as spending tax dollars then why is

this government still planning to launch such an inefficient infrastructure program when it can simply cut taxes?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, the infrastructure program was launched at the request of the municipalities across this country because they recognized that to create jobs in this country and to get people back to work we needed to keep up the infrastructure in our communities so that we could attract investment to increase our competitiveness in this increasing global economy.

The purpose behind the program was partly that and partly to get Canadians back to work. That program is being fulfilled and it is being fulfilled in partnership with municipal and provincial governments all in agreement right across this country.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I have a supplementary question.

Yesterday the Deputy Minister of Finance admitted that Canada's corporate and individual tax rates are the second highest in the industrialized world. Surely the minister understands that there is a direct link between high taxes and high levels of unemployment.

Does the minister have a long term plan to create jobs by seeing Canada's taxation levels reduced?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, the Deputy Minister of Finance spoke well at the meeting yesterday. In fact, there is no doubt about the tremendous burden of taxation which Canadians are forced to bear at the federal, provincial and municipal levels. It is certainly a major inhibition to job creation.

• (1435)

It is exactly for that reason that in the last budget for every $1 in revenue that is raised this government imposed $5 in expenditure cuts.

It is also for that reason that the Minister of Human Resources Development was able to announce through the budget that we were reducing unemployment insurance premiums which are in fact a tax on jobs. We have begun to attack this cancer on job creation in this country.

* * *

[*Translation*]

PUBLISHING INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Minister of Canadian Heritage.

Yesterday, the Minister of Industry told us that the government had given its interest in Ginn Publishing to a foreign company as part of a verbal commitment. We still do not know who concluded this verbal agreement.

Does the heritage minister know the identity of the person who gave this agreement? If he cannot reveal the name of this person to us in this House, can he at least assure us that he really knows that person's identity?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, it is not customary in this House to make accusations against people whom one names. I would not want to either make an accusation or name names, but there are dates. The date is 1992. And I believe that I said that the ministerial responsibility must be borne by those who held the portfolios in question in 1992.

Of course, this is a complicated and sensitive issue. I have already expressed my opinion on this subject. I think that some decisions were made. We had to follow up on those decisions. That is what we did, to the benefit of the publishing industry in Canada.

Mr. Bouchard: He is all mixed up, read my career.

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, a minister is confused—

The Speaker: Order. The hon. member for Rimouski—Témiscouata has the floor.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, how can the minister go on supporting the transaction involving Ginn Publishing when he and his colleague in Industry said yesterday, on leaving the House, that they had never seen the legal opinion of the Department of Justice on which they base their support for this controversial transaction?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I believe that is not quite what I said. I said that I did not see the contract, since it was an oral one and naturally could not be seen. I said that these oral exchanges leave traces.

I can reassure our colleague. Yes, I saw the opinion that was issued. So I answered her question and I can assure her: I saw the opinion that was issued.

* * *

[*English*]

ABORIGINAL SELF–GOVERNMENT

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the minister of aboriginal and northern affairs.

Yesterday in the House the minister announced that Manitoba would be a test case for aboriginal self–government. Since this will involve tens of thousands of aboriginal people and will ultimately affect all Canadians, will the minister tell the House exactly how he defines self–government for Manitoba's aboriginals?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, that is a difficult question.

Some hon. members: Oh, oh.

Mr. Irwin: Really. Seriously. I do not analogize numerical superiority with intellectual superiority. I would like to work with my hon. friend because if the Reform Party truly wants self–sufficiency and self–government and self– determination, these are issues that we have to define collectively.

• (1440)

It is not like doing a budget. It is not like altering a figure. It is really altering opinions or mindsets. We want to work together. Consequently, we have entered into what will be extensive discussions with the Manitoba chiefs. They will be difficult, they will be hard. We are not kidding ourselves. But they will be done.

Our commitment to self–government, self–determination and self– sufficiency is in the red book. Because it is difficult does not mean that this government will shy away from it. I hope that my hon. friend will work with us.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, we recognize that defining self–government may be difficult but when the Government of Canada makes a commitment, an agreement to enter into self–government, I think somebody had better know what agreement they are entering into. That is what we are getting at.

Will the minister tell the House who he is negotiating with and how he is going to let the aboriginal people ratify any final self–government agreement?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): My hon. friend I think should know that there is a system in place through the First Nations, through the assemblies, through the various tribal councils, to do just that.

As we said initially, there will be six months of discussions with these people. As we said, we will do it within a timeframe that is acceptable to the First Nations. It will be done. There will be ratification. It will be done very democratically. I am sure at the end we will collectively have something that my friend will be very proud of as a Canadian.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, my question is for the Minister of Finance.

Some economists and tax experts are recommending that the GST be applied to food items. In November 1989, the Liberal opposition said, in a report tabled in this House: "The Liberal members of the Finance committee cannot accept that basic food items be taxed".

Does the minister intend to act upon the recommendation to apply the goods and services tax to the food sector?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, I am asked to answer a question which is already being reviewed by a parliamentary committee. As you know, the mandate of that committee is really to listen to Canadians and get their opinion.

It is certainly not the role of the government to tell Canadians that they have no right to express their views. This is one of the fundamental freedoms in our country. I think the committee is doing an excellent job and we support it.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, Canadians want to know the minister's opinion.

Will the Liberal government immediately rule out taxing food items, as the same Liberals did when they were in opposition?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, we are talking about a committee which includes several colleagues of the hon. member. This committee has a very important role to play before the end of June, when it will table its report. It is not the government's intention to stifle debate. We want this committee to sit and listen to Canadians, and I am surprised to see the hon. member afraid of letting Canadians express themselves.

* * *

[*English*]

PEACEKEEPING

Mr. Bill Graham (Rosedale): Mr. Speaker, my question is for the Prime Minister and it relates to the position of our Canadian troops in the former Yugoslavia.

It is my understanding that the government's present commitment to retain troops in that area expires on March 31. Will the Prime Minister advise this House whether it is the government's intention to maintain troops in the former Yugoslavia or in the Balkans area after the expiry of our present mandate.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there will be a statement by the Minister of Foreign Affairs later today on this issue.

I would like to inform the House that all the troops have been successfully taken out of Srebrenica. Tonight they will complete their mission very successfully. On behalf of all Canadians I would like to congratulate them. They were in an extremely difficult situation. They have protected the lives of 30,000

Muslims for a long period of time under extremely difficult circumstances.

• (1445)

I am very happy to report to the House that they are out of there.

[*Translation*]

I also want to say that a press release received just a few moments ago informed us that the Pope had met 50 soldiers from the Royal 22nd Regiment. His Holiness praised them for their efforts to maintain peace in the former Yugoslavia. I think we should also congratulate those soldiers who have gone through very difficult times and who have done an excellent job.

Some hon. members: Hear, hear.

* * *

[*English*]

GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Justice.

On Friday, March 4 I attended a rally with over 1,200 gun owners in Preeceville, Saskatchewan. They are extremely upset with the government's new gun control regulations.

There are two types of gun owners in Canada: law–abiding citizens and criminals. According to the Canadian Centre for Justice Statistics less than one–tenth of one per cent of registered handgun owners commit crimes with guns.

Could the minister explain how putting more controls on responsible gun owners better protects law abiding citizens?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the legislation in place today to ensure the safe use, storage and maintenance of firearms is intended to reflect that firearms are themselves inherently dangerous.

Whether it is the intention of the owner to use it lawfully for proper purposes or otherwise, the fact of the matter is that this government has decided and I believe it is quite correct, that anyone who wishes to acquire or use a firearm should be subject to the reasonable controls in the law today.

In terms of the use of firearms for criminal or improper purposes, we are taking a variety of steps to ensure that does not occur. We are tightening up border controls with respect to illegal smuggling of weapons from the United States.

The hon. member knows our platform has specific proposals for strengthening measures to ensure that criminals do not have weapons in their hands. We will be introducing measures to ensure that occurs so the people of Canada can feel safe from the improper use of firearms.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, Saskatchewan gun owners are not against safety and training in the use of firearms. They asked me to ask the minister how does putting more restrictions on law abiding and responsible gun owners in any way deter criminals from illegally acquiring these guns?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have met with chiefs of police in Moncton, Fredericton, Edmonton and last week in my own riding in Etobicoke near Toronto.

Those chiefs of police made the point very forcefully to me that weapons used in criminal offences are often stolen from lawful gun owners who keep them improperly or in insecure circumstances or do not look after them with a reasonable degree of prudence.

The laws, regulations and administrative controls to which the hon. member has referred are intended to bring home to every person in this country who owns a firearm that a reasonable standard of safety and security is required. In that way we can limit the prospect of someone stealing that weapon and using it for criminal purposes.

* * *

• (1450)

[*Translation*]

TRADE

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, at the conclusion of a recent visit to Washington, the Minister of Foreign Affairs said that Canada had made a number of major diplomatic concessions to the United States, particularly on the issue of air strikes in Bosnia, the *Freedom* space station and the North American Free Trade Agreement. The minister expressed the hope that this would have some impact on certain trade issues between our two countries.

Following the incredible, in–your–face ruling of the United States International Trade Commission reversing the decision on softwood lumber reached by a panel of experts, and given that we are facing an unprecedented US offensive with respect to such products as uranium, beer, wheat and steel, does the Minister of International Trade really believe that his colleague, the Minister of Foreign Affairs, has adopted the right strategy?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, there are ongoing discussions with the United States on a number of trade issues.

The United States has indicated it intends to pursue the issue of softwood lumber when there is no basis for any further movement by the United States, except to find that the panel's conclusions are correct.

We also have seen progress in recent days on the wheat issue that has separated our two countries. We look forward through the continuing discussions on agricultural issues to a final resolution in that area as well.

[*Translation*]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, my supplemental is for the Prime Minister. Given the considerable economic interests at stake, does he not believe that the time has come for him to take up the matter directly with his US counterpart in order to put an end to the harassment that Canadian industry is experiencing?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we make representations to US authorities on a regular basis. In the course of the conversations that I have had with the President of the United States in recent weeks, I have indicated to him that too much pressure is being applied in certain areas and that we are not completely satisfied with matters. I hope that this will produce some positive results.

Of course, considering that nearly 80 per cent of our trade is with the United States, it is normal to encounter the occasional irritant. However, we ensure that we make the best representations possible. I have to thank the Leader of the Opposition because when he was in Washington, he raised a number of issues of concern to all Canadians and he asked the Americans to treat us fairly.

* * *

[*English*]

MEMBERS OF PARLIAMENT

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, my question is for the Prime Minister.

The report on parliamentary compensation tabled today proposes that salaries for members of Parliament be increased from $64,000 to $88,000. The President of the Treasury Board says that this is an important first step in assisting the government in finding out what is acceptable to the taxpayers.

Would the Prime Minister concede to this House that a 40 per cent raise is not acceptable whether it is in two, four or six years?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, this report was asked for by the previous government. The salaries of MPs are frozen, the same as for everybody else in the public service.

However, we received this report. It has been referred to a commission that is always there. After every election it reviews problems of compensation for members of Parliament.

At this moment we said very clearly in the budget that salaries for members of Parliament are frozen.

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, in this report and as was stated there will be consultations with some Canadians.

Would the Prime Minister consider consulting with the hundreds of thousands of Canadians who have been laid off in the last three years without generous severance payments or gold plated instant pensions?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have discussed this many times.

• (1455)

Members' salaries are frozen at this time. A commission has been established by the Parliament of Canada to look at this problem neutrally. It will do its work and report to the House of Commons.

I can understand that this member feels that he is paid too much and I agree with him.

* * *

TAXATION

Mr. John Finlay (Oxford): Mr. Speaker, my question is for the Minister of Finance.

Before I ask my question, Mr. Speaker, I would like to acknowledge that most of my constituents, most of the people of Canada, and most hon. members in this House would congratulate the Minister of Finance on a masterful and balanced budget.

Canadian press in the *London Free Press* of February 7, 1994 reported that 20 Canadian millionaires paid less than $100 each in income tax in 1991. The report goes on to state that 190 Canadians who earn more than $.25 million filed non–taxable returns for 1991.

Will the hon. minister assure this House that such tax loopholes will be closed in this taxation year?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, the hon. member has made both a comment and a question. I want to congratulate him on his comment which has certainly elevated the debate in this House.

The answer to his question is very clear. He indicates the degree of interest we have in building fairness into the system.

As he knows there are some people who did not pay taxes because they had business losses or interest on loans. The single biggest reason would appear to be the $100,000 capital gains tax exemption which we eliminated in the budget.

[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, my question is for the Minister of Citizenship and Immigration. On January 26, I asked a question to the Minister regarding the deportation of a group of about fifty Salvadorian refugees from Montreal. The Minister has not dealt with the problem yet.

Today, this group of Salvadorians travelled to Ottawa, and several are here in the gallery, to demand just and equitable treatment from the Minister, given that the political situation in El Salvador has significantly deteriorated recently.

The Speaker: Order, please. This is getting a bit long, would the hon. member put his question.

Mr. Nunez: Mr. Speaker, what is the Minister waiting for to exercise the powers he has under the Immigration Act and grant permanent resident status, for hamanitarian reasons, to this group of individuals?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I find the statement by my friend a bit difficult to swallow. He asked me to meet with this group of 50 Salvadorian refugees. My officials have already met three times with the group in Montreal. I should also say that the hon. member who requested that this meeting not be held here in the first place.

[*English*]

As a result of the three meetings of those refugee claimants and my officials and because of the concern after the automatic review of cases from El Salvador an automatic review on top of that will be given to all failed refugee claimants. In that way we can make doubly sure through due process that has rendered an adjudication that it is in fact safe for those individuals to return to El Salvador.

* * *

• (1500)

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of the Hon. John Todd, Minister of Economic Development and Tourism, in the Government of the Northwest Territories.

Some hon. members: Hear, hear.

The Speaker: I also wish to draw to the attention of hon. members the presence in the gallery of His Excellency Monseigneur Vinko Puljic, Archbishop of Sarajevo.

Some hon. members: Hear, hear.

PRIVILEGE

PRIVATE MEMBERS' BUSINESS

Mr. John Nunziata (York South—Weston): Mr. Speaker, I rise on a question of privilege regarding the 10th report of the standing committee on House management which deals with Private Members' Business. I would submit the process that has been followed infringes upon my right as a member of Parliament to advance Private Members' Business.

The House has been in session for almost two months and we have yet to begin debating or discussing Private Members' Business. Standing Order 94(1)(a) reads:

> The Speaker shall make all arrangements necessary to ensure the orderly conduct of Private Members' Business

It is your responsibility, Mr. Speaker. I would submit it is your responsibility as well to ensure that the process is fair to all members.

The process that has been followed thus far is unfair. It infringes upon the rights of certain members of Parliament, particularly my rights as far as the private member's bill I introduced on February 17 dealing with the Young Offenders Act.

In effect, as a result of the 10th report of the committee, the private member's bill I introduced—and I undertook to my constituents during the election campaign to advance it in this Parliament—has effectively been blocked by a small committee of individuals meeting in camera to decide for whatever reason what bills and motions to pick as votable items in the House.

I would ask Your Honour to consider the following. The committee was required to select five bills and five motions to be debated, discussed and voted upon in the House. The committee was required to consider certain factors in its deliberations.

After these behind the scenes, in camera proceedings, which I as a member of Parliament was not entitled to attend, a decision was made on which bills were in the national interest and which bills would be given three hours of House time, plus committee time, plus the opportunity to be voted upon by members of Parliament. What are those bills?

The committee in its wisdom decided that designating hockey as the national sport of Canada was a more important piece of legislation than amendments to the Young Offenders Act. The committee also decided that it was more important to devote House time to a bill that would deal with the witness protection plan as if it affects a lot of Canadians.

The Speaker: I am sure the hon. member will come to the point of precisely which privilege has been somehow impeded so that he cannot practise in the House. I would invite the hon. member to please come to his point.

Mr. Wappel: On a point of order, Mr. Speaker.

• (1505)

The Speaker: I will deal with the question of privilege first and then I will come back to the member.

Mr. Nunziata: Given the commitment of the government and opposition members to reforming the House of Commons, surely we have the right as private members to present a piece of legislation and to expect that the piece of legislation will be considered by the House in a meaningful way, if our commitment to parliamentary reform is genuine.

The Speaker: Order. I think the hon. member will know the report has been adopted by the House. I suggest he may wish to take this particular grievance to the committee. I would recommend, at this point at least, that he give some consideration to doing that rather than raising it as a question of privilege in the House.

If the hon. member wishes me to rule on the question of privilege, I will take what he has said today under advisement and I will consider it.

Mr. Nunziata: May I finish my submission, Mr. Speaker?

The Speaker: I thought you had finished your submissions.

Mr. Nunziata: No, I have not.

The Speaker: Could you please make it very brief.

Mr. Nunziata: I did not realize, Mr. Speaker, that when presenting questions of privilege we were required to make them brief. One would expect we would be given the opportunity to explain fully our questions of privilege.

I will conclude. I would ask you, as the Speaker of the House and the person responsible, to ensure fairness and to ensure that private members have the opportunity to be meaningful in the House. I ask you to review the process.

To ask a group of individuals who have already made these patently unfair decisions to rule again on the same question is inappropriate.

I would ask you, Sir, as Speaker of the House, to rule on the matter.

The Speaker: I thank the hon. member. I will at this moment reserve judgment. I will come back to the House very soon.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, really the only—

The Speaker: Is this the same question of privilege?

Mr. Wappel: It is and it affects me personally. It arises out of the comments the hon. member made and it relates to them specifically.

The Speaker: I will hear the question of privilege arising out of the same question of privilege.

Mr. Wappel: Mr. Speaker, I listened to the hon. member very carefully. He made mention of the witness protection bill which happens to be my bill. I did not even know it had been chosen to be votable.

However, I want to tell the hon. member and other members in the House that I too committed to my constituents during the election that if I were re–elected I would attempt to bring forward a national witness protection plan. I told tens of thousands of people who signed petitions across the country, which I presented to the House, that I would do so. I take great personal umbrage in the member's comments disparaging the bill.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, with great respect to the difficulties that have been raised, I think Your Honour will appreciate that the argument advanced by the hon. member for York South—Weston is not a valid question of privilege in the House.

Frankly he is complaining about the decision of the committee. We have heard the opposite side in effect from the hon. member for Scarborough West. I recognize the committee has a difficult decision to make with respect to votable items, particularly on the first selection when it has to choose 10 items out of the 30 on the order of precedence.

The hon. member for York South—Weston first complained about the length of time it has taken to get to this point. If he reads all of the rules relating to Private Members' Business, he will know that Private Members' Business cannot begin until there are items on the Order Paper from at least 30 members of the House. There was a lengthy delay in the early part of this Parliament in getting the requisite number of members to table motions or private members bills in order to reach the point of a draw.

• (1510)

That point was finally reached. A draw was held and the committee which I chair met promptly through its subcommittee. The subcommittee has met three days this week. It submitted its report this morning to the committee. That report was adopted by the committee, tabled in the House earlier this morning, and was concurred in on tabling.

The hon. member for York South—Weston was here in the last Parliament. He has known of this procedure for years. That has been the practice in the House for many years, certainly since before 1988 when I was first elected. I cannot say when the procedure was first adopted. It was modified a bit in the last Parliament to increase the number of opportunities for members to present private members bills and have them voted on in the House.

The fact that his bill was not selected is regrettable. All the bills the committee considered were important, and it came to the conclusion that certain ones would be considered in priority to others, that is they would be given a vote.

His bill will be debated in the House. It will receive an hour of debate. It may be that at the end of the time the House will be willing to allow him to go to a vote on it. I do not know; that is not a decision that I can make.

I can tell the hon. member that first of all it is not a matter for Your Honour to decide. In support of that proposition I cite page 222 of Beauchesne's sixth edition, citation 760(3):

> The Speaker has ruled on many occasions that it is not competent for the Speaker to exercise procedural control over the committees. Committees are and must remain masters of their own procedure.

That is the citation and I invite Your Honour to direct the hon. member for York South—Weston to direct his criticisms, if any, to the committee. He can go there and make his submission again. He and every other member had an opportunity to appear and make their submissions before the subcommittee, which then rendered a decision.

I submit the decision was fair. He had an equal opportunity with every other member of the House who had been in on the draw to make his submission. The committee did not happen to agree with him and so he is here today complaining.

I also submit it is not a question of privilege. The committee has acted entirely properly. Its report has been tabled in the House and adopted. I suggest there is not a question of privilege here. In fact the committee has acted extremely carefully in this matter and with due consideration to all factors it is required to take into account.

The Speaker: Submissions have been made to the Chair with regard to privilege. I suggested the hon. member for York South—Weston might want to appear before the committee. The fact is that the report has been adopted by the House of Commons and it cannot be reversed by the Chair. That does not negate the chance of the hon. member appearing before that committee at some future date to plead his case.

At this point it is clear to me that I would rule there is no question of privilege, that the report has been accepted and that it cannot and will not be reversed by the Chair. I would like to put this question of privilege to one side.

An hon. member: Oh, oh.

The Speaker: Order, please. A decision has been taken by the Chair. I have made my ruling now and the ruling will stand. This question of privilege is over.

Are there any other questions of privilege or points of order hon. members would like to raise? On a point of order, the hon. member for Beaver River.

Miss Grey: Mr. Speaker, let us perhaps sum this up by saying that there is a process in place. The parliamentary secretary just went through it.

The Speaker: Order, please. I am sure the hon. member will understand that this question of privilege is over. Unless the hon. member has another point of order or question of privilege I would like to proceed with the affairs of the day.

If there are no other points of order or questions of privilege I will proceed from here to House business.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, I would like the Government House Leader to tell us what the business of the House will be for the next few days.

• (1515)

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, today the House will conclude the budget debate.

Tomorrow, Friday, the House will consider Bill C–5 regarding the customs tariff and Bill C–6 concerning oil and gas operations.

Next week, Monday, Wednesday and Thursday shall be allotted days. On Tuesday of next week the House will consider a motion by the Minister of Foreign Affairs to establish a special joint committee of this House and the other place to review Canada's foreign policy.

The business for Friday, March 18, next week will be legislation to be announced later.

Having given that statement of House business, I would like to say that there has been consultation and I believe if you seek the view of the House you will find agreement that the Minister of Foreign Affairs be allowed to revert to the period of Statements by Ministers to make a statement and opposition critics can reply. Therefore, considering the consultation that has taken place, I would like to seek unanimous consent for my colleague the Minister of Foreign Affairs to make his statement.

The Deputy Speaker: Is there unanimous consent for the Minister of Foreign Affairs to make a statement at this time?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

PRESENCE OF CANADIAN TROOPS IN FORMER YUGOSLAVIA

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, first I would like to thank the hon. members of this House for allowing me to make this statement at this time.

I would like to inform the House of a decision the government made in this morning's Cabinet meeting regarding the presence of Canadian troops in the former Yugoslavia.

You will recall, Mr. Speaker, that last January, the government consulted the House on the future of our troops in that part of the world. During the debate, a majority of hon. members stated that they were in favour of maintaining a Canadian presence within the United Nations Protection Force in the former Yugoslavia. The House decided that Canada was making an important contribution to the objectives of preventing the war from escalating and getting out of hand, trying to negotiate an end to the conflict and participating in the humanitarian effort. The House also reaffirmed Canada's commitment to its traditional role of peacekeeper, the promotion of stability and security in Europe, and the quest for a negotiated solution to the situation in the Balkans.

I am pleased to announce today that in light of that debate and the developments that have taken place in recent weeks, the government has decided that the Canadian troops, whose mandate was set to end on March 31, will remain in the area for another six months.

Some hon. members: Hear, hear.

Mr. Ouellet: The number of troops will not change. In connection with this decision, the government will consider the possibility of redeploying some Canadian troops to the Balkans theatre, if that is what the United Nations Protection Force Command wishes, to provide maximum support for the current effort to achieve peace.

In making its decision, the government took into account the encouraging progress that has been made in the area. Specifically, ceasefires have been negotiated and observed in Sarajevo. The Archbishop of Sarajevo was here in this House a moment ago, and this seems an opportune time to make this statement when all parties involved are trying to find a peaceful solution to the conflict in Sarajevo. We should also say that ceasefires have been negotiated throughout Central Bosnia, the parties in the conflict have begun serious negotiations, the airport in Tuzla has been turned over to the United Nations, and our unit in Srebrenica has managed to leave the enclave and rejoin its battalion in Visoko.

• (1520)

I can say today that Canadian soldiers carried out in Srebrenica an outstanding mission that brings credit to the Canadian armed forces.

We are now in a situation where major steps have been taken toward a peaceful solution, in particular the agreement between Croats and Muslims in Bosnia to form a Confederation. It is important to underline the vital diplomatic intervention of the Americans, who invited Croatian and Muslim representatives to Washington and helped them take this very big step toward peace.

Ceasefires have helped create an atmosphere of negotiation, facilitated the delivery of humanitarian aid and reduced the danger for the troops stationed in the area.

Canada has been a full participant in the diplomatic talks surrounding these developments in NATO, the United Nations and other forums. On the international scene, Canada has a duty to speak up whenever it does not agree with something but it also has an obligation to protect the unity of the allies. That is what the Prime Minister of Canada did at the NATO summit in Brussels when he vigorously opposed a military escalation in favour of diplomacy. Canada delayed the use of air strikes that could have been launched last January.

Today, without the use of air strikes, the airport in Tuzla has been liberated, our soldiers have left Srebrenica, and the peace process is resolutely moving forward. In its own way, Canada has served the cause of peace.

Under these circumstances, the presence of Canadian troops is more important than ever. We have an obligation to continue supporting the efforts being made by the international community under the direction of the United Nations in order to consolidate what has been accomplished in the past few weeks and clear the way for more progress in implementing the ceasefires and agreements. Canadian troops will be used more and more to carry out their traditional role as peacekeepers and will continue the task of helping ensure that humanitarian aid reaches the area.

[*English*]

I should also point out that Canada will continue to be an active player in the international effort to help in many ways. We will continue to provide financial support for various international humanitarian aid agencies and make military flights available to the United Nations to deliver that aid. We will continue to facilitate implementation of the United Nations sanctions, particularly through our naval units that are there.

Canada is also prepared to continue its effort in other non–military sectors, such as the presence of a large contingent of Royal Canadian Mounted Police and civilian experts. We will

also continue our efforts to find an overall diplomatic solution to the current conflict.

In closing, I would like to draw special attention to the outstanding job the Canadian military is doing in the former Yugoslavia. Despite conditions that at times have been very difficult, its contribution to peace is something that Canadians can be proud of and something that we in this House of Commons should commend.

• (1525)

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, last January 25, the Official Opposition actively participated in the debate held in this House on the future of peacekeeping operations and of Canada's commitment in Bosnia.

The Bloc Quebecois was totally sincere in deciding to reverse its position on this thorny and pressing issue. For a while, public opinion was shaken by the apparent futility of our efforts, the danger to which our soldiers were exposed, the costs of the operation, and the complexity of the political and military situation in Bosnia. However, the encouraging results achieved in recent days in Bosnia are restoring Quebecers' and Canadians' confidence in our commitment in that country.

In the opinion of the Bloc Quebecois, Canadian missions and CIDA are great sources of pride in Quebec and in Canada. Both have helped to establish Canada's credibility in the world.

It would have been easy to give up, to pick up all our equipment and leave, but it is not how Canada earned a solid reputation as a peacekeeping nation ready to make the extra effort to preserve it, as the Leader of the Opposition said earlier.

The truth is that the Prime Minister was at least careless when he mentioned, on leaving Brussels at the beginning of January, the possibility of a unilateral withdrawal of Canadian troops from the peacekeeping mission in Bosnia. Today, the government is at last reassuring its allies, with whom it must act in concert. It could not break the solidarity pact that Canada was courageous enough to draft with its NATO partners.

The government then decided, after alarming all its partners involved in the United Nations Protection Force in the former Yugoslavia, to extend the presence of Canadian troops, whose mandate was set to end on March 31, for another six months.

However, Canada refuses to respond favourably to the urgent appeal made by the Secretary–General of the United Nations, Boutros Boutros–Ghali, who is asking for more peacekeepers in Bosnia. Since strengthening the peace process requires a larger number of peacekeeping contingents, the Bloc Quebecois asked the government on many occasions to reconsider its decision not to send more Canadian troops to Bosnia.

Incidentally, on this issue, today's newspapers widely report the opinion of Canadian General Lewis McKenzie, who commanded UN forces in the Sarajevo area at the beginning of the war.

In his opinion, if the UN does not succeed in convincing member states to provide extra troops within a month, the opportunity for peace will be lost.

The government must reverse its decision and respond favourably to the urgent appeal it received, so that peace achievements to this day can be built on and moved in the direction of total peace.

Finally, I would like to point out once again the courage and dignity with which our soldiers carry out their difficult task overseas. They deserve our admiration and full support. We also think of their loved ones who are also going through a very difficult time.

[*English*]

Mr. Bob Mills (Red Deer): Mr. Speaker, I extend our appreciation to the minister and to this government for allowing this House to discuss the Bosnian issue in January. We have received many comments from our constituents about the excellent state of those statements. I want to extend our thank you.

This not only allowed the MPs to have input, it also gave the people of Canada the opportunity to have input. It got people listening, reading and discussing the issue. This form of consultation is not only appreciated but helps return some credibility to this parliamentary process which has been tarnished by previous governments' lack of consultation.

The situation in the former Yugoslavia is not one which has an easy solution. As we expressed during the debate, none of the warring factions are totally right or totally wrong and an easy settlement is not possible.

• (1530)

Like the minister we appreciate the level of service our troops have shown and continue to show. Certainly their actions are what build the national pride in this country and make us the proud Canadians we are. The level of humanitarian aid which has been provided is unquestionable and the fact that our presence has made a difference is obvious.

Because a tenuous ceasefire has been in force for some two weeks now it appears that the will of the people to settle their differences may exist and we should help to make it happen.

Because some light appears at the end of the tunnel, we agree with this announcement today. I wish, however, this announcement would have included a cost estimate for this decision. We simply cannot keep making statements in the House and not include what it costs.

As I understand it, we will incur an additional cost for such things as delivering more humanitarian efforts, more military flights, enforcement of the UN sanctions, the RCMP, civilian experts, and so on. The depth of our financial crisis must be recognized and must be foremost in every decision we make.

The Deputy Speaker: I see the member for Kamloops rising. Is there unanimous consent to have the member for Kamloops give a position on behalf of his party?

Some hon. members: Agreed.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I thank my colleagues in the House of Commons for this generosity.

I feel today it is appropriate to join with others to thank the Minister of Foreign Affairs for his statement in the House today following up on the tradition that was first introduced in the debate in the House of Commons. As my friend in the Reform Party indicated, we appreciated the opportunity to share our views on behalf of our constituents and our political parties as to what the course of action ought to be in our judgment.

At that time our spokesman, the hon. member for Burnaby, indicated a Canadian presence ought to be maintained, the traditional role of Canada in its peacekeeping tradition ought to be maintained, and it was crucial that our presence be there.

I am pleased that the minister has taken time in the House today to announce the government's decision. We support that and encourage that.

In conclusion, I simply want to say that we want to acknowledge the extraordinary contribution Canadian troops have made to bring peace to this troubled part of the world. We also recognize, as my colleague in the Bloc earlier indicated, the support for the families. They also have borne a tremendous burden in this effort as their friends and loved ones were serving in the former Yugoslavia area.

There is a cost associated with this initiative. While we must be sensitive to that cost, if our contribution along with others representing the United Nations can be there and can bring peace to a part of the world where we have seen what can only be described as barbarism, it is a worthwhile cost.

I thank the minister for his statement in the House today. We support it and are very pleased that our troops will be there to assist in peacekeeping and making the peace for the next six months.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion.

The Deputy Speaker: Before the member for Crowfoot begins his maiden speech—

[*Translation*]

—I wish to inform the House that because of the ministerial statement, Government Orders will be extended 14 minutes, pursuant to Standing Order 33(2)(b). The hon. member for Crowfoot has the floor.

[*English*]

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, as I rise to give my maiden speech in this House I would like to extend my personal congratulations on your appointment as Deputy Speaker. I would like to express my feeling of respect and honour for the career that you have had in politics. It is truly an honour for me to be making my maiden speech in this House with you, a fellow Albertan, in the chair.

• (1535)

I would like to begin by taking this opportunity to thank the people of Crowfoot, my constituents, for giving me the privilege of representing them in Ottawa. The Crowfoot riding is comprised primarily of farmers, ranchers and people in the service industry who are hard working, honest and frank.

I have pledged to represent their views in the same open manner in which they conduct their lives. I live in Camrose, the largest urban centre of Crowfoot, with my wife, Glenna, and our four children Anne–Marie, Jackie, Spencer and Sterling. I would like to put it on record that I love them very much and I miss them very much. I appreciate the position of all hon. members who are separated from their families for long periods of time and the position of their families as well.

I am proud to represent this riding which is named after the great Blackfoot chief, Crowfoot. Although the Blackfoot band is no longer in my riding, its present chief, Striker Crowfoot, is a direct descendant of Chief Crowfoot. We met with him some time ago as a caucus committee and it was wonderful to sit in his presence and listen to his wisdom.

Given that my riding is larger than the province of Nova Scotia, it is a real task to travel to each part of my riding to consult with my constituents but I am committed to listening to the numerous opinions and concerns of the people of Crowfoot and to making their voices heard in the nation's capital.

During the election I encountered a great deal of anger, frustration and a feeling of betrayal from the voters that stem from a belief that the politicians and government had violated the faith and trust that people had placed in them, that members of Parliament had exceeded the parameters of fair play and common sense and that they had been irresponsible in the manner in which they had conducted the affairs of this country.

The people of Canada know that the stability of every organization, whether it is the family business, church or community organization, is governed by the fundamental law of economics which simply states that one cannot continually spend more than one brings in. If one does, one's organization will cease to exist.

For more than 20 years the people of Canada have seen their government violate this fundamental law of economics. By doing so, the government has left the impression it is beyond the law and immune to the consequences of non–adherence to the economic principles that govern the private sector.

The federal government has not balanced its budget in 20 years. It has simply refused to live within its means. This government's budget has shown that it is no different than the past Tory and Liberal governments that have brought us to the brink of financial despair.

It has ignored the enormous danger that overspending and over taxation poses to the economic well–being of our people and our nation, and by doing so has displayed contempt for the principles of economics that govern the private sector and that ultimately hold such dire consequences for every citizen of this country.

The greatest threat to the economic stability of the individual and the family is the unrestrained power of government to tax away our wealth. The federal government has increased taxes more than 35 times in the last 10 years, adding a tax burden of close to $1,900 to the average Canadian family.

The Fraser Institute claims that over 50 per cent of all we earn now goes to the three levels of government in the form of taxation. In spite of the enormous amount of wealth the federal government has taken from the people each year, we find ourselves in a debt hole of over half a trillion dollars and plunging another $40 billion into debt this year.

This represents a colossal mismanagement of Canada's fiscal and monetary affairs and a degree of irresponsibility unheard of in the private sector. While the politicians have been plunging us into debt the people of this country have watched as the same politicians gave themselves pensions so extravagant and outrageous that Mr. Clark, for example, will receive over $3 million in benefits by age 75 and Perrin Beatty will receive close to $5 million.

These politicians take home a pension cheque each month greater than the paycheque of the average Canadian worker. This is unfair and unacceptable.

• (1540)

The perception that politicians ignore proper practices and procedures has been reinforced in the past five years by the almost daily violation of the rule of law that governs the procedure of the House of Commons by members of Parliament.

On almost any day during the previous Parliament, Canadians could have tuned in and witnessed a violation of Standing Order 16 when hon. members interrupted procedures by shouting, hollering and hurling insults at each other. Canadians watched the complete disregard for the rule of law that governs the procedure of the very institution that creates the laws of this nation.

When hon. members show contempt for the rule of law in this House, why should we be surprised when those outside this House show a similar contempt for the law?

If we as members of Parliament cannot govern our own feelings and emotions, why should the people trust us to govern the affairs of this nation?

No wonder people have lost faith in their government and no wonder politicians are held in such contempt across the country. The faith and trust of Canadians have been violated and they feel betrayed.

What has been the result of this feeling of betrayal on the part of Canadians? The reaction has been two–fold. The political reaction of Canadians has been the complete destruction of the Tory government, the decimation of the NDP caucus and the election of 52 Reform MPs who campaigned on a platform of fiscal restraint, tax relief and parliamentary reform.

The economic reaction of Canadians to this betrayal of trust is much more ominous. An underground economy has developed in this country which some estimate at $100 billion per year. People are opting out of a tax system which they consider to be unfair and threatening to their personal and family survival. Canadians living near the U.S. border are shopping in the states to avoid the GST and other taxes. The number of normally law–abiding citizens willing to risk prosecution to purchase bootlegged cigarettes and other products to avoid high taxes is growing. These people are rejecting our tax system because they consider it unfair and a threat to their economic survival.

They see government over–spending and they see the waste of taxpayer's dollars on every side and they feel betrayed. They see a justice system run amok; a parole system that releases violent criminals onto the streets who continue to rape and murder; a Young Offender's Act that cannot hold 10–year olds accountable for their criminal conduct. They see legislation that is impotent and unable to protect society against criminal acts; legislation

such as the ill–conceived gun control bill which is wrongly aimed at law–abiding citizens and not at the criminal use of firearms.

Canadians have seen wave after wave of political patronage which has such a demeaning and destructive effect upon the integrity of politicians and government in the minds of Canadians. Now they hear the Prime Minister telling them it is disgusting and revolting to allow them the right to have a say in deciding important issues, moral issues like mercy killing.

The Prime Minister repeatedly reminds this House that Canadians knew what was best at election time. It was not disgusting and revolting for them to participate in the election of their representatives. However, as soon as he became Prime Minister he suddenly knew what is best.

From this I know best attitude, the hallmark of the Trudeau and the Mulroney administrations and now continued by the present Prime Minister, we have a nation beset with high taxes, enormous debt and a justice system that cannot protect the property and lives of Canadians.

In spite of all the budget consultations throughout the country, the I know best attitude is still evident. Canadians did not ask for or want another $100 billion added to the debt and yet that is exactly what the Liberal government is doing with this budget.

The government did not inform Canadians of this planned addition to the debt and it has omitted mentioning the dangers of adding $100 billion to the existing debt of half a trillion dollars.

Why does this budget not say a word about the consequences this will have upon our nation and our people? What will it do to our social programs, to our economic stability, to our international credit rating and to the one million children reported to be living in poverty? What will the addition of another $100 billion to the debt do to further enhance the sense of betrayal felt by a growing number of Canadians throughout this country?

• (1545)

This budget shows a lack of concern with the debt. This government is spending $3 billion more this year than last. It is taking more money from Canadians and out of the economy than it did last year. This budget shows no concern for the dangers to Canadians posed by the ever–rising debt.

Past governments, including Liberals, showed no concern about the dangers of debt. The Liberals left us with a $200 billion debt in 1984. The Tories could not handle that debt and simply added another $300 billion to it.

Now this government is promising to add $100 billion to the federal debt in the next three years with no mention of the devastating consequences this debt poses for our nation and our people.

This irresponsible action by the governments of the old line parties which is contained in this budget is absolutely unacceptable to me and to Canadians. These governments through the force of law have imposed a tyranny of debt and taxation upon the people of this nation. The mismanagement of our fiscal and monetary affairs by this and past governments is destroying the economy of this nation.

The life of this nation depends upon the economy and it depends upon the spirit of the people who constitute the nation. The feelings of anger, frustration and betrayal run deep in this country and are taking their toll upon the spirit of Canadians.

Nothing will change those feelings until Canadians are able to place their trust in the people whom they have chosen to govern them. This budget could have been a start. This budget could have helped heal the broken economy and sparked the spirit and hope of our people. It has not done this.

In closing, I would like to address the good that is in this budget and there is good in this budget. It has been spoken of by members on both sides of the House. From my particular viewpoint, I view the good in this budget like adding a needed piece of furniture to a house that is burning down.

[*Translation*]

Hon. Douglas Young (Minister of Transport): Mr. Speaker, I rise today to support the budget that was tabled on February 22 by my colleague, the Minister of Finance.

The federal budget has set out a responsible course of action to bring the deficit under control and put Canadians back to work. It builds on the need to tackle the deficit, reform social programs and devise plans to assist our unemployed.

This budget reflects the government's belief that, by working together with Canadians, we must make changes to improve the economy. The budget's provisions will have a significant impact on every Canadian, but I believe the Minister of Finance has struck an equitable balance between spending restraints and carefully–planned measures that will encourage economic growth.

The goal of the budget, said the Minister of Finance is, and I quote: "— a balanced approach to fundamental reform—to create jobs, to continue to care for those in need, and to get the deficit down". Indeed, the diverse nature of Canada's economy places ever–increasing importance on a fast, reliable and low–cost transportation system.

Transportation is the life–support system of the country's exports and a critical factor in the competitiveness of Canadian industry. A prime example of the importance of transportation efficiency is the share of export prices attributable to transport costs. Between 18 and 45 per cent of the selling price of our primary products—coal, forest products, grain and lumber—goes to transportation. Transportation represents an estimated five per cent of the cost of manufactured export goods and, in some cases, is as high as 17 per cent.

• (1550)

The transportation industry is a major employer, providing for more than 442,000 direct and 378,000 indirect jobs—many of them highly skilled.

[*English*]

There are many significant challenges facing the transportation sector in our country. Changes brought about by the General Agreement on Tariffs and Trade and the North American Free Trade Agreement demand an efficient transportation system. With the globalization of markets and new trading arrangements, Canada's focus is shifting to the growing north–south traffic and our increasing exports and passenger travel overseas.

Our east–west transportation demands must continue to be met and these needs should expand in the future with the successful completion of internal trade negotiations and improved market access for our primary commodities through the Uruguay round agreements.

However, our transportation industries, notably the airlines and railways, have suffered and continue to suffer major financial losses. Canada's two major airlines are in serious financial difficulty. Only time will tell whether they can survive.

Recent developments, such as the end of the Air Canada legal action and the entanglement with Canadian Airlines International over Gemini and other issues, illustrate our commitment as a government to work closely with the industry in every way and certainly to try to improve its commercial viability and its ability to compete in the global marketplace.

We are looking forward to analysing any proposals that may be brought forward by CN and CP to merge or otherwise rationalize their operations in Canada from coast to coast. Our evaluation of any rail rationalization proposal will attempt to strike the appropriate balance between the needs of users and the interests of workers. However, I want to stress that for me, for the government and for the department our primary concern will be the interests of the Canadian taxpayer.

Our decision will take into account the many dynamic changes in the North American rail industry and the economy in general, including the growing importance of north–south traffic, intermodal competition and integration, the possibility of increased competition from south of the border, which certainly exists, technological change and any potential economic efficiencies we may be able to achieve.

VIA Rail is another entity for which our department is responsible and which faces a very, very troubled future. There will have to be a remarkable combination of efficiency gains at VIA Rail and rationalization of its operations or the cost to the Canadian taxpayer to support VIA will escalate even far beyond where it is now.

We have to recognize that some of Canada's transportation systems are overbuilt and far too heavily subsidized. Ninety–five per cent of all Canada's air passengers and cargo are handled at only 25 of our many, many airports. Eighty–four per cent of rail traffic is carried on 33 per cent of the lines. Eighty per cent of port traffic passes just through 5 per cent of our ports.

We are spending a lot of money in this country for transportation. In the main estimates we have indicated that it is the government's intention to spend $619 million on the Canadian Coast Guard, $710 million on the air navigation system, $430 million on airports. We will pay $331 million for passenger rail services, $159 million for ferry services, nearly $650 million under the Western Grain Transportation Act and in excess of $100 million on the Atlantic Region Freight Assistance Act and the Maritime Freight Rates Act.

These are huge numbers, beyond the comprehension of most Canadians, but they are numbers that are going to have to be looked at very seriously.

[*Translation*]

We must separate the desirable from the essential—and the essential must be the focus of the transportation system of the future. There are tough decisions to be made. In this context, the budget calls on me, as Minister of Transport, to discuss with my provincial colleagues the development of a highly–effective, integrated, affordable, surface freight transportation system, and the redirection of subsidies to improve the efficiency of that system. For example, it has become clear that the national highway system in this country needs to be upgraded. The provincial and federal transport ministers have agreed on what has to be done. Now, the finance ministers must find a way to pay for it.

• (1555)

[*English*]

Scarce financial resources must be redirected to the development of an integrated, multimodal, affordable transportation system. We must bring together many of the components that are available to us in the transportation sector to make sure we have the best possible system. The challenge undoubtedly is going to be very difficult for industry to meet, especially for the railways and airlines when they are struggling to find more efficient ways

to conduct their business. The government too has to meet the challenges of very limited resources.

For our part at Transport Canada, we are implementing our own cost–cutting initiatives in keeping with the provisions contained in my colleague's new budget. We are pursuing approaches that involve a mix of modal integration, pragmatism, innovation and most of all hard–nosed realism. We are focusing on solutions that will be important for Canada's future rather than dwelling on the romanticism and nostalgia of the past, as important as Pierre Burton's view of Canada might be.

The budget provides for increases to the air transportation tax, an opportunity to demonstrate that we want to reduce the transportation cost burden on the taxpayer and shift costs to those who use the various systems.

[*Translation*]

Transport Canada provides many services. Users are contributing 42 per cent of the $2.1 billion cost of these services, but the taxpayer is picking up the remaining 58 per cent.

We are going to ensure that those who benefit most directly from a service or facility pay a fair share of the cost. A better balance between taxpayers and users was strongly supported by the Royal Commission on National Passenger Transportation and by the National Transportation Act Review Commission. Let me emphasize that Transport Canada's proposed fee increases for 1994–95 are related directly to inflation rates since the last increase.

[*English*]

The time has come for government to look at new ways of providing services. In his budget the Minister of Finance stated that we would look at initiating the concept of commercialization at Transport Canada.

I am a strong believer in the ability of the private sector to get the job done. In Canada, if ever there was a time when those who do the job best should be allowed to do just that, this is it.

We will look at every opportunity to collaborate with the private sector to provide transportation services to Canadians. We will not be timid about asking the private sector to do what it can do best. We will also make sure that the role of government, however, continues to be to set policy and to ensure adequate services for all Canadians.

Traditional ways of the past do not allow today for quick responses to rapidly changing needs. The government does not have to own and operate a system in order to achieve its public policy goals. I believe that commercialization is an attractive option since it brings business discipline to the provision of services often traditionally delivered by government.

Commercialization can take many forms from government operations to non–profit entities, special operating agencies and crown corporations and can include privatization, can include mixes of those various components. Regardless of the form it means we must adopt a businesslike approach which is more efficient, more responsive to clients and less dependent on the Canadian taxpayer. The benefits can be better capital planning, access to private financing, faster approval, easier introduction of new technologies and more user and client input.

There is great potential for commercialization including for example the air navigation system, St. Lawrence seaway activities, short line railways, coast guard. I believe that commercialization in these and many other areas of government activity can bring major savings to taxpayers and better service to clients. Any move to commercialization will respect our government's commitment to maintaining Canada's high standards in the transportation sector.

• (1600)

We cannot ask more of users than we ask of ourselves so I am pleased to tell the House today that new management initiatives at Transport Canada with respect to overhead costs will result in annual savings of some $50 million. This will involve the reduction in the number of positions in our department by about 1,000 over the next four to five years.

Overhead costs will be examined every year and in this context Transport Canada managers are aware of my very serious and deep concern about employees who may be affected by such changes that they must be dealt with sensitively and fairly in accordance with the government's workforce adjustment policy.

Over the years Transport Canada has achieved significant reductions in expenditures in the provision of facilities and services. Overall the net result has been a reduction, for example, in operation budgets from 1985–1986 to 1993–1994 of $.5 billion.

During the same period the workforce was reduced by 2,400 person years or over 11 per cent. These reductions have been achieved despite an increase in most aggregate workload indicators.

I have discussed some of the transportation issues that must be examined in the context of our new budget. I believe the components of the budget and the actions we are taking together with the co–operation of users of transportation services represent a balanced national program to meet Canada's needs.

Our government is fully committed to helping Canadians build a stronger economy. We intend to move forward on policies that will bring immediate gains in transportation efficiencies and we will try to protect jobs but we have to maintain transportation security and safety.

Canadians want to control their future and they are very respectful of their past. I have said on many occasions that aside from railroads and the nostalgia of the building of this great country, as important as it might be, we now have to look at the realities we face today. I will paraphrase the words of Geoffrey Simpson in the introduction of his book "Faultlines". He discussed the national railway as the national dream of the 19th century.

I think for most Canadians, as we go through this process of trying to find an equitable equilibrium between our resources and those services we want to provide for Canadians, recognize that there is a national dream at this stage in our nation's history. It probably has to do with taking care of people in social programs such as medicare.

Times have changed and we are going to have to reflect that. At Transport Canada because of the tremendous contribution that various sectors in the transportation industry have made to the development of Canada I know it is very difficult for many to accept these changes.

I believe that Canadians insist that their government have the means to maintain vital programs, policies and services and that we must have the flexibility to respond to priorities that we have become all too much aware of.

A national, integrated and affordable transportation system is not the new national dream. As we prepare for the 21st century a national, integrated and affordable transportation system is a national necessity.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): I can say that after listening to the Minister of Transport, there is one point on which I agree: if our current railway network corresponds to the national dream, that dream is pretty obsolete.

After listening to his speech, I concluded that the Minister of Transport had become a subsidiary of Treasury Board, because he told us basically that we had to cut costs and raise fares. I expected some vision of the future.

He told us that if there was a merger between CN and CP, they would examine it. But why does the minister not make a merger mandatory and provide clear guidelines on maintaining essential services, cutting costs and making railway services competitive?

• (1605)

Why is the minister waiting for CN and CP to come up with proposals, when today we are told this will take at least another year. Meanwhile, they will sell off assets. A lot of this property is on railway lines, and major assets will be transferred to real estate subsidiaries of these companies. These assets are now worth a lot of money and were probably acquired for a song, with government assistance.

There is another matter that is even more important for the future of this country, and the Minister of Transport did not even bother to mention it. The high–speed train project for the Quebec City–Windsor corridor, a project for the future, a project based on new technologies that will be able to meet both transportation requirements of a billion dollar North American market for new technologies, and would you believe, Mr. Speaker, the Minister of Transport did not say a word about this project?

Could the Minister of Transport perhaps give us some idea of what the prospects are for the future?

Mr. Young: Mr. Speaker, regarding the hon. member's comments about the merger being discussed by officials of CN and CP, we said that we will certainly consider the proposal that might be made to the Government of Canada as CN's shareholder.

Of course we are willing to look at all these possibilities. Those who know Canada's railways even a little already know that Newfoundland and Prince Edward Island do not have any rail service. CP will abandon its lines in eastern Canada, east of Sherbrooke, next January.

My hon. colleague was there when all these things were decided by the previous government. For our part, we will certainly listen to what the two railways have to suggest to us. We are very aware of the need to find an efficient system that can be maintained in Canada, but we insist that all elements of the transportation sector must be combined in a system that is efficient and that we can afford.

Line abandonments will certainly continue. The Canadian taxpayer is certainly unable at the end of the 20th century to support a system that was undoubtedly efficient 30 or 40 years ago, but we are trying to phase it out as fairly and equitably as possible, taking account of other alternatives.

As for the high–speed train, my hon. colleague no doubt knows that the governments of Quebec, Ontario and Canada are now conducting a multi–million–dollar study. This study is to be completed in the spring and I hope that a report will be available to us this summer. I believe that it would be very wrong of me to say whether or not we should have a high–speed train system before listening to our colleagues from Quebec and Ontario, because we think that they have worked hard and deserve a hearing when they come to us with a report.

[*English*]

Mr. Randy White (Fraser Valley West): Mr. Speaker, I would like to congratulate the minister on his speech. It was certainly positive and we need to look forward to efficiency at a reasonable cost today.

The minister is genuinely trying to go in that direction. It is encouraging that the ideas coming out have not been shown in decades. I congratulate the minister for that.

Airports, particularly small airports in this country, have cost taxpayers millions of dollars. That is unfortunate but sometimes often considered necessary because small airports have trouble getting revenue from landing fees, expansion, and so on.

In my own community the Abbotsford airport, home of the International Abbotsford Air Show, has been trying for several years to have its own airport authority which would have seen the result of fewer tax dollars in the federal government and local taxing authority looking after the airport.

• (1610)

In many discussions we had in previous years with the previous government it seemed that we got into the bureaucracy and there ended what would be considered a fruitful discussion.

I wonder if the minister might enlighten us as to where these small airports are going to go eventually. Is the minister open to trying to get some of these communities that want their own airport authorities to get them moved from the Department of Transport locally?

Mr. Young: Mr. Speaker, perhaps a small airport, yes. We are all very familiar with the activity at Abbotsford with the big air show.

I reassure my friend that it is the intention of the government to facilitate the devolution of operations for airports to communities across the country. We will probably encourage them very aggressively to do that.

I want to indicate that the operating budgets for smaller airports generally speaking should be manageable. We do recognize that the capital investment is not always possible. It is very difficult to raise capital. It is very difficult to find sufficient capital to be able to do the things that are required to maintain the levels of service at airports.

We want to be very even handed about it. We have said that with respect to Pearson and other large airports across the country. We want to be consistent. It is our philosophy to look at the wide range of options from government operated airports all the way out to privatization.

I suspect that we will be recommending a form of local authority with some degree of accountability. Where individuals from the community who best know their needs manage those airports in a form of relationship with the Government of Canada that will respect the interest of the Canadian taxpayer, we intend to do that very soon.

[*Translation*]

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, I listened very carefully to the Minister of Transport who said that some significant investments of the order of $470 million are expected for airports, at least in the budget, if I understood correctly.

Also, I took note of the answer he gave to the hon. member for Rosemont earlier in which he said that he could not commit to a high–speed train project because a study was underway. I would like to point out to the minister, before I ask him a question, that all the studies on the expansion and upgrading of Jean Lesage Airport are done. They have been shelved and we are only waiting for the Minister of Transport to release the money needed to go ahead.

I would like to remind the minister that, in the Summer of 1993, this facility was given the status of an international airport. However, we are under the impression that this is only a token status, since Jean Lesage Airport is in rather poor shape, compared to other airports in Halifax, Winnipeg, and Edmonton. It only has a third of the space these other facilities have.

Does the minister intend to do something in 1994 to expand this international airport so it can meet current needs? There is consensus among experts in the field on this issue.

Mr. Young: Mr. Speaker, I am well aware of the situation in Ancienne–Lorette with respect to Aéroport Jean–Lesage, Quebec City's airport. You are correct in saying that studies have been carried out and proposals and specifications have been drawn up. I am sorry to have to tell my hon. colleague that we have not been able to do everything in four months. When we started to review these files, plans had been under way for some time already. Discussions had taken place and representations had been made. I regret that the previous administration was unable to complete the Quebec City airport project.

However, I want to assure the hon. member that we are working on proposals based on what it would cost to carry out the needed work at the Quebec City international airport. I hope that I will have an answer for him fairly soon. However, while we are on the subject of the budget, the figures that I quoted in my speech are generally associated with the cost of airport operations, rather than with airport construction costs. I hope that a decision can be reached, and that the comments of my hon. colleague will be taken into consideration.

• (1615)

Mr. Antoine Dubé (Lévis): Mr. Speaker, I welcome this opportunity to comment on the Budget brought down by the Minister of Finance on February 22.

As a member of the Standing Committee on Human Resources and as the Official Opposition critic for training and youth, I

think, Mr. Speaker, it is only appropriate that I should address the social impact of the Budget and especially the impact on the future of our youth.

I would like to start by discussing the proposed changes in the unemployment insurance plan, because I think that is where the Liberal government has been most remiss since it was elected. But is unemployment not our most pressing problem?

In 1989, one million Canadians were unemployed. In 1993, there were 1.6 million, an increase of 60 per cent. Unlike what the Liberals said when they were in the opposition and during the last election campaign, they are applying the same policies as the Conservatives, in other words, they would rather attack the unemployed than try to create jobs.

For instance, they decided to maintain the increases in unemployment insurance premiums proposed earlier by the Conservatives. Although yesterday during Question Period, the Minister of Finance admitted this did not make sense, he will not make any changes for another year, apparently hoping that the social program reforms being discussed today will provide the necessary funding to create 40,000 new jobs next year.

Why not do it this year? After all, the government had no qualms about cancelling the helicopter contract and backtracking on the privatization of Pearson airport. Freezing unemployment insurance premiums last January would have been easier than rolling them back a year from now.

Generally speaking, the changes in the unemployment insurance program will mean that people will have to work longer to be eligible for lower benefits received for a shorter period of time.

A study by professors at the department of economics of the University of Québec in Montreal shows that more than half of the cutbacks announced in the latest federal budget will be at the expense of Canada's unemployed.

By introducing different benefit levels, the government is dividing the unemployed into two categories: low income unemployed people with dependants and the others. To justify its decision, the government cites a supposed notion of equity, when instead it is a breach of the universality principle which has been the cornerstone of our social programs since the beginning. It amounts to discrimination based on family status.

For example, what will happen to equity when both spouses are unemployed? Which one will be entitled to higher benefits? Time does not allow me to give more examples, but there are a lot more. With more diversified eligibility standards, it will become increasingly necessary to monitor claims. After the boubous macoutes we have seen in Quebec, are we going to have Martin macoutes and Axworthy macoutes?

Another one of the perverse effects of UI reform is the fact that it passes the buck to the provinces. By reducing the duration of benefits and delaying eligibility, in a time of high unemployment, this reform will push more people onto welfare, which will mean more expenses for the provinces and a loss of dignity for individuals.

• (1620)

Furthermore, a greater number of persons who want to participate in various training programs will be disqualified because, as you know, most of the federal training programs are now intended for UI recipients.

On the other hand, if the benefit period is shortened, unemployment insurance reform will lead some people to accept insecure, often low–paying jobs bearing no relationship whatsoever with their skills. By forcing them to accept low–paying jobs just to survive, we are preventing these people from seeking more appropriate employment.

Is that this government's new philosophy on human resource development? Being unemployed often pushes people into insecure, precarious jobs. The proposed reform affects honest workers who are actively looking for work and who have a hard time finding a permanent job because of the present economic situation.

Several studies have shown that more than 90 per cent of the unemployed have lost their jobs through no fault of their own or are looking for their first job. Most of them have no control over the duration of that job. The problem is not that the unemployed do not want to work, but rather that there is not enough work for everyone.

I also want to mention some statistics regarding our young people, such as the fact that 17.5 per cent of young Canadians and 20 per cent of young Quebecers are currently unemployed, for a total of more than 600,000 individuals. In Canada as well as in Quebec, the drop–out rate in high schools is around 30 per cent. According to a report published by the Conseil permanent de la jeunesse du Québec, close to 40 per cent of young Quebecers live in poverty. Across the country, there are two million young people under 30 who live below the poverty level.

Yet, in its budget, the federal government offers nothing really new to young people. The Youth Service Corps, which was widely publicized in the red book, seems to be the only government initiative for our young. Some meetings took place in December and in January, but a report has yet to be released.

According to the most recent information, that is according to copies which were circulated when those consultations took place, the Youth Service Corps would only include 2,500 young people the first year, 5,000 the second year, and 10,000 after three years. Is that an adequate measure, considering that there are 600,000 young unemployed in Canada? We do not think so.

Moreover, it seems that young people participating in this program would only receive $61 a week if they still live at home, and $121 otherwise. Ask yourself this question: Would you accept such an arrangement for your own children who are old enough to work?

To make things even worse, the Youth Service Corps seems, for the time being, more geared to occupational activities, with no direct link to the labour market, as was the case with the Katimavik project abolished by the Conservatives in 1986.

So far, all the organizations dedicated to helping young people which have been heard by the Standing Committee on Human Resources Development have said that when young people leave school they need practical and relevant experience to find real jobs. The federal government would be well advised to increase its financial support to existing organizations instead of creating another structure such as the Youth Service Corps.

Since I sit on the Standing Committee on Human Resources Development, I would like to conclude by relating what I have heard over the last few weeks from various groups and individuals during our public hearings on social programs reform. What has struck me so far is that the majority do not seem to be in favour of a reduction of resources, quite the contrary. Other trends are also evident. There is fairly widespread support for a major decentralization of the management of social programs and for greater involvement of local communities.

• (1625)

Also, it is increasingly obvious in this consultation that there are two social realities in Canada and two expectations with respect to the federal government.

Some groups in English Canada want a greater federal presence in social security and even more national standards; on the other hand, Quebec groups and organizations in general have a completely different vision. They turn more to the Government of Quebec. But the most significant trend with all groups is deep concern about employment. Obviously, we must bring together all available resources and target all our efforts to increasing the number of jobs.

[*English*]

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, I have a question for the hon. member.

The Official Opposition talks about reducing the deficit but continues to seek increases in federal transfer payments. The Official Opposition talks about deficit reduction by cutting government administration, yet federal transfer payments and social programs amount to 60 per cent or 70 per cent of the budget. The books cannot be balanced without cutting federal transfer payments to the provinces.

When will the member realize that his plan falls considerably short of doing any such thing as reducing the deficit when he insists on having lucrative social programs supported by the federal government?

[*Translation*]

Mr. Dubé: Mr. Speaker, my answer might sound, to the hon. member's ears, like a repetition of what has already been said, but I believe that, at times, repetition is a good thing.

First, as far as job training is concerned, it is clearly established—and nobody denied the validity of the figures—that the elimination of all duplications would produce savings of $250 million in Quebec alone, which extrapolated for the whole country would mean a billion dollar saving. This is a first step.

The Bloc Quebecois never concealed the fact that it wanted cuts in military spending, but we were talking about administrative costs. In that sense we agree with several comments of your party. However, there is another question to consider, and that is unemployment among young people. Allowing young people with a university or college degree, and very often a heavy debt load, to be without a job paying decent wages, is denying the government revenues in the future, revenues that could help finance its spending program. More unemployed young people means more spending and less revenues. It is very important that we reflect on this and that we do it rather quickly.

Being unemployed is always traumatic, but for young people, studies have shown that failure to find employment related to the acquired knowledge or skills within two years can lead—and this is a widespread conclusion—to total despondency and erratic behaviour. This in turn could create serious social problems and significant expenses. So, we can expect more spending in the future and, primarily, people who will be unable to contribute to deficit reduction.

• (1630)

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, in response to the Minister of Finance's budget statement, I would like to make a three–pronged retrospective. First of all, I would like to talk about the last election campaign, about the purgatory of the federal Liberal Party, the nine years it spent on this side of the House, and also about the nine years the Conservative Party was in office.

During the last election campaign, the party in office, under its leader, created a lot of hope among the people. Quebecers, as well as Canadians, were given the usual package of election promises and slogans which they sincerely believed in for a while.

Today, we have a rude awakening. We suddenly realize that we did not have just a bad dream, but that, once again, reality is striking us savagely in the face. The change of direction that Liberals were proposing is quickly becoming totally meaning-

less, and people are stuck with this monotonous, Conservative continuity, void of all rigour and fairness.

This government, opposite, promised without any restraint a major job renewal to the people, and here I quote a part of what it was promising: "We will, once and for all, put the people of this country back to work". What a lie!

Quebecers and Canadians fell into a trap. That party that now forms the government is far from the innovation that it was promising in the red book, and I quote again: "When we form the government, we will innovate, we will look at our problems in a new light. We will not go for the usual recipes". Again, what a lie!

National Defence, public service, unemployment insurance: the same targets, the same cutbacks as those of the previous governments, whether Conservative or Liberal.

On top of that, this government has misled the average workers, the senior citizens and those in need by emphasizing interesting future opportunities through a rewarding job or through social programs which would be humane and sensible.

It is quite obvious that the people of the county of Frontenac as well as those from the other counties in this country, once their votes were assured, were ignored, scorned by this government, which is quite clearly demonstrated in this budget. As a popular song written by the great Quebecer Felix Leclerc says: "The day before the election, he calls him son, but the day after, as one might expect, he has forgotten his name".

The average taxpayers from the county of Frontenac and elsewhere were deceived and they are the ones who will have to pay the tab. The Minister of Finance predicts a revenue increase of 15 per cent for 1995–96.

This increase will have to be made possible through additional taxes imposed on the middle class taxpayers, because of the 10 million taxpayers, almost 85 per cent declare an income which is less than $30,000. So it is an unfair and shocking measure.

Older people as well are getting a taste of the same medecine since they are progressively losing their tax credit while dividends on shares and family trusts are still exempt from tax. It is the very taxation system which is scorned by this government.

• (1635)

How am I going to explain to the unemployed in the riding of Frontenac—whether it be in Thetford Mines, East Broughton, Sainte–Méthode, Coleraine or Plessisville, that this liberal government has no plan whatsoever to create jobs and has not considered any—I repeat, has not considered any—long term job creation measures?

How am I going to explain to the people of the riding of Frontenac that this budget does not contain any measures to stimulate economic growth or any measures regarding job creation, in view of the fact that this governement has been elected on a platform that proclaimed loudly and clearly its strong commitment to the creation of good jobs to restore dignity and hope?

Yet, Canadians, in particular Quebecers, have two clear and well defined objectives. First, they want a gouvernment that creates jobs and at the same time a government that has a broad plan towards employment. Second, they want the governement to be more responsible in its management of taxpayers money, especially in these times of recession.

How am I to explain to the unemployed in the riding of Frontenac that from now on, the period during which they will be allowed to receive unemployment benefits will be shorter, that their benefits will be 2 p. 100 less and that they will have to work longer in order to qualify for unemployment benefits, so as to help reduce the deficit? How do I explain to unemployed workers that they must tighten their belts while the member for Hull—Aylmer, the Minister of Intergovernmental Affairs, spends more than $150,000 in travel costs to give a brief speech—listen to this—on the benefits of sound management?

How do I explain to them that the Minister of Finance spent $800,000, or nearly $1 million, on public consultations? How do I explain to the president of the seniors club of Saint–Alphonse parish in Thetford Mines that 800,000 people age 65 and over will see their age credit reduced or quite simply eliminated, depending on their income, while at the same time, the Governor General hosts a costly reception to mark the opening of the 35th Parliament?

My constituents no longer trust the old–style federal politicians who often treat them with cynicism and indifference. The Minister of Finance saw this for himself during the last election campaign during a swing through Thetford Mines. At the Balmoral, barely 30 people showed up to greet him at a $30 a plate evening fund–raiser. Not 3,000 people, but barely 30 voters.

The budget is unfair in that it spares the wealthy, who are often friends of the government, contribute to the election coffers and enjoy a strong, well–organized and effective lobby to influence the policies of the Minister of Finance.

With his half–laced Kodiac work boots, our Minister of Finance was not a bit like our asbestos miners. He bore no resemblance whatsoever to a good, hard–working individual. It was a disgraceful spectacle, one that only seasoned actors can get away with. Only, the spectators certainly did not enjoy being the butt of this joke.

• (1640)

The clever tricks employed by the Minister of Finance during the pre–budget period did not escape the public eye. No one was fooled by the old trick of setting people up well in advance to expect the worst in order to get them to swallow a very bitter pill.

However, and this concludes my remarks, the medicine has had the desired effect. My constituents are bitterly disappointed and sick at heart. They feel betrayed and victimized because they have been repeatedly targeted. As environment critic, I must comment briefly on this department's budget.

The Deputy Speaker: Questions and comments period. I am willing to recognize the hon. member for Rosemont, but he should stand in his place. I can wait for him to go back.

Mr. Benoît Tremblay (Rosemont): I appreciate your great kindness, Mr. Speaker. If I may, I would like to ask my hon. friend from Frontenac, who is the Bloc Quebecois critic for the environment, to tell us what this budget means for the environment.

Mr. Chrétien (Frontenac): I would like to thank the hon. member for Rosemont. It is a very pertinent question, because, as you very well know, Mr. Speaker, in 1994, the economy and the environment go hand in hand. Moreover, it was a very important part of the red book. Since the member for Rosemont is also a well–informed environmentalist, he is interested in the environment and I want to take the opportunity to denounce what the budget does on environmental issues.

The Department of the Environment is one of the few to have its budget increased—you will see later why I mention this. Of course, we must be grateful for a 4.1 per cent increase, but some measures are not so good. Listen to this: the budget for Phase II of the St. Lawrence Action Plan will increase by $18.4 million. Of course, I am pleased with this initiative that will implement Phase II of the project. This increase shows that this program is giving excellent results. So why has the agreement for this second phase, which was to be signed with the Government of Quebec in December, still not been signed, and even worse, has $18.4 million been added to this part?

It would also seem that 40 per cent of the pollution in the St. Lawrence River comes from the Great Lakes. From the latest report of the International Joint Commission which was presented to us less than three weeks ago, we know that pollution in the Great Lakes affects human health. Despite that, the Liberal government opposite is cutting $5 million from the budget to clean up the Great Lakes, and we know that 40 per cent of the pollution in the St. Lawrence River comes from the Great Lakes.

An hon. member: Something is not working!

Mr. Chrétien (Frontenac): Yes, something is not working. So on the one hand, the budget to clean up the river is being increased and, on the other, the budget for cleaning up the more polluted body of water, the Great Lakes, is reduced. It makes one wonder what has become of the coherent approach to sustainable development, Mr. Speaker.

I conclude with that and I thank all hon. members for listening to me so kindly.

The Deputy Speaker: Order! Pursuant to Standing Order 38, it is my duty to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Bourassa—Immigration.

• (1645)

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, it is a pleasure for me as the member of Parliament for York West to participate in the debate on the government's budget.

Budgets are about many things. Budgets are about ledgers. As the government and specifically the Minister of Finance approached the budget essentially two ledgers were imposed on him, on the government and indeed on Parliament.

On the one side of the ledger was a population of Canadians who were looking to the government and to Parliament to try to control spending and to try to bring the deficit and the debt into line. On the other side of the ledger were those who expressed themselves through the recent election campaign and essentially demanded some economic renewal, some economic hope, a strategy and a plan to put Canadians back to work.

Those in essence were the two ledgers with which the Minister of Finance and Parliament has had to come to grips in the budget. I would suggest we will have to come to grips with the two ledgers for the duration of Parliament and this mandate. They are not two easy ledgers. Both are very real. Both are very worthy. At the same time both are priorities as articulated by average Canadians.

We have talked about the budget cuts. We have talked about the $8 billion in cuts. We have talked about the base closings. There is a base right next door to my riding that was closed. Those decisions are not taken easily. Those jobs that have to be transferred from the bases to other sectors of our economy are not easy. In fact that was debated moments ago during the question and comment period. Yet I believe Canadians are understanding.

Budgets have to go beyond ledgers. Budgets have to go beyond simple figures and numbers that obviously make up the bottom line. Budgets are also about a document that should provide and inspire a sense of hope and a sense among the

population that budget and fiscal commitments have been honoured and kept.

I would like to spend the few minutes available to me talking about the ledger, about jobs and about keeping economic hope alive. Individuals in the House have suggested much more Draconian cuts to try to bring the deficit and the debt under control. They have a cost; they certainly do not come free of charge. In fact the ultimate aim of the budget was to try to balance the two ledgers.

During the recent election campaign I heard that the ledger on the side of jobs and economic growth was not only important to the future aspirations of Canadians looking for work but as a long term answer to the other ledger, trying to come to grips with the debt and deficit. Particularly as a member coming from the region of metropolitan Toronto I am sensitive to the kind of commitment Canadians gave to the government which had the ability to convince them that it was in a position to offer economic hope.

I come from a city that is not and should not be seen as the fat cat city of Confederation. Yes, there is the city on the shining hill. That is certainly a side of metropolitan Toronto and we are very proud of it. However there is another city in metropolitan Toronto. There is a chronic underbelly that speaks to a sense of despair over the last number of years. We have been through a very brutal economic recession that has also touched metropolitan Toronto.

Sometimes we thought that Toronto would have been sheltered, given that Toronto and Ontario are seen as the economic engine in terms of the manufacturing heartland of the country. Sometimes we felt Toronto would be sheltered from the ravages of a national recession.

• (1650)

Obviously the reality is there for everyone to see. There are record line–ups at food banks and record welfare rolls. Canadians who for the first time in their lives found themselves on the unemployment line were embarrassed to come to see me during my Saturday constituency days. They were actually embarrassed to ask me how to fill out a claim for unemployment insurance or to ask me to help them find a job that would give them back dignity.

I am familiar with that side of the ledger. In the last number of years metropolitan Toronto and other parts of Canada have not had an easy time of it. As a government we have lived and seen reality. We have campaigned largely on the question of how to put the economy back on track and to focus on job creation and economic growth. That bottom line dictated the outcome of the election campaign.

There were many more issues than just that one, but the national overriding concern was who had the answer, who was able to capture the imagination and create economic growth and economic hope. I would submit the budget that was presented kept faith with that side of the ledger. It kept faith on what we talked about with respect to small businesses. The budget also kept faith on a number of areas we have talked about in the throne speech and during the campaign.

I remember when I was sitting on the other side of the House in the last Parliament. I moved, for instance, an opposition day motion respecting the credit crunch faced by small businesses because, like many members of Parliament in this House and in the last Parliament, we ran into countless numbers of small business and medium size business owners who simply could not get the time of day from lending institutions.

Many individuals who had been good corporate citizens of lending institutions, who had good ideas and good projects, who had track records in their communities, who in the end wanted a lifeline not only to be able to expand their businesses and realize those ideas and dreams but to see their way through the economic drought, were simply turned down.

I believe there needs to be a shift in the banking culture in the country. In the red book and in the campaign we talked about moving and encouraging our lending institutions to be better equipped and better structured to meet the realities of the small business sector.

The Minister of Finance followed through on that in the budget by establishing a task force of small business leaders and with the leadership of lending institutions to come to grips with the credit crunch. I believe that crunch is a reality. We are not trying to suggest that the blame should be cast on the our lending institutions; far from it. However, they have a key role in the economic equation of our country. They have to go the extra mile to put on solid footing the network of one million small businesses.

Why is it that banks, parliamentarians, economics professors and economists tell us freely that 80 per cent or 85 per cent of job growth and job creation comes from small and medium size firms? Why is it that 25 per cent of the overall business loan portfolios of our big five or big six banks, if we include the National Bank of Canada, are loans to small and medium size firms? This means that 75 per cent of business loans go to the large multinational corporations of the country. Why is that? Why is it so out of whack that 85 per cent of job growth comes from small businesses, yet only 25 per cent of business loans or thereabouts, according to the Canadian Banking Association, go to small business?

• (1655)

I am not suggesting that we have to tell the banks who to support. I am not saying that the banks should not be beholden to their shareholders. I am not suggesting that the banks should not worry about their credit worthiness.

I am suggesting that if politicians and Parliament have to change the way they do business and if the world is changing at a rapid pace, just maybe the banks have to revisit how they do business.

Sometimes it is easy to understand why a lending institution would rather make 10 loans of $10 million each rather than 200 loans of $200,000 each. Obviously there is a greater investment of time and labour. Obviously the big corporations might have the business plans all fit and proper with professional accountants, as opposed to spending time with small and medium sized entrepreneurs. If job growth is to come from the small and medium sized sector there is an onus on the banking fraternity that gets its licence exclusively from Parliament, through an act of Parliament, to work with us and with the small and medium sized businesses in better partnership to try to resolve the credit gridlock.

If we were to do so, we could imagine the one million plus small industries across the country and the kind of job creation that would accrue through that partnership. Therefore I am excited by a task force that tries to create that partnership. I am excited when the Imperial Bank of Commerce appoints a small and medium sized business ombudsman, a senior corporate vice–president to redress and look at the complaints with respect to lending applications of small and medium sized firms.

Some may say it is a small step, but it is an important recognition on the road to trying to change the way the lending fraternity does business with small and medium sized firms. Therefore I believe the budget has kept faith with the small business sector. In addition to the other issues enunciated by the Minister of Finance including the premium rollback on UI, a net creator of some 40,000 jobs with the millions of dollars that will be saved through that program initiative, the budget keeps faith with the infrastructure program. Some will say it is not a good program. Some will say it is a wasted program that talks about tinkering with construction.

During the election campaign the former Prime Minister almost ridiculed the kinds of benefits that would accrue in construction, trades and home industries across the country, as if construction workers, trades people and the infrastructure of our cities and towns were not important enough.

We should talk with the mayors of the municipalities. Many individuals in the House were municipal politicians. I started there. I only served two years, but I speak from experience about the numbers of projects that would otherwise dwindle on the shelves, that would never see the light of day because there was no partnership with senior levels of government. For instance, I served on the city of North York council. Given that it only gets dollars from the local property tax base, it was not in a position to fund many of those projects; it was not in a position to fund 100 cents on the dollar.

Now we have a partnership, one program. We are not saying that is the nirvana of the economic miracle. We are saying it is one program. Nonetheless it now offers the city of North York, as it does cities across the country, the opportunity to fund some of those projects and kick in 33 cents on the dollar. Yet, as we contemplate that, it would be doing two things. First, it would be upgrading their facilities, their infrastructure as a city or as a town. Upgrading our facilities is paramount to trying to upgrade our competitiveness. That is a variable in the competitive equation, whether members like it or not.

• (1700)

Second, it would create and stimulate jobs in a key economic sector of our country. I was in Windsor last week and, automotively speaking, people in Windsor were very happy that the big three would be moving positively and aggressively in the coming months and years. The prognosis is very healthy for a kind of recovery in the automotive industry. That is a key economic indicator.

So is construction in the trades and in the home industry. Certainly in my home town of metropolitan Toronto where that part of the economic pie has been dead as a door nail for far too long they see this as an economic hope or a partnership that stretches out an olive branch.

When we look at the creation of 50,000 to 60,000 direct jobs across the country, we are putting people back to work. We are stimulating the local economy because there are spinoffs and indirect jobs that flow from those direct job impacts.

We are upgrading our cities and towns, our communities, our neighbourhoods. Which country can afford not to upgrade its cities and municipalities? We do it as a family, we do it in our homes, and as each of us does it our neighbourhoods go up.

Look at the city of Montreal. I believe that Montreal, with all due respect, is a classic example of how the lack of upgrading of its infrastructure has reduced the ability of Montreal to be able to compete aggressively. In a city like Montreal, which I visit from time to time because my wife's family is from there, you can see over a number of years that the inability or the avoidance of keeping those infrastructures upgraded has had an impact in the overall economic life of that urban centre.

Third, this budget has kept its faith with training. We also know that we have to do a better job about how we go about training and educating our workforce. We often have pointed out by constituents and colleagues alike some of the European models. Germany is often put on the table very quickly. We are told that we need to do a better job of equipping individuals, our youngsters as well as those who are displaced from one economic sector and have to face a future of shifting their education or their training.

Our budget has committed itself over the next couple of years to investing almost a billion dollars in the area of training. It creates youth internship and apprenticeship programs in partnership with the private sector, not at the exclusion of some big government program, but together with the private industries of this country. Only in that partnership will those training programs be the success that we all hope they will be.

It keeps its commitment to trying to equip our country and our peoples with the right tools. That too is upgrading our national infrastructure. As we give our Canadian people the skills and the equipment needed, we are also upgrading the skills and the talents of our country.

It also keeps its faith with the youngsters through its youth corps. Again one program, but we heard countless times over the course of the campaign and certainly after it about the consternation that parents have about the future for their children. Here is one project, just one, and we are not suggesting that it is the cure–all, that once it is up and running will take approximately 15,000 young Canadians per year and have them do a job in a community outside their own so that they get to see what this country is all about. It will also give them that first all important experience so that they can hopefully get on the march toward establishing themselves in their careers.

• (1705)

You mentioned, Mr. Speaker, that my time has just about run out. I suppose I should have timed my remarks because I had wanted to say a few other things in terms of the innovation, the new economy and the job and entrepreneurial skills that immigrants, for whom I have the honour of being the minister, bring to this country.

I look forward to concluding my remarks at another time and answering any questions if there are any.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, the minister said a number of things in reference to the budget which I would like to address. I know that you are going to limit my time in making those remarks so I will limit myself to two points.

The first point is the deficit. The minister mentioned that cutting the deficit would impose costs on the population of Canada. Unquestionably that is true. He also implied that more severe cuts than the present government has made would really impose undue hardships.

Has the minister considered the other cost, the cost of not having taken sufficient measures to cut the deficit? This government has admitted that over the next three years $100 billion will be added to our deficit. Even at a nominal rate of interest of 8 per cent that means that the interest on that additional money will be $8 billion. There is no question that has to come from the taxpayers of Canada. I suspect that it will entail extra taxes.

The minister also mentioned small business and the reluctance of banking institutions to loan them money so they can improve their business. I agree with that, but we too did a survey of small business during the election campaign and prior to it. What they kept telling us was that the best thing that government could do for small business was to reduce taxes and reduce the bureaucracy: "Get out of my pockets and get off my back". They said that if the government does that they can make a prosperous business work. It will get the economy going, people will have more money, they will spend it more and our businesses will flourish.

Has the minister considered the effects that this minimal intrusion into the deficit is going to have downstream because we will now be $600 billion in debt? We are going to have to borrow that money because even then, if we achieve the 3 per cent of the GDP which the government aspires to, we are still going to be borrowing $25 billion in that final year.

Has the minister considered whether this is really the best way to go?

Mr. Marchi: Mr. Speaker, I thank the member for his two questions on the aspect that small business requests less government and less taxes.

I think those were the very words the Minister of Finance spoke about when he announced his budget in reference to small businesses. The payroll deduction, the question of trying to have less red tape and less bureaucracy for small businesses and a consistency in trying to allow them to grow with some kind of predictability are the very elements that underline the elements in the budget with respect to small business.

I believe we are both on the same wave length in terms of the budget as it treats small businesses.

With respect to the deficit and the debt, obviously he and I are agreeing to disagree. His party certainly came at the national campaign and since then with the feeling that we should have moved further. There have been a number of commentators in the country who have suggested that we cut too much and others who have said that we have done too little. Perhaps once one gets commentaries on both sides there is an indication that one has probably done the right thing at the right time.

We come to this Parliament with our first budget after nine years of a Tory administration that made it its focal point to be a government that was going to reduce debt and deficit. We certainly know something untoward and something very different about that. We believe that the commitments we made in our red book with respect to the 3 per cent that the member alluded to is the correct approach.

This budget starts us down that road. We believe that allowing the economy to grow, providing some job creation and some confidence in the marketplace is certainly an impact that should not be underestimated in order for us to address the other ledger. It is also a question about balance. I think the budget that my colleague, the Minister of Finance, presented spoke to the

balance between the two ledger sheets that are both, not one but both, on the mind of Canadians. Both are priorities.

• (1710)

I think we can only do justice to both if we try to balance both a responsible reduction in our costs of government and doing government which we did and at the same time try to ensure that the economy will certainly produce as Canadians would want it to.

Mr. Randy White (Fraser Valley West): Mr. Speaker, I would like to try once again—I have tried this several times—to go through this funding for the infrastructure program.

The infrastructure program is supposed to spend $6 billion, $2 billion from municipal sources, $2 billion provincial and $2 billion federal. At the end of the day through this exercise we have spent $6 billion.

The minister has indicated that the municipalities were in favour of this. Having talked to a mayor of a municipality his feeling was that "my public works program is going to continue as it always did". The difference here is that the residential taxpayer will only see one-third of the usual cost because the provincial and the federal governments are going to share.

No wonder the municipal politicians are in favour of it. We are going to carry a fair bit of burden at the federal and provincial levels. Nevertheless it is the same taxpayer who pays regardless of which level provides the funding.

My question I suppose is going to be obvious. What can the minister tell us that we have at the end of two years other than spending $6 billion and employing 60,000 people, I believe the number of their book was, over two years? What is left after the two years besides $6 billion in expenditures, some kind of capital structure and maybe a very few people employed to maintain the structure? What is left for employment, besides a very large bill to pay?

Mr. Marchi: Mr. Speaker, the member points out one particular mayor in one particular municipality. He should know that the Federation of Canadian Municipalities was a big supporter and initiator of this program. In fact some of them have suggested that we should have gone even further.

I do not hear too many municipalities disputing this program. We do not hear too many provincial governments disputing this program. I think the member puts a very negative spin on what can come out of an infrastructure program.

Yes, there are jobs and that is important. I tried to allude to the fact that this is but one program. We are not suggesting that the economic recovery of Canada is simply and solely on the back of this infrastructure program. We are saying that it is a very important cog in the economic wheel.

Second, it will upgrade our infrastructures. Whether the member likes it or not those infrastructures must be upgraded in order for our cities and towns to be competitive.

Third, there are going to be infrastructures that are also going to attract further business and further investment. There are proposals being submitted to the city of Toronto that if in fact realized will attract additional tourism, additional dollars in the marketplace. It is not only a question of simply upgrading sidewalks or bridges. Those are also important. We are also trying to realize innovative and creative structures that are needed and are going unaddressed in terms of trying to capture a greater market share of that tourist dollar or of those convention goers or of trying to provide some additional lifeline into some of those municipalities.

I do not think we should be inhibited by the lack of creativity that the member brings to the infrastructure program. It is an important sector of our economy. I think if we get that sector going, together with the automotive sector and the other sectors of our economy in terms of the home building and the programs that we have in terms of home ownership, the cumulative effect and the cumulative impact of those different programs kicking in will make our economy more vibrant and psychologically lift the spirits of Canadians. Quite frankly we have been living through an economic depression and a psychological depression.

• (1715)

I think if people get the confidence that things are moving, the confidence factor in an economic equation is absolutely vital for that equation to be alive and well.

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, before the House recessed almost two weeks ago my colleague from Nanaimo—Cowichan spoke about the Official Languages Act and reasons for cutting costs of implementing its policy.

I will be speaking on how the Official Languages Act ought to be changed so that it is fair and just for all Canadians.

The year 1994 is the 25th anniversary of the Official Languages Act. This law, enacted by the Trudeau government in 1969 and later revised by the Mulroney administration in 1988, was intended to bring unity to the country, to end the unjust treatment of French speaking Canadians and to help defuse Quebec separatism.

We learn from authors as respectable as Quebec's distinguished Christian Dufour that: "Some forget that it was not

bilingualism that made this country, that it cannot ensure its survival and that it could even lead to its destruction".

Those of us who have lived and worked most of our lives far away from the centre of power in Ottawa may have agreed with the original intention of official bilingualism. It was described eloquently in the 1968 throne speech of the first Trudeau government as exemplifying the essential connection between justice and national unity.

We also wonder whether the Official Languages Act has actually brought justice to the area of official languages. If the law is as badly flawed as we believe it to be, and therefore unjust, where does that leave Canada's unity?

It is my contention that language policy cannot and will not achieve the justice and fairness that is its stated goal until it is fundamentally rewritten.

I would like to draw the attention of colleagues to just one aspect of official bilingualism in order to show how badly flawed the present policy is and also to show how a careful and thoughtful revision of the policy could do much to reunite the country by removing an institutional irritant which sets anglophones against francophones and provincial majorities against their minority populations.

As it is presently written, the Official Languages Act requires the federal government to provide services in English in those parts of Quebec and in French in those parts of the other nine provinces wherever there is sufficient demand.

However, the act fails to define the concept of sufficient demand. Instead of providing a clear and easily understood definition, the act states that sufficient demand will mean whatever the federal cabinet decides it ought to mean.

The law recommends that the size of official language minorities be taken into account but so may, and this is from section 32 of the act, any other factors which the governor in council considers appropriate.

What this provision of the law means is that when the Official Languages Act was passed this House never debated—it never had the chance—the level or the extent of minority language service that seemed most appropriate. The provision of minority language services is the most politically sensitive aspect of the act and yet it was determined in virtual secrecy by order in council.

When highly contentious issues are developed in secret rather than in open debate in the people's house, the House of Commons, the resulting information vacuum opens the way to rumour and innuendo. Conspiracy theories come to be taken seriously.

• (1720)

This in turn has the potential to breed suspicion, resentment, prejudice and ultimately hatred along linguistic lines. For this reason, section 32 of the Official Languages Act needs to be rewritten to remove the arbitrary authority of the governor in council.

In its place there should be a clear, easily understood definition of the criteria that would cause a region of the country to be declared a bilingual district. This definition could be debated openly so that the resulting formula would be a just and moderate compromise between the rightful aspirations of Canada's linguistic minorities and the rightful concerns of our majority populations.

What I am proposing is hardly a new idea. It was first recommended nearly 30 years ago by the Royal Commission on Bilingualism and Biculturalism. Before this the concept of openly defined bilingual districts, also known as territorial bilingualism, had existed in the laws of Finland for several decades.

In that country, the system has produced a sense of national unity between the Finnish speaking majority and the Swedish speaking minority that is enviable by Canadian standards.

Obviously it is not possible at this time to state categorically what definition my hon. colleagues might give to sufficient demand if they had the chance to review the concept in open debate.

However, I do feel confident that they would not choose to make it as loose as the definition that the federal cabinet chose to impose by order in council on January 1, 1992. This definition is so lopsided that it mandates services in English in Barkmere, Quebec, which has an anglophone population of 20, and in French on Baffin Island where 10 government departments and agencies, including the RCMP, the CBC and the Department of Fisheries and Oceans, must provide bilingual services for the benefit of 220 francophones.

My guess is that my colleagues would stop the charade in which Toronto was designated bilingual for the purposes of federal services despite the fact that French is only the 11th most widely spoken language after such languages as Chinese, Italian and Spanish.

Nor do I think they would continue to let English services be imposed in east Montreal where they are an affront to the homogeneous francophone population that nonetheless feels that its linguistic heritage is gravely in peril.

I believe that my colleagues would adopt a definition of sufficient demand very similar to the one advocated by the Canadian Federation of Municipalities which maintains that services should be offered in an individual town, city or rural district only when the linguistic minority meets two statistical measures.

The minority must be above a certain percentage of the local population and it must also be above a certain total number. The

federation uses 5,000 as the minimum and absolute number and 10 per cent as the lowest acceptable percentage.

With these two criteria set, sufficient demand would include the vast majority of French speakers living outside Quebec and most English speakers inside Quebec but it would not be nearly as much of an intrusion as the present secretive definition.

In short, both minority rights and majority rights would be acknowledged. Canadians would be one step closer to true linguistic justice and, by extension, one step closer to a genuine, lasting national unity.

In closing, I draw the attention of my colleagues to another important anniversary. The year 1994 is not only the 25th anniversary of the Official Languages Act, it is also the 50th anniversary of D–Day. Half a century has passed since our fathers shed their blood on the sands of Normandy so that we could live in a country characterized by free and open government.

Let us take this opportunity to honour their memory by amending the act to remove its secretive, arbitrary aspects. Then perhaps we may consider ourselves worthy of the legacy of freedom that they bequeathed to us.

• (1725)

Ms. Colleen Beaumier (Brampton): Mr. Speaker, let me tell the House what official bilingualism has done for Canadians. I am unilingual and my options were not great. The opportunities were not great.

My children are bilingual. Language is more than just a means of communication, it is another way of thinking. I would like to remind the hon. member that bilingualism is not the cause of polarization and division in this country today. It is ignorance and intolerance, not the 200 and some odd members mentioned who are being provided with bilingual services. That is not what is causing the divisions in our country today. It is intolerance.

Mr. Breitkreuz (Yellowhead): Mr. Speaker, I am unilingual like my hon. colleague. My children as well took French in public school. Certainly the more languages one can speak the more rounded an individual one is. At the same time, when official bilingualism was instituted in this country we did not have two full blown separatist movements in this country. We had them after official bilingualism was instituted.

I believe that the Official Languages Act has gone a long way to bring this country to the state it is in. All we have to do is look across the way to see our 54 hon. members from Quebec.

[*Translation*]

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria): Mr. Speaker, I want to thank my English–speaking colleague from Ontario for her comments. But first, I would like to make a correction.

[*English*]

In the Official Languages Act the wording is not "where sufficient demand". The wording is "where numbers warrant".

I would also like to point out to my colleague that a few years ago I was in Calgary and I was invited to be part of a festivity commemorating St. Jean Baptiste. That francophone community in Calgary, the home province of the member for Yellowhead, was so vibrant with life, happy to be together, happy to have cousins from elsewhere in Canada at its festivity. It was happy also to invite other Albertans to its festivity to be part of the culture.

[*Translation*]

In French, we say "*enlever les oeillères*" to take off one's blinkers or "*regarder plus loin que le nez*", not to see the end of one's nose. When the hon. member says the Official Languages Act was never debated in this House, he should go back and reread the newspapers. Besides, when the Constitution was patriated in 1982, a nation–wide debate went on for months, not only in this House, but all over the country. Canadians from coast to coast reaffirmed their commitment to bilingualism.

• (1730)

I would also tell the hon. member that my father–in–law, Mr. Maltais, a French–speaking New Brunswicker, was in Holland on D–Day. He was a proud participant in a war which brought democracy and tolerance to Canada, the Commonwealth and Europe.

If the hon. member in unhappy about the kind of Official Opposition we have got, I can tell him that I do not like the philosophy of his party either.

[*English*]

Mr. Breitkreuz (Yellowhead): Mr. Speaker, I appreciate the hon. member's emotions and comments. I can also appreciate that our philosophies do not agree.

The hon. member talked about blinkers and not seeing to the end of our noses. I would point out that Alberta did not implement bills 101 or 178, if the hon. member wants to talk about blinkers and not seeing beyond our noses.

I would suggest that the Saint–Jean Baptiste days she enjoyed in Calgary would have transpired even if we had not had official bilingualism. Those festivities were there before there was official bilingualism in this country and I would suggest that even if we rewrite the laws of the Official Languages Act they will be celebrated for many years thereafter as well.

Mr. Charlie Penson (Peace River): Mr. Speaker, I rise today to add my voice to those of my colleagues who lament the government's budget of February 22. This budget is not a disappointment as some members have suggested. It is a disaster.

The government says it wants to create jobs, yet this budget is disastrous for job creation. The reason for this is the heavy burden of taxation everyone in Canada faces now and in the future as a direct result of the failure to curb government overspending.

The Canadian Chamber of Commerce says that taxes are job killers for its 170,000 members. For every dollar the government taxes away, it is another dollar lost which could have gone toward job creation. Furthermore, the budget is disastrous for export trade because it stunts our ability to take full advantage of a golden opportunity.

We have just signed two very important trade agreements, NAFTA and GATT, that lower tariffs for our products around the world. I heartily commend this government for its role in those agreements.

Our Department of Foreign Affairs and International Trade has been doing an excellent job in developing markets abroad. Canada has gained a good reputation as a leader in helping the GATT to be established after the second world war and now the new world trade organization.

However our efforts are futile if we cannot give our industries a fair chance to compete. Our companies, small, medium and large, which have to break into and develop these foreign markets cannot do so effectively. They are hampered by disappointing results at home. They are hampered because our government will not act responsibly in fiscal management. They cannot sell strongly into their domestic market because their consumers are overtaxed and the cost of doing business is so high. That leaves them with limited resources to operate aggressively abroad.

At the moment our major trading partner, the United States, to whom 80 per cent of our exports go, is experiencing incredible growth. Our economy is also starting to pick up, led by promising increases in our exports.

• (1735)

If only this budget could have given a strong signal that we were getting our fiscal house in order the response from our business sector would have been incredible. The incentives would have been there to invest and take risks. The incentives would have been there to expand and hire new employees because the promise of tax relief would have been just around the corner.

By failing to deal with the deficit we are missing a golden opportunity to move further and forcefully into export markets. Canada is a trading nation. We simply do not have the population to warrant economies of scale that many businesses need. Our ability to be competitive internationally is crucial to our ability to grow and create jobs.

The Canadian Chamber of Commerce is presently doing a massive poll of 2,000 corporate members and 1,000 entrepreneurs. The purpose of this poll is to identify obstacles to job creation. Business people have been asked to list the five things that would improve their ability to create jobs. Guess what heads the list of responses: getting the federal debt and deficit problem under control.

The reason for this is that deficits and debt have caused the government to overtax our citizens. In fact personal income taxes have more than doubled in the last 10 years. Excise and sales taxes have gone up by almost 75 per cent. That means consumers have less disposable income. It also means Canadian companies face a smaller demand at home.

It was reported in the *Globe and Mail* this morning that Canadian individuals and corporations are the most heavily taxed in the industrial world, with the exception of France. This statement comes from our own Deputy Minister of Finance.

What is more, the $500 billion debt and the burden of refinancing approximately half of that every year crowds out other borrowers. When the federal government borrows huge sums of money it competes with private industry for the available capital. That reduces the amount of money available to finance private business expansion. It also drives real interest rates far higher than they should be.

Seventy per cent of the businesses reporting to the Chamber of Commerce survey are saying that the cost of business in Canada right now is much higher than in other countries. That is alarming. What is worse is that preliminary findings show that 22 per cent of the respondents intend to relocate all or part of their businesses outside of Canada because of high taxation and the cost of government regulations.

When taxes are too high businesses simply cannot survive and be competitive outside Canada. Many are forced to pass these taxes on through higher prices. If that means they cannot sell their products abroad they might as well move to where the cost of doing business is less.

This budget should have started the process of lowering government spending. That did not happen. Instead government spending increased. The promise that next year it will happen or maybe the year after it will really happen is not good enough.

There are lots of areas where cuts should have been made. Obviously social programs which consume a major share of the federal budget should be targeted to those who need it the most.

The leader of the Reform Party and others in the Reform Party have spoken of this already. This budget should have shown Canadians that government was really serious about job creation. We all know, or at least we should know, the private

sector, particularly small and medium sized businesses, creates jobs, not government.

This budget should have shown Canadians and the international community that the government is serious about tackling its huge deficit. If the government cannot bring its spending into line with revenues, how on earth are we ever going to handle the growing debt? In fact the international community is now responding to its concern about our failure to control government spending and overspending.

Canadian interest rates are rising. A good part of the reason for this rise in rates is the lack of confidence internationally in our ability to finance our debt. Higher interest rates mean it will cost more to refinance the federal debt and this will only compound our problem.

The way to job creation is to stop overtaxation. Let us not make our Canadian businesses have to compete with one hand tied behind their backs. The way to tax relief is to stop government overspending, not next year or the year after, but now.

• (1740)

Mr. Paul Zed (Fundy—Royal): Mr. Speaker, it is with great pride and deep humility that I rise today to speak in this House of Commons as the Liberal member for Fundy—Royal. It is with pride because the Minister of Finance has continued the Prime Minister's commitment to all Canadians. That is the commitment in this budget which offers a balanced plan for governing our country. It is a plan about economic renewal, deficit reduction and necessary reforms to social programs.

This budget invests in the skills of Canadians and supports the small and medium sized business sector which has been and will continue to be the number one job creator in Canada.

This budget and this government are being watched by the people of New Brunswick particularly the people of Fundy—Royal. That is because for the first time in the history of the riding of Fundy—Royal they have chosen a Liberal to represent them. It is an honour to represent the people of Fundy—Royal.

I am delighted today to tell the Minister of Finance that the people of my riding like this budget. I join them in offering the minister congratulations and support from one of the most diverse ridings in Atlantic Canada. More than half of the population of this bedroom community works in one of the three major cities of Saint John, Moncton, and Fredericton.

This riding includes the oldest industries on our continent like coal mining in Grand Lake and farming in King's and Queen's counties. There are the newer industries of potash and food processing and traditional industries of fishing, lumbering and wood lot management. Then of course there is our tourism industry. We have the powerful Bay of Fundy and Fundy National Park with some of the most beautiful scenery in New Brunswick, Canada's picture province.

The people of Fundy—Royal are a people of faith, faith in God, faith in themselves, faith in each other and faith in Canada. I am proud of the people of my riding. They offer a fine example to the rest of Canada. I am committed to them and committed to political leadership that protects family values, family farms, and family business.

Small business people and self–employed New Brunswickers are the lifeblood of our economy in Fundy—Royal. This budget offers a realistic plan for them.

It is unlike any other budget in Canadian history because it is a people budget. It is the result of an unprecedented consultation with the people of Canada from coast to coast to coast. This budget reflects the concerns of people. It addresses deficit reduction today and sets us on a clear path of further deficit reduction in the future.

This budget saves $300 million in unemployment insurance premiums. That $300 million can be reinvested by small businesses to create new jobs. This budget revives the residential rehabilitation assistance program for home renovations and boosts the construction industry. This budget makes the temporary home buyers plan permanent. This budget will improve access to capital for small business. This budget will establish Canadian business service centres in every province to provide one–stop shopping for government services.

With this budget we begin a process that will replace the unpopular GST. Nothing will please the people of my riding more than the demise of the GST. Nothing has hurt them more.

Governments cannot solve all our problems. But this government knows that governments must lead and must lead by example. The people of Fundy—Royal like all Canadians are tired of governments saying one thing but doing another.

• (1745)

In my travels throughout Fundy—Royal I have found there are two key areas of concern, lack of jobs and the government debt. Most people agree that these problems are related. With approximately 37 cents of every federal tax dollar going to serve the debt, our government resources for investing in education, infrastructure and social programs are very limited.

While it is easy to recognize that excessive debt and deficits impact negatively on our country, what is not well understood is that about one–third of the federal debt is owed outside of Canada. In simple terms that means we are paying millions of

dollars per year in interest to non–Canadians. This means we are losing Canadian taxes and losing control of our own destiny.

It is time to do something about this problem. I believe it is time for Canada Savings Bonds to be replaced with Canada deficit bonds. The revenues raised by the sale of such bonds could be applied directly to the foreign debt with a plan of repatriating the debt from the current level of 33 per cent to a level of about 20 per cent over a five year period.

Significant benefits would flow from such a proposal. Canadians would own more of our debt and interest payments would be made to Canadians instead of to the Japanese or the Germans.

I strongly agree with the Minister of Finance's plan to cut $3 billion in government operations over the next three years. However, I believe that we must cut further and deeper. I believe we can achieve this by passing legislation in this House that would mandate expenditure reductions in government departments by 5 per cent per year to a maximum of 20 per cent.

Perhaps the last five years of the Auditor General's report would provide a good beginning to identify sectors in need of immediate attention.

I would like to say a few words about free trade in Canada. Since the federal election Canada has joined in forming the world's largest trading bloc, yet we still do not enjoy free trade within our own borders. Interprovincial trade barriers must be removed. While I am encouraged by the progress we have made on this issue, we still need to do some significant work.

Atlantic Canadians have grown accustomed to the boom and bust cycle that often grips our world and more often chokes our region. When the world sneezes we in Atlantic Canada get pneumonia. We in Atlantic Canada are prepared to shoulder our share of the burden when it comes to leading the Canadian economy into the new world economy. We know the importance of information management, of vigorous national science education programs and the development of energy conservation technology.

We will shoulder our burden but we also want our share of this Canadian dream.

As we rationalize government expenditures and services in our province I believe we must have a commitment for a strong port in Saint John. These past two years have shown that even with icebreaking in the St. Lawrence, Mother Nature proved too much for that river and Saint John filled an important national transportation role.

We also must have first–class trans–Canadian highways in New Brunswick from St. Stephen through Saint John, Sussex and to Moncton. These days in Canada we hear a great deal about the information highway. In southern New Brunswick we want to hear more about an economic highway, an economic highway that links communities together and enables them to prosper.

I will commit all of my effort and energy to make sure that southern New Brunswick, the engine of economic growth in New Brunswick, gets its fair share from this government, a fair share for ports and a fair share for highways.

• (1750)

I have a great deal of faith in our transport minister to be a strong advocate for these interests. This budget is only the first of many steps Canadians must take together, arm in arm on the road to a future that delivers dependable economic growth and better and more secure employment.

I believe Canadians can fashion such a future but it will require hard work. It will require a resurgence of the Canadian tradition of looking out for our neighbour and working for those who cannot work or who cannot find work.

Fundy—Royal as one of the oldest settled communities in North America has fostered those traditions for centuries. I know the people of my riding value the realistic approach of the finance minister and the courage and the decisiveness the Prime Minister has shown since the election, a leadership that is decent, fair and responsive.

In closing, I offer a humble thank you to the voters of Fundy—Royal who placed their confidence in me and gave the Liberal Party their trust for the first time in Canadian history. I promise these people I will continue to work hard, to listen well and to act decisively on their behalf.

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources): Mr. Speaker, I congratulate my neighbour. One of the things that makes his riding so great is that it happens to be next to mine. It is a pleasure to hear him extol the virtues of southern New Brunswick and the contribution that is made by that part of our country to Canada.

In listening to what the member for Fundy—Royal had to say about how good this budget is, and we on this side recognize the benefits of a balanced approach to getting the economy working, I am sure that because of the shortness of time he wanted to take some time to talk about the tremendous infrastructure program and the importance that it is going to have to all of the municipalities in his riding.

They offer the opportunity for smaller communities to be able to do that minor work but for important work like the sewer programs, water programs, recycling programs and those types of things and I am sure that had he had more time he would want to talk about that.

I want to give him an opportunity to extol the virtues of both the benefits of putting Canadians back to work that the infrastructure program offers and also the benefits to the many smaller communities in his riding that will be able to have the

types of programs that are essential to small communities for their economic development and growth.

Therefore I ask the member whether he is supportive of the position that this government has taken with respect to the infrastructure program.

Mr. Zed: Mr. Speaker, the infrastructure program has been very positively received.

In fact in Fundy—Royal there are 32 municipalities and as one can imagine the difficulty is to balance those various municipalities and their interests in receiving this important program. Most of the municipalities expressed their interest in this program through the Canadian Federation of Municipalities.

As the hon. member for Moncton knows, the members of the Canadian Federation of Municipalities had an opportunity to express to the then opposition their interest in this program. The Liberal Party listened to that and adopted it. I can tell the hon. member that it is very positive. If anything I will be one of those people who will be back here next year hoping that the program is continued.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, I became excited a few moments ago when the hon. member was mentioning his appreciation that about a third of our national debt is offshore. Therefore it entails a whole bunch of interest dollars leaving Canada and being unusable for our economy. I got really excited when he said the elimination of provincial trade barriers would be a tremendous bonus and benefit to Canada.

• (1755)

I was about to offer him a membership in the Reform Party until he responded to his colleague who said: "How about this infrastructure program"? He endorsed the infrastructure program. Here we are with $6 billion of borrowed money that may create 60,000 jobs that will be gone after the end of two years. Now what do we do? We just pay the interest on the money we borrowed.

An hon. member: For years and years and years.

Mr. Zed: Mr. Speaker, I think the hon. member will let us all know whether any of the municipalities in his riding take advantage of this important infrastructure program.

It will be interesting to see how many communities in the member's riding benefit from it and it will be more interesting, of course, to see how the member's party responds to some of the other important initiatives in this budget.

I want to tell the hon. member that I am pleased to hear he is interested in at least some of the things I had to say. I look forward to working with him on those things we agree on.

The Deputy Speaker: The member for Fraser Valley West, briefly please. Again I would ask members to say "the member" not "you", especially with the Speaker standing nearby.

Mr. Randy White (Fraser Valley West): Mr. Speaker, I must come back on that comment as to how many municipalities and ridings will get involved with the infrastructure program. Why would they not want to because one third of the cost only is going to be attributed to residential taxation. They are going to pass the other part off on federal and provincial taxes.

I must remind the hon. member that there is only one taxpayer paying three portions at three levels of taxes.

My question is what is left after the two years of the infrastructure program after $6 billion has been paid out? What is left for the Canadian taxpayer other than some form of capital structure?

Mr. Zed: Mr. Speaker, I will tell the member what is left. We will have billions and billions of dollars worth of necessary sewers, safe water systems, bridges, roadworks and other community projects throughout this country that but for this program these projects would not be there. It will be interesting to see whether in the hon. member's riding there will be projects taken up by that one taxpayer and whether the program is being positively received in your riding, Mr. Speaker.

An hon. member: You tell them.

Mr. Grant Hill (Macleod): Mr. Speaker, I want to give the members two specific examples of how municipalities are in fact handling the infrastructure program. When I was in one community in my riding not so long ago, I was told: "Well, we are going to look after our sewers on the main street". The councillor admitted to me that this work would be done next year but they were pushing it ahead one year because the infrastructure program was there.

A second community in my riding, and these are communities that have no reason to tell me other than the truth, said they were going to modify their beautiful ice arena equipment so that it would be upgraded, work they would do simply two years down the road.

My comment is that I do not believe that many of the things that are being done with the infrastructure program should be done with borrowed money. I would be more than willing to have the member's comment on that.

Mr. Zed: Mr. Speaker, my comment is simply the fact that both of the municipalities have indicated that they are advancing work ahead of schedule is precisely what the program is

supposed to do. It is not a single program. One cannot look at this infrastructure program as a single initiative. It is part of a broad initiative that this government is moving forward with.

• (1800)

You have just given us, Mr. Speaker, the evidence that we need, the fact that both of the communities that you have mentioned, but for being involved with our program, would not go with the program for some other time in the future. That tells me that jobs are being created now rather than being created at some other time.

[*Translation*]

The Deputy Speaker: It seems that another member of the Liberal Party wants the floor, the member for Hamilton—Wentworth, as well as two other members. Is there unanimous consent to give them ten minutes each, for a total of 30 minutes?

Some hon. members: Agreed.

[*English*]

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, a fundamental change is sweeping this country and this government's budget reflects it. It is a change that more than any other will determine a united Canada's prosperity for the next century.

Others have spoken in this debate on the budget's fiscal provisions, the changes in unemployment insurance, cutbacks in defence spending, new rules for capital gains exemptions, and so on. I propose to draw attention to two other areas which I believe when linked are to me more significant than all the others combined.

I look to new incentives for small businesses on the one hand and reallocation of spending on research and development on the other. Put these two concepts together and I believe we see a fundamental truth about today's economic reality and a glimpse of the economic opportunities of tomorrow.

On the historical perspective, for the better part of this century Canadian industrial production has been dominated by major foreign owned companies, principally those based in the United States and Britain. Research and development, industrial scientific research, if you will, was concentrated in the parent companies rather than in their Canadian subsidiaries. The ability to do quality industrial scientific research is a national asset which is not willingly shared by the United States, Britain, Japan, Germany, France or any other major economic power. That is a fact of international life.

Canada's answer to the problem in 1916 was to set up government funded laboratories grouped together as the National Research Council. I wish hon. members would take time some day to visit the old NRC building at 100 Sussex Drive, built during the depression in the 1930s. Not only is it one of the most interesting architecturally of the buildings in Ottawa but it also speaks through its bricks and mortars, through its terrazzo floors, its tiny laboratory rooms, of that moment in history when Canada finally invested in the brains of Canadians, in our ideas. It is a place that evokes the era of Banting, Rutherford, Best and the Canadian pioneers of this nuclear age.

The Canadian version of the National Research Council was an experiment that had no parallel in Britain and the United States, but it began poorly. Scientists are like artists. If funding is unconditional, they would rather work on pure research. They would rather explore ideas for the sake of them instead of what they might mean in terms of a country's technological progress. Most would prefer to be Einsteins, not Edisons.

The research in the early days of the National Research Council merely wandered through the woods of scientific inquiry and rarely glimpsed the sun.

The Second World War changed everything. In 1940 France collapsed. All Europe echoed to the measured tread of Hitler's armies. The United States was still neutral. The night sky over London flickered with the flashes of exploding bombs. Britain's only remaining ally of consequence was Canada. Now the National Research Council really came into its own, for Britain needed more than men and weapons, it needed science.

In co–operation with Canadian universities, the National Research Council led an incredibly varied program in applied research: new explosives, radar, sonar, chemical weapons, high altitude research. No other country, I firmly believe, given its economic size and population, contributed as much brain power to the war as Canada.

• (1805)

I apologize for speaking so much of the past rather than of the present, but surely our actions and attitudes of today are governed principally by what we know and what we do not know of our own history.

My colleagues in the Bloc for example embrace separatism because they perceive the historic threat only as it pertains to Quebec. Yet we all move forward, Canadians of all provinces, we all have been moving forward together. The fault is that none of us, Quebecers, Albertans, Nova Scotians, pay serious attention to our collective past, to our own accomplishments as Canadians.

How many of the 295 MPs in this House know that Canada was the second country in the world to achieve nuclear power? The first nuclear reactor outside the United States to go critical was built just upstream from Ottawa at Chalk River. We were ahead of Britain, France and even the Soviet Union. That was in 1945. We declared then that we would use nuclear energy only for peaceful purposes and we have kept faith with that promise.

The National Research Council was instrumental in the development of Canada's nuclear program. However after the war both nuclear and military research were spun off to other agencies or to the Department of National Defence. The National Research Council reverted mainly to pure research.

Meanwhile Canada's branch plant economy boomed while applied science, industrial research and development, languished. Throughout the 1960s and 1970s the foreign parents of Canadian subsidiary companies had for the most part little interest in promoting research in Canada.

Now everything has changed again just as dramatically as with the advent of the second world war. This time however the two instruments of change are computers not weapons, and a global recession not war.

Think of it. Up to about 10 years ago a scientist had to have access to a multimillion dollar computer that only a large corporation could afford if he wanted to work out complicated equations or do deep statistical analyses. Now he can do the same thing with a 486 computer worth $1,000. If he links that by modem to other computers and other information systems he has power at his fingertips which exceeds the largest supercomputer and he can work right at his own desk or even in his own home.

As for the large corporation either foreign owned or domestic they are everywhere retreating. Like the giant department stores of old they are subject to relentless competition from small enterprises which are unfettered by the leaden bureaucracies of large corporations. Even IBM long seen as the bluest of blue chips is downsizing as it contemplates diminished bottom lines.

I cannot resist citing an opposite example in my own riding. The company is called Westcam. It occupies an unprepossessing collection of old buildings next to a rural bush lot. It employs less than 100 people. Its product is spy cameras, the kind of devices that can photograph a postage stamp from miles away. Its market is highly specialized but it is worldwide. It is a small business.

High technology, small business. That is where this budget rings with a clear pure note. Out with the old, in with the new. The large corporations no longer have the lion's share of research and development. Technological innovation is going to come from the little companies, not the big ones. This government's budget addresses that fact.

Consider what the budget says. Free up capital for small business through the Canada investment fund and by putting pressure on banks. Simplify paper work. Provide funds for small businesses to hire scientists and engineers. Establish networks to share technology and business savvy. Set priorities for research directly funded by government.

There are casualties: the funding for the KAON nuclear accelerator project in British Columbia for instance and Canada's participation in the U.S. Space Station Freedom. That is another prestige project many in the American scientific community consider a wanton waste of money in terms of the return on scientific knowledge.

• (1810)

Canada should be getting out of that, and so we are. What are we doing instead? Canada is putting $800 million into a new space program centred on remote sensing and satellite communications. This historically is where Canadian technology has shone. We are known the world over for our prowess in this field. This expertise has largely come from medium and small businesses, not from the multinational corporations.

The National Research Council also has been revamped. For years under the previous government it has endured a steady erosion of financial support. While the Tories proclaimed to the press their dedication to science, they starved the institution that has done more for Canadian science than any other.

This government in this budget has thrown out a lifeline to the National Research Council. The schedule of cutbacks instituted by the Tories has been halted. The National Research Council can breathe again.

The future is bright. Canadians have an incredible talent for innovation. I do not care if we categorize ourselves as Quebecers or Torontonians, easterners or westerners; the fact remains we are one of the most versatile peoples on earth.

Our strength is in our tolerance, our diversity, our constant search for new ideas. These are qualities we all share. We share them in this House on all sides, not just the Liberals, but the Bloc and the Reform. In that sense, to all my colleagues I say we are one.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, in reply to the Minister of Finance's budget, I wish to underline that the government totally ignored the recommendations found in the Auditor General's report.

Canada is going through a major crisis. The accumulated debt exceeds $500 billion, and the annual deficit now totals $41 billion. In other words, each year, this unmanageable country earns less than it spends, and is inevitably heading toward economic bankruptcy.

Big corporations and capital holders say that a decrease in their profits resulting from a fairer tax system would cause irreparable damage to the economy.

So, they argue that the government must slash budgetary expenses. The business community, the decision–makers in the world of high finance suggest that the time is right to dismantle

what is left of the welfare state. The neo–conservatism of the 1980s is now the philosophy of the Minister of Finance in the present Liberal government, since he fully approves of the big corporations' approach, and his budget proves it.

In fact, this budget speech announces that the government will, during the next three years, cut more than $7.5 billion from social programs, particularly unemployment insurance. Thus, the government has avoided launching a frontal attack on major great financial interests, while it has ignored waste within its bureaucracy and mismanagement by senior civil servants and its own policy–makers.

First of all, I would like to remind the House of some of the comments the Auditor General made in his last report about waste and mismanagement of public funds, which comments the Minister of Finance totally ignored while preparing his budget.

The government is doing absolutely nothing to reduce the structural deficit, since it avoids dealing with waste and mismanagement. Let me give you some examples of waste. The federal vehicle fleet costs more than $500 million and 4,000 new vehicles are added every year; Investment Canada has spent $132,000 to set up a new office, complete with a kitchen and a bathroom, for the new president, even if the office of the previous president, located in the same building, provided all those amenities. The cost of the use of the Challenger aircrafts reached $54 million, more than half of which was spent for transporting ministers. According to the Auditor General, this comes to $19,650 per hour of flight. More than 800 civil servants who received a cash out to retire were rehired afterwards. About $30 million was wasted that way.

• (1815)

The Canadian Grain Commission has made an *ex gratia* payment—and I remind you that an *ex gratia* payment is one that is made as a gift, in the public interest, and not because it is legally necessary—in the amount of approximately $657,000 to some producers as compensation for losses incurred because a seed cleaning company that had obtained a licence from the Commission went bankrupt.

What measures in this budget tend to eliminate such waste, which is only the tip of the iceberg? None. And what about the mismanagement that has become generalized within the Public Service since the Liberal Party was in power at the end of the 1960s and beginning of the 1970s? The Auditor General has given several examples of this, which we have grouped according to three types of problems: program assessment, identification of program overlapping, and a more general view of certain expenditures reflecting poor management on the part of the government.

On the subject of program assessment, in his 1993 report, the Auditor General especially blamed mismanagement of public funds on a glaring lack of close examination of government spending. He recommended that programs be judged on their results so as to guide policy decisions. The Bloc Quebecois has already raised this point, but it is worth repeating that nowhere in this Liberal budget is the problem of program assessment really addressed.

From a quantitative standpoint, between 1989 and 1992, program evaluation spending fell by 28 per cent, resulting in a much smaller number of program evaluations being performed. In 1987–88, 99 program evaluations were conducted, compared to only 80 in 1992. Again according to the Auditor General's report, in 1991–92, the government spent $125 billion on 16 programs, only two of which were thoroughly evaluated. It is not the most expensive programs which are evaluated. It is estimated that twice as many programs worth less than $250 million are evaluated compared to those worth more than $250 million.

From a qualitative standpoint, since the responsibility for program evaluation rests with the department, the immediate needs of managers prevail over the government's needs and the public interest. When interviewed by the Auditor General, the persons responsible for program evaluation within the department said that the most important role of an evaluation is to assist managers in solving organizational problems. So they pay no attention to the fundamental function of program evaluation, which is to measure the effectiveness of a program and to question its relevancy if necessary in order to achieve optimal resource allocation. It is to be noted that this type of information would be most useful to Parliament in allocating resources and to Canadians in rating government performance. In fact, parliamentarians are asked to work blindly, to allocate resources without knowing the facts.

In his report, the Auditor General says, and I quote: "In the 1990s, program evaluation should be seen as crucial to the management of government expenditures, because it can help to arrive at informed decisions aimed at controlling growth of the public debt". In spite of that warning or, if you prefer, of that suggestion by the Auditor General, nothing in the budget would lead one to believe that the Liberal government is heading in that direction.

Overlapping remains one of the main causes of waste and poor financial management. The federal spending power in areas of provincial jurisdiction accounts for 24 per cent of overlapping and the power to legislate in areas of shared jurisdiction accounts for 76 per cent of overlapping, but, again, nothing in the budget shows that there is a will to change the traditional Liberal way of thinking in this regard.

• (1820)

Program duplication is partly to blame for the mismanagement of public funds and is therefore responsible for the increasing cost of government action. Since it is more economi-

cal to give to only one administration exclusive jurisdiction over services provided simultaneously; since duplication often adds nothing to the quality of government interventions, quite the contrary; since affected employees and facilities could be used in a much more rational and relevant way; and since also the measures put in place by both levels of government often cancel each other out, the competing if not conflicting nature of federal–provincial relations makes it difficult to co–ordinate programs because neither level of government is ready to make major concessions about their own objectives and priorities.

Finally, program duplication is an inflationary factor in the Canadian economy since an increase in the amount of information citizens must have to be able to take advantage of the services and financial aid available, or to conform to laws and regulations, results in a multiplication of the steps required to get that information and thus, in an increase in the number of employees involved in a somewhat unproductive task.

In conclusion, we find it hard to understand that the Minister of Finance, who seems to have made the fight against deficit his priority, has ignored the recommendations of the Auditor General about waste and mismanagement of public funds. In order to eliminate waste, unnecessary spending and mismanagement in government, in the name of the Bloc Quebecois, I request again that the government create a parliamentary committee to analyze and review budget spending, item by item.

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, before dealing with the budget presented on February 22, I think it is appropriate to remind everybody that a budget is an instrument that a government uses to pursue its objectives. To recall the objectives that the Liberal Party had set for itself, I should point out what the leader and his candidates said during the campaign.

What did they say? They said that it was necessary to give hope back to Canadians, to get people back to work and to bring the deficit back to 3 per cent of the GDP. They said that they would protect the universality of our social programs and our health care system against the severe cutbacks announced by the Tories and requested by the Reform Party. They said that it was necessary to invest $20 billion in the infrastructure.

Let us pursue our search for coherence. Immediately after the election, the Prime minister announced the cancellation of the helicopter contract, thus causing the loss of hundreds of high technology jobs in Quebec without compensation, in spite of the traditional inequity of the National Defence spendings in Quebec: $538 per capita in Nova Scotia, compared to $62 in Quebec.

Another way to judge the objectives of the government is to refer to the throne speech. Allow me to underline the lack of a real will to deal with real problems.

Apart from the infrastructure program, which was slashed from $20 billion before the election campaign to a mere $6 billion, no concrete measure was taken to revive the labour market on a durable basis. On the contrary, the government announces the loss of 40,000 jobs due to the unemployment insurance premium increase in 1994.

There is no will to reduce operating expenditures. There is no will to reform the Canadian tax system. Just like the former government, the new government announces that it will undertake in the next few years a reform of our social security system.

After such a weak throne speech, how could we expect a budget different from the one that was presented in the House on February 22? Could we hope for a miracle? Let us recall the discussion we had in the House in the weeks preceding the budget speech.

Every time the official opposition asked the government questions on important matters such the national debt, the deficit, the tax system, the preservation of our social safety net, family trusts, job creation, the fate of young Canadians, we were told to wait for the budget, that it would give all the answers. It was to be the cure–all, the nirvana of the finance minister. What a sham. What a cruel parody.

Last week, on February 28, I experienced a truly democratic exercise with my constituents whom I had invited to come and share their concerns with me.

• (1825)

Among the forty or so persons present, there was a large consensus on family trusts and tax loopholes, shelters and havens. These constituents are shocked by the government's inaction and the absence of adequate measures in the budget tabled by the Minister of Finance.

These voters do not understand why, after having fought against the Valcourt plan, the Liberal Party would come down so ferociously on UI benefits. According to three economists of the Université du Québec at Montreal, who certainly have more credibility than the Minister of Finance, the unemployed alone will contribute 60 per cent of the savings the federal government says it will make in its financial commitments.

People in my riding compare the way those less fortunate people are being treated with the extravagant expenditures of our embassies. They think of the generals and ambassadors who are still driven around in limousines and the army, where there are more officers than soldiers, more generals than tanks.

People I have met in my riding do not understand why the Minister of Finance is reducing tax exemptions for seniors while refusing to review the entire tax system. They do not admit that the federal government, which has often said it was responsible for defending minorities in this country, would close down the only French–language military college in America in spite of

the advice given by all stakeholders, including those of the Department of National Defence. With this decision, the government is showing its real personality.

Now let us talk about assistance to developing countries. Given the present economic context and our financial state, it is fitting to analyze the budget and administrative decisions taken by the government regarding aid to developing countries.

Such an analysis is made all the more difficult as the government announced, a while ago, that it was going to review Canada's foreign policy as a whole. It is rather awkward to study the budget, public expenses and development assistance in relation to these new objectives, since they have not yet been set.

Another problem comes from the fact that CIDA only tabled its 1991–1992 annual report in January 1994. It has not yet been critically analyzed by the Standing Committee on Foreign Affairs and International Trade.

In this respect, we have every right to question the criteria used by the government to cut its development assistance budget.

The Bloc Quebecois expected to see in this budget a substantial increase of non–governmental organization funding, even if it meant a reduction of bilateral assistance programs, often criticized by people in the field.

We believe that the NGOs' share should be much greater than it is now, since they work directly with the poorest people of the world, with one of the highest success rate in the area, and the lowest administration costs. Only 10 per cent of Canadian assistance to developing countries goes to NGOs.

It is too little and the Minister of Foreign Affairs agrees with you since he said in the House on February 9 that the government would do everything in its power to not only maintain but increase this percentage.

The minister did not keep his promise. Neither will the Minister of Finance be able to keep his promise to allocate to development assistance 0.7 per cent of GDP, an internationally recognized standard, given the measures announced in this budget. How can he increase this ratio, which now amounts to 0.4 per cent of GDP, with a 2 per cent reduction in international assistance funding and resources frozen at this level for the following year?

Can the government reveal its magic trick, unless its solution lies in reducing Canada's GDP in the next few years?

The Bloc Quebecois feels that the government should look beyond the economic reasons to cut development assistance and reconsider the cuts made in recent years. Our position is based on several reasons.

The first reason has to do with Canada's international prestige and reputation with respect to its development assistance efforts. This is an essential element of the whole thrust of Canadian foreign policy. Cuts in development assistance funding will surely have a very negative impact on Canada's international image, as well as a potential ripple effect on other countries.

Another aspect, the most important in our opinion, that the government should have considered is the humanitarian dimension of international assistance.

In short, Mr. Speaker, the Bloc Quebecois feels that the measures announced by the government in its budget regarding international assistance are not very consistent. We are now waiting for the review of our foreign policy, which hopefully will not be as disappointing as this budget.

We particularly hope that the new direction of Canada's international assistance policy will not be affected by the negative aspects of this budget, and that the federal government will set objectives which will take into account the needs of the poorest countries as well as the expectations of Canadian organizations and individuals involved in international co–operation.

[*English*]

The Deputy Speaker: It being 6.29 p.m., pursuant to Standing Order 84(6) it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of ways and means Motion No. 6.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to order made Tuesday, March 8, 1994, a recorded division stands deferred until 6.30 p.m. on Wednesday, March 16, 1994.

The Deputy Speaker: It being 6.30 p.m. the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

HOUSE OF COMMONS

Friday, March 11, 1994

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

The Speaker: Pursuant to Standing Order 100, I do now leave the chair for the House to go into committee of the whole.

(House in committee on Bill C–5, an act to amend the customs tariff, Mr. Kilger in the chair.)

• (1005)

The Assistant Deputy Chairman: Shall clause 1 carry?

On clause 1:

[*Translation*]

Mr. Stéphane Bergeron (Verchères): Mr. Chairman, I assume that at this stage we can put questions to the minister before the bill's single clause is passed. Clause–by–clause consideration should not take very long!

On second reading of Bill C–5 a few days ago, we expressed some reservations about this bill which mainly concerned two questions. Under the new GATT agreements, we will eventually have to reassess the preferential tariff for developing countries. The minister had said he intends to do this with the co–operation of the business community. The question we asked at the time, and which we are still asking, is: Does the minister intend to consult parliamentarians in any way, either in the House or at the very least in committee, either the Committee on Finance or the Committee on Foreign Affairs and International Trade?

[*English*]

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): The general system provides for consultations with the business community on any issue at any time.

No changes are made in the general preferential tariffs unless there is consultation with the business community. Any time we receive anything from a group of businessmen or an association that questions the level of the general preferential tariff it can be referred to finance officials and considered at that time.

It is more important that the business community which is affected by that be consulted than individual members of Parliament. Of course any member of Parliament can bring their concerns to the attention of the minister or the Department of Finance.

[*Translation*]

Mr. Bergeron: Mr. Chairman, we would like to see parliamentarians consulted about any changes in the GPT, simply because of the political overtones and possibly the political consequences that these changes might have.

The reason I mention this—in fact, the hon. member for Louis–Hébert and I both brought this up in our speeches is that today, some countries that benefit under the GPT can no longer be called developing countries, and I am thinking specifically of Singapore and South Korea. If we reassess the relevance of granting these countries GPT status, I think this might eventually have a political impact on our relations with those countries.

We also expressed the hope that respect for human rights would be a consideration in the case of certain countries benefitting under the GPT. One example is the People's Republic of China which, at 33 per cent, I think, is the main beneficiary of this general preferential tariff. My question is therefore whether we should eventually reconsider granting the GPT status to countries that openly violate human rights.

I think parliamentarians should be able to consider any reassessment of the GPT status of the countries involved.

[*English*]

Mr. Peters: Mr. Chairman, those were very important questions. There was first the graduation of countries from the GPT. Some countries have been graduated and I am sure the hon. member means South Korea and Singapore. They have been graduated by the Americans for example and are no longer in that group of countries. Others such as Europe and Japan have not done that to these countries.

• (1010)

The question of whether these countries should be removed from this group which gets the advantage of the GPT is something we can look at at any time. If a member wishes to raise it for a particular country or if any standing committee of the

House decides it wants to examine any of these results that can be done at any time. It is not a closed situation at all.

The question of whether Canada should graduate the countries the hon. member mentioned is one which could be considered at any time. It is not difficult to make a change but we have to realize it has not been generally accepted to do that.

The other question was on the use of the GPT as a lever to human rights questions. That has been done on occasion. Where there is a general consensus usually through the United Nations or something similar that has happened. It is possible to do that.

With respect to China, I remind the hon. member that China is a major developing market and its record on human rights may have some questions. China is a major developing market for Canada. Canada has had a great interest in the opening up of China right from the very earliest times. We were one of the first western countries to recognize China and we have had very good relations.

It is extremely important that we retain our influence in China through the acceptance of the GPT to have the largest benefit from this. But there are a lot of other benefits on the other side as well in that Canadian companies have been opening up business there. The GPT helps Canadian companies in their general relations with China.

[*Translation*]

Mr. Philippe Paré (Louis-Hébert): Mr. Chairman, I know that through the General Preferential Tariff, Canada maintains special trade relations with some 180 countries. I would like the Minister to remind me whether all those countries are in a single category or whether there are different categories of tariffs for different countries? Based on his answer, I will have another question.

[*English*]

Mr. Peters: Mr. Chairman, there are two categories actually. The least developed countries are zero rated. These are the poorest countries in the world. Then there are those in the less developed category which are subject to the general GPT. There are two categories.

[*Translation*]

Mr. Paré: Mr. Chairman, this is, in a way, a supplementary question based on the answer. On what criteria is a country selected for one category rather than the other? I am also asking this in the light of the comments by my colleague for Verchères, because in the least developed countries category, there are countries which are probably not among the least developed. So, what are the selection criteria? And would it not be better, in the future, to have a more gradual scale instead of just two categories?

[*English*]

Mr. Peters: Mr. Chairman, it would be possible to have any number of categories. We have used the United Nations classification which is generally accepted throughout the world. There is always some question as to whether we move from one category to another but clearly the United Nations categories are pretty well accepted throughout the world. That is why we use those categories.

• (1015)

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Chairman, I would like to ask the minister whether there are any guidelines for or any monitoring done of the products brought in by these preferential tariffs to ensure that our consumers benefit from them and to ensure that they do not get lost in the retailing or the reselling after they have been imported by the importers. Could he comment on that, please?

Mr. Peters: Mr. Chairman, I do not think we could ever exactly tell where the imports go. They are generally part of the accepted items found in stores. We could turn over a plastic item in a hardware store and find it was made in China. If so, it probably came in under the GPT. We have to look at the source.

There is no way we could trace it. It is not of particular interest to trace it. It is a benefit to the Canadian consumer to have access to a particular good at that particular price, and a benefit to the country exporting it.

Mr. Hoeppner: I have a supplementary question, Mr. Chairman.

The Reform Party is quite favourable to freer trade, but we have to look at our manufacturers so that there is fair competition. I feel some kind of monitoring should be going on so that our consumers do not have to pay the price and a few importers get rich by making sacrifices on these tariffs. We have to be fair in this trade if we are to have this type of trade.

Mr. Peters: Mr. Chairman, every time a question is raised by a manufacturer we look at it. We rely on Canadian manufacturers of competing products to tell us that there is a problem.

As a matter of fact we search out people concerning tariff reduction. Whenever there is a particular tariff question we refer to manufacturers. A lot of them are intermediate goods, a lot of them come in at the behest of Canadian manufacturers to make their products more acceptable at a better price for production in Canada and for export abroad. There are substantial benefits to Canadian producers and manufacturers of these goods, not just at the retail level.

[*Translation*]

Mr. Bergeron: Mr. Chairman, a few minutes ago, the minister was saying that the classification used by the federal government is based on the United Nations classification. The question I am asking myself is whether we should consider South Korea or Singapore as less developed countries or as developing countries. Of course, the answer is crystal clear and self–explanatory: Singapore and South Korea are no longer developing countries, but newly industrialized countries.

I would have two short questions for the minister concerning what he told us earlier. Does the government intend to reassess the general preferential tariffs allowed to newly industrialized countries such as Singapore or South Korea? The minister was pointing to us, rightly so, that the United States, for example, had removed the general preferential tariffs allowed to those countries, but that Japan and the European countries had not yet done so.

Does the Canadian government intend to follow the United States or the wait and see policy of Japan and Europe? I would like him to inform us on that matter.

I also have a sub–question relating to the first one. The minister is somewhat leaving up to parliamentarians and committees the initiative of asking the government to consult them. I ask the minister and the government, through him: Does the government intend to directly submit the matter to parliamentarians, through the Committee on Finance or the Committee on Foreign Affairs and International Trade?

• (1020)

[*English*]

Mr. Peters: Mr. Chairman, I will answer the last question first. Any parliamentary committee can ask to have the question raised and can ask the minister to do so. At any point either the Standing Committee on Finance or any other standing committee can ask to have it referred.

The first question the hon. member asked was about reassessing the granting of the GPT to South Korea and Singapore. That is not under active consideration at the moment. Should there be some change, for example if Europe and Japan moved, I think we would bring it under active consideration.

It is not under active consideration right now to change the GPT rules for South Korea or Singapore.

[*Translation*]

Mr. Bergeron: Mr. Chairman, please allow me to ask my second question again. The minister has been implying since the beginning of our committee's proceedings that members of Parliament and committees can ask to be consulted on issues like that one.

Since the beginning of the present session, the government has been saying it wants to consult members in this House or in the various committees. As they said during the pre–budget conferences, they even claim they want to consult the population. Is it the intention of the government to consult members of Parliament on graduation from the GPT by certain countries, which profit from the General Preferential Tariff, as it is their intention to consult business people?

[*English*]

Mr. Peters: Mr. Chairman, the level of consultation is the basis of the hon. member's question. The level of consultation is quite high on these matters at any time. We have received a number of requests from businesses to consider certain products, certain countries and things like that.

A number of parliamentarian have written to the department over the years to ask whether it would consider particular tariff items. It is quite possible. Another method would be to have the standing committee merely ask that it be considered. If the standing committee asks that question it would be considered.

The avenues of consultation are rather high on this particular item. The GPT has been in effect for 20 years, so we have had 20 years of experience with consultation and it has worked rather well over that period.

Mr. Hoeppner: Mr. Chairman, I would like to ask a question of the hon. minister. I see in my notes that on an annual basis we lose about $156 million in preferential tariff reductions. With expanded trade as a global community, has the minister done any projections on how much of an increase it will be? We are trading more and more with these countries. Is there any way he can project what kind of an impact it would have on our economy?

The more preferential products we bring in, the more we have to consume. They also reduce the revenue side for the government. I would appreciate it if the minister would give me a bit of a guideline on that point.

• (1025)

Mr. Peters: Mr. Chairman, this is a very interesting question. If we lower the tariffs on certain goods we can make a nice estimate as to how much money we will lose. However, if we had the tariffs in place we would not make money because the goods would not come in. We say we have lost $158 million, but it is $158 million we would not have had anyway because the goods would not come in with the ordinary tariffs.

It is a very difficult estimate to make. That is part of the key. This is a good deal for both the Canadian people and for developing countries. Developing countries have said that they

want trade, not aid. That was a good way of putting it. We can put forth any number as lost revenue, but it is not lost revenue. It is revenue we would not get in any case.

Making a projection into future years means, if we have higher revenue losses, that it is revenue we would not have received anyway. If we had put on the tariffs we would not get it. However it is a real benefit to Canadians and a real benefit to developing countries.

Mr. Hoeppner: Mr. Chairman, I thank the hon. minister. When I look at the trade figures we have with other countries, not just underdeveloped countries, my concern is that the Canadian government seems to have been a very poor trader. We have deficits with the majority of countries. The United States is practically the only country with which we have a trade surplus.

The government should be vigilant. We should make trade deals with these countries that benefit us to some extent. We cannot be at the short end of the stick all of the time. With the $500 billion deficit we already have, we have to improve our trading practices to increase revenue.

I would ask the minister and the government to be very vigilant in improving our trading practices because we have to become better businessmen.

Mr. Peters: Mr. Chairman, I take that admonishment with great sincerity. We are going to be very vigilant about our trading practices. I have written on the subject of our balance of payments deficit for 10 or 20 years and have said that we should be pursuing strong trading relationships, relationships that reduce our balance of payments deficit which is running around $25 billion a year right now. That is a high priority of this country.

I also remind the hon. member that it is two–way trade. We must remember there is only benefit to trade if it goes in both directions.

[*Translation*]

Mr. Paré: Mr. Chairman, I feel that up to a point this question of the GPT should be related to Canada's external policy. No doubt our policy is silent on that issue, but it seems we are facing a contradiction: When Canada takes part in bilateral aid programs with other countries, that is one country to another, we know that as it did in the past and is still doing today in some cases, Canada links such aid to the respect of human rights. With regards to the GPT, since it is also a process for helping developing countries and seing that we are still in the same country, Canada, as far as I know, why is it that Canada's external policy does not force partner countries to respect human rights?

[*English*]

Mr. Peters: Mr. Chairman, the member is asking how effective trade sanctions are in approving human rights in developing countries. The only way that trade sanctions can be effective is when they are done generally by a massive number of countries. That will have some impact.

• (1030)

Canada is far too small a market for almost any country to have an impact on its own. We are really only harming ourselves if we try do that sort of thing.

Trade sanctions, where it is possible to use them, and it has been done only very seldom, are only effective if at all effective when done in conjunction with, for example, the whole United Nations, the whole Commonwealth or something like that.

It is not really possible to have any impact on these countries with our very small market here in Canada.

[*Translation*]

Mr. Paré: Mr. Chairman, I do understand the minister's answer. However, I would like to point out that there have been precedents when Canada took the initiative of organizing a coalition. Such was the case in South Africa, with apartheid and human rights violations. We then saw how Canada played a role in setting up a dialogue among nations and forcing many countries to take a stand, which did have an impact.

Saying that we cannot do anything because these countries are too small and we hardly trade with them is not the way to go, I think. It seems to me that Canada should play an international role there too, by bringing other nations to boycott countries which violate human rights. I think that it could be just as efficient as it was against South Africa.

[*English*]

Mr. Peters: Mr. Chairman, in any instance where there is a serious breach of human rights where Canada could take the lead, certainly the GPT would be part of the initiatives. It is not just those initiatives. One would want to do a whole lot of things and that is the question.

The GPT itself is not significant in the total sphere of items that one would use in foreign policy. That is clearly a foreign policy question. Canada would have to be taking a lead through the foreign policy sector through our Minister of Foreign Affairs and through a whole host of organizations like the Commonwealth, the Organization of American States or the United Nations to bring pressures on the country.

The GPT would be part of that and could very easily be part of a major change like that. Therefore I would think the hon. member is quite correct. It could be part of it but it would be a minor part of a major foreign policy initiative if that were needed in any particular case.

[*Translation*]

Mr. Paré: Mr. Chairman, I can see a dilemma there. I understand that it might happen that the volume of trade with these countries be relatively small. The minister seems to

indicate that since it only represents a minor part of international trade, one does not feel the need to intervene.

But on the other hand, it could be the opposite, as we saw in Mexico, this past winter. There were serious violations of natives' rights in Chiapas, and the Mexican army itself moved to crush their rebellion. If I am not mistaken, Canada and Mexico are trading partners, and the volume of their trade is bound to increase. And yet, Canada did not take any drastic stand, no more that it had in the other cases. Its action was limited to a few questions asked of the ambassador, which brings me to conclude that when it is not important, we do not intervene. But when trade is important, we do not intervene either.

[*English*]

Mr. Peters: Mr. Chairman, I would remind the hon. member that Mexico is now a NAFTA country and does not come under the GPT. It is under the North American Free Trade Agreement. Again let me stress that the GPT is only a minor part of our trade relationships. It is a minor part of our total foreign relationship with any country. Our foreign relationships with the developing countries are important through our CIDA grants, through our foreign missions and various groups. It is much more important to have close foreign relationships pursued there rather than through a GPT.

• (1035)

Only after all those other things have been done would the GPT be included with a major change. It could very easily be included. The legislation allows the changes to be made very quickly. It would not be effective to make a GPT change alone and say that is all we are going to do. We would want to do a lot of other things with it and there would be a lot of other questions.

I would suggest to the hon. member that the GPT at this level is low on our list of things in our total foreign relationships with any of the developing countries.

[*Translation*]

Mr. Bergeron: Mr. Chairman, a while ago the minister hinted that the Canadian business community had asked to be consulted on the question of the General Preferential Tariff. We are pleased to hear this and we can understand its position. The minister indicated that he was willing to go along with the request and that he would consult with the Canadian business community.

My question is the same: Does the government plan to consult with members of Parliament or will the minister, as he has been hinting since the beginning of these proceedings, let individual members of Parliament or the committee take the initiative of asking the government to consult with them? With respect to the General Preferential Tariff, does the government intend to pursue the same policies that it has been pursuing since the start of this session? In other words, does it plan to consult, or at least make some show of consulting with, members of Parliament on this issue?

The minister also implied that, all things being equal, the General Preferential Tariff was only a very minor aspect of our foreign policy. This may be true as far as we are concerned, but it is certainly not the case for developing countries seeking at all costs markets for their products.

I would invite the minister to reflect upon this point, and I would also ask him to be sensitive to the fact that—and this has been clear from the beginning of this debate—the General Preferential Tariff can have a major influence on our international relations. That is why we are asking the government today to consult members of Parliament on this issue.

[*English*]

Mr. Peters: Mr. Chairman, I am at a loss to see what further consultation we could have. If any standing committee would like to consider this, it could do so. It is perfectly natural for a standing committee to call it. It could call this question up and consider the GPT.

As far as consulting with the business community, yes indeed we have consulted widely and continue to consult on every issue that comes up with the business community that is affected. Any member of Parliament who hears from a businessman is quite free to bring that to our attention. I hope they will. They have done so in the past.

As a minister I cannot refer it to a committee. The committee has to ask the question and any committee may do so.

(Clause agreed to.)

• (1040)

(Title agreed to.)

(Bill reported.)

Hon. Douglas Peters (for the Minister of Finance) moved that the bill be concurred in at report stage.

(Motion agreed to.)

The Acting Speaker (Mr. Kilger): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Peters (for the Minister of Finance) moved that the bill be read the third time and passed.

He said: Mr. Speaker, Bill C–5, an act to extend the general preferential tariff for another 10 years, received broad support during second reading.

This reflects, I think, a consensus within this House that Canada as a member of the international community of nations must continue to take an active role in advancing international economic development efforts.

I thank all hon. members for their informed commentary on this bill. As mentioned by an hon. member during second reading, although only one line in length, Bill C–5 has considerable impact through what it actually does.

To summarize, this bill will extend the tariff scheme that provides over 180 developing countries and territories with preferential access to the Canadian market. This is of direct benefit to the people of the developing world whose livelihoods are partly dependent on the performance of the often limited export sectors of their economy. Bill C–5, together with the related consultations on the structure and scope of the GPT program that this government will be undertaking over the coming months, reaffirms our commitment to encourage economic growth in the developing world.

Again I thank all hon. members for their support of this legislation.

[*Translation*]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, first of all, I would like to confirm, as we did at second reading, the support of the Bloc Quebecois and Official Opposition for this bill that we consider extremely important, as it provides indirectly for development assistance and is therefore, in our opinion, a bill with a most commendable and honourable purpose.

At committee stage, the hon. member for Lisgar—Marquette expressed a number of concerns about the protection of Canadian industries, producers and businesses with regard to the application of the general preferential tariff. I think that my colleague's concerns and questions were well answered by the minister who pointed out to the hon. member for Lisgar—Marquette the benefits that can accrue to Canadian business from the general preferential tariff.

We must also bear in mind that we all stand to benefit collectively—the international community as well as Canada—from the development of developing countries and that there are only winners, no losers, with something like the general preferential tariff.

We did express a number of concerns at second reading and again in committee.

• (1045)

We understand that the government is about to undertake consultations with the Canadian private sector, and we could not agree more. We encourage the government to consult Canadian businesses on the issue of the general preferential tariff. Our collective well–being is at stake, as well as that of Canadian producers and industries.

However, we consider that any change to the tariff itself or to the list of countries benefitting from this tariff would have political implications and must therefore be debated in Parliament.

We raised two glaring examples of cases where we, the Official Opposition, believe that parliamentarians should be consulted. We pointed out the case of newly industrialized countries and gave the example of Singapore and South Korea, which now benefit from the general preferential tariff. What we should be asking is whether Canada should continue to extend its general preferential tariff to those countries.

The minister made the pertinent comment that the United States has stopped extending its general preferential tariff to such countries, while Japan and Europe have not done so yet. He went on to say that the government is not really looking at this issue for the time being but that it would reconsider if Japan and Europe decided to move in that direction. This is quite surprising from a government claiming to be in favour of implementing a more independent policy.

We also looked at the case of the People's Republic of China, which is the main beneficiary of Canada's general preferential tariff, to the tune of about 40 per cent. As we know full well, China is guilty of human rights violations and we asked the following question: Should countries such as that one with very little respect for human rights continue to benefit from Canada's general preferential tariff?

The minister was a little evasive in answering these questions and we asked him to consult parliamentarians. We do not want him to wait for us to express our interest in the general preferential tariff through a parliamentary committee or through individual initiatives. We would have expected the government to take the initiative, as it has done since this session started, to consult parliamentarians on this issue with a great impact on our foreign policy.

Having said that, I reiterate our full support for this bill whose goals, as we said earlier, are quite honourable and commendable.

I thank the government for bringing this issue to the attention of the House at the very beginning of the session. I also thank the minister for answering the questions we asked him in committee of the whole. I thank all hon. members who took part in the debate; it was very interesting. As far as the committee of the whole is concerned, I must point out the work done by the interpreters, who had a difficult job to do during this rather fast–paced exchange.

I would also like to take this opportunity to congratulate and thank the support staff on both sides of the House, who assisted us in our research. As the minister underlined, the research was well documented and, in this regard, I must say how much we in the Official Opposition appreciate the work done by our researcher, Hugo Séguin.

I reiterate our support for this bill and urge once again the minister to reconsider his decision not to consult parliamentarians as a matter of course and to decide instead to consult us and

bring to our attention any change to the tariff or to the list of beneficiary countries.

[*English*]

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, it has been a good experience for me to be involved with this bill, a new experience for a farmer who just knows how to turn tractor wheels instead of turning politicians.

• (1050)

It has been really gratifying to see this bill go through the House in a smooth order. We have had some very good debate. We have looked at some issues. I have expressed, as my colleagues have, that there are some concerns. We believe fully that the hon. minister will take these concerns to heart and be vigilant about them.

I have followed the career of the hon. minister somewhat in his previous business experience and I always appreciated his comments. I know that he always stressed that we had to have black at the bottom instead of red. If he watches this bill as intently as he did at that time for his profession and makes sure that the majority of times the Canadian government will be in the black with these trading relationships it will be a benefit for the country.

I have faith in this hon. minister that he will do that because he is a Canadian, as we Reformers are. We have very strongly made the comments in this House that we are for free trade but that we also believe in fair trade. That is one of the stipulations that the hon. minister has to accept. We will be critical when it is not fair trade but we will support him very strongly in freer trade with these underdeveloped countries.

I really enjoyed the debate in this House. Where I have made a few mistakes I hope hon. members will forgive me and bear with me so that in the future we can operate this House and continue to make decisions that are positive for this nation as a whole because that is what we are here for.

The Acting Speaker (Mr. Kilger): Before going on I would like to take the occasion, following the remarks from the hon. member for Verchères in reference to the committee of the whole, which is a very important and interesting part of our legislative process, to thank the minister and all members for their co–operation.

(Motion agreed to, bill read the third time and passed.)

* * *

[*Translation*]

CANADA OIL AND GAS OPERATIONS ACT

Hon. Douglas Peters (for the Minister of Natural Resources) moved that Bill C–6, an act to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources): Mr. Speaker, hon. members, I am pleased to speak before this House today during the debate on the second reading of Bill C–6, to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act.

The purpose of this bill is to give the National Energy Board the authority to regulate oil and gas activity in those frontier areas where there are no federal–provincial management agreements.

• (1055)

[*English*]

Specifically the National Energy Board will assume the technical regulatory functions associated with oil and gas drilling and production operations. This involves ensuring that the work is carried out in a way that maximizes resource conservation by ensuring good oilfield practices, protects worker safety and protects our fragile northern and coastal environments.

There are many good reasons behind the transfer of authority to the National Energy Board under this proposed legislation. Since its creation in 1981 the Canadian Oil and Gas Lands Administration, or COGLA, administered and regulated activities on frontier lands on behalf of ministers.

Canada's frontier lands, which encompass land north of 60 and the offshore, fall under federal jurisdictions. The Minister of National Resources shares the responsibility for administering these lands with the Minister of Indian Affairs and Northern Development.

While COGLA served the government well, its role has changed and contracted over the years. Following the conclusion of the agreements with Nova Scotia and Newfoundland regulation of the east coast offshore was delegated to joint offshore boards. Further, it was anticipated that the federal role would continue to diminish with the signing of agreements which would transfer onshore oil and gas responsibilities to the territorial governments.

As a result COGLA was disbanded in 1991. COGLA's technical regulatory responsibilities and many of its staff were assigned to the National Energy Board in Calgary at that time. However, three years later decision making authority still rests with ministers in Ottawa who must approve even minor regulatory decisions. This is a time consuming, complicated and

ineffective process. It is time to act decisively to give the NEB the authority to make decisions to do its job.

Through this bill the Government of Canada proposes to consolidate frontier oil and gas regulation. This will streamline and simplify the approval process and operational responsibilities as well. These changes represent a small but important step.

We believe that it is crucial that in an increasingly competitive world we must provide Canadians and foreign investors with a clear regulatory framework in which to operate. The federal government must demonstrate a commitment to establish a regulatory environment that minimizes the burden on those who will ultimately create the opportunities and jobs to which this government is firmly committed.

[*Translation*]

These changes are reflective of another important Government of Canada priority—to ensure that government services are delivered in a cost effective manner. We recognize that reducing the deficit and restraining government expenditure is a priority for all Canadians.

[*English*]

In times of fiscal austerity such as these governments must make every effort to look for ways to give the taxpayers of this country the best value for their money. One way to do so is to ensure that the size and the structure of our institutions reflect the level of work required of them.

This bill represents another step in the ongoing process of effectively downsizing and reorganizing government responsibilities.

In addition to savings for taxpayers, this bill should result in cost savings for energy. Through streamlining operations we will save industry time and we recognize that for industry time is money. Just as important, however, we are maintaining the quality and integrity of the regulatory process of Canada's oil and gas sectors.

I see that it is eleven o'clock. With the Chair's permission I will stop here and perhaps the House can proceed with members' statements and question period.

The Speaker: I do thank the hon. member for being so understanding.

It being eleven o'clock a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

WOMEN IN AGRICULTURE

Mrs. Rose–Marie Ur (Lambton—Middlesex): Mr. Speaker, in commemoration of International Women's Week I would like to say a few words about the considerable contribution of Canadian women in the field of agriculture.

The shift in the role of rural women has been growing ever since grain and land prices collapsed in the early 1980s.

Between 1981 and 1986, while the total number of farm operators in Canada fell by 8 per cent, the number of female farm operators increased by 18 per cent.

Farm women are suddenly in startling numbers becoming co–managers with their husbands or becoming sole operators. They are proving to be very sharp in the business and marketing end of the industry, a crucial element of modern day agriculture.

I have co–managed our family farm with my husband and family for 25 years.

I would like to take this opportunity to salute the growing contributions of Canadian farm women who, in partnership or alone, have successfully adapted to the increasing complexities of the agriculture industry.

* * *

[*Translation*]

GOVERNMENT SPENDING

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Mr. Speaker, since the election of the Liberal government, we have kept hearing in this House and in committees that Quebecers and Canadians must tighten their belts, that governments can no longer provide families and seniors with the social security to which they are entitled.

In spite of all that, how can one explain that, since the start of the year, a worthy representative of Her Majesty used the Challenger jet twice for vacation trips to the South? How can one decently defend a bill of $160,000 or maybe even $700,000, as the newspapers report, to allow him and his wife to go and take a rest?

The answer is clear: it is an indefensible, immoral decision.

[*English*]

PARLIAMENTARY PUBLICATIONS

Mr. Ray Speaker (Lethbridge): Mr. Speaker, each day my office is inundated with paper, everything from copies of *Hansard* to various government publications. A large portion of this steady paper flow ends up as waste.

In 1992 the Hill produced 472 tonnes of paper waste. When I asked if there was a more efficient way of providing MPs with information, I learned that Parliamentary Publications is already working toward this goal.

It is developing a CD ROM computer system which will eventually allow MPs and their staff to access publications such as *Hansard* through their computers. This new system will not only be environmentally friendly but will also cut down on the government's printing budget. According to the House of Commons estimates for 1994–95, the new system will save the government between $200,000 and $300,000.

Other areas of government are also moving in this modern, cost efficient direction; Revenue Canada, for example. I would urge not only the departments but the ministers of government to take leadership and implement this important stage for others.

* * *

ALBERTA

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I rise today to commend the Government of Alberta for its generous gesture to renegotiate its loan arrangements with the Government of Newfoundland in recognition of the tough times Newfoundland is experiencing as a result of the collapse of the cod fishery there.

This gesture demonstrates a generosity of spirit which has manifested the Canadian tradition of sharing, co–operating and assisting one another to make this country a better place.

That spirit has allowed us to make Canada one of the most desirable places in the world to live. This spirit of collective will and national goals is shared by Canadians in all provinces, including Quebecers, but regrettably it is not reflected in a major policy plank of the Official Opposition which pursues a policy of separation.

We should all be grateful that we have the privilege of considering that policy in a peaceful and democratic way in Ottawa, in Quebec City and in all provinces.

However, I want to suggest today that in many ways this commendable gesture by the province of Alberta is the antithesis of the separatist plank of the Official Opposition.

S. O. 31

EDUCATION

Mr. Ian Murray (Lanark—Carleton): Mr. Speaker, education is the cornerstone of economic development in modern societies.

To succeed in competitive world markets we must continue to invest in people. Canada spends some $55 billion per year on education and training. The level of our investment is world class but the relevance and equality of Canadian education are being questioned.

On February 28 the Minister of Human Resources Development met with provincial ministers. The federal government supported the national agenda announced last fall by the Council of Ministers of Education in its Victoria joint declaration.

This government is working closely with the council to address issues facing Canadian education. We look forward to the council's national consultation on education scheduled for May 26 to May 29 in Montreal in which over 300 participants will represent all partners in education.

* * *

• (1105)

ELECTORAL REDISTRIBUTION IN SASKATCHEWAN

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, I rise today to address the question of electoral redistribution in Saskatchewan.

I understand redistribution is done as required by statute after each decennial census. In Saskatchewan we neither gain nor lose seats. In this time of fiscal restraint I find it difficult to understand why we need to spend millions of dollars to change ridings that are well represented by current members of Parliament.

Redistribution will not mean more effective representation in Saskatchewan.

Therefore I call upon the government to introduce legislation to forgo redistribution in Saskatchewan on this decennial census. This would save the Canadian taxpayers money and preserve the representation that they now enjoy.

* * *

[*Translation*]

VIA RAIL

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, we learned this morning that the Minister of Transport intends to make major cuts in the subsidies to VIA Rail for the transportation of passengers. In light of the economic hardship experienced by this crown corporation, the government has decided to abandon public transportation instead of taking the necessary

measures to help VIA Rail, at a time when the corporation has already begun to reduce its operating costs.

Whether it is passenger or freight transportation, the Liberal government is promoting the slow death of railway transport, particularly in eastern Quebec. The government seems quite remote from the concern of Canadians who want a public transportation system which is fair and respectful of the environment. In this difficult economic context, when employment is scarce, the Liberal government is losing interest in VIA Rail, a crown corporation which generates more than 23,000 permanent jobs.

* * *

[*English*]

FORESTRY

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, in the United Kingdom, Scott Paper Limited has cancelled its pulp contract with MacMillan Bloedel. This contract was worth $5.4 million and represents a substantial loss of Canadian export business.

This cancellation is the result of threats; threats made by Greenpeace, threats based on misinformation about B.C. forest practices.

Now is the time for Canada to address the lies being spread in Europe and the U.K. We in this House must ensure that foreign companies are not blackmailed by misinformation campaigns and if we are to live up to the promise of jobs and sustainable development action must be taken to protect Canada's number one industry.

* * *

[*Translation*]

LES BRAVES VOLLEYBALL TEAM

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I want to mention that a volleyball team from a high school in Hamilton has been selected to represent Canada at an international tournament, to be held next May, in Paris. Most of these young athletes are English speaking and come from various ethnic backgrounds. They attend the École Saint-Jean-de-Brébeuf, named after one the greatest heroes and martyrs of New France in the seventeenth century.

These young Ontarians will therefore be perfect ambassadors, since they embody the two cultures of Canada. Their team's name is "Les Braves". I invite the House to congratulate them by using a word which is the same in both languages, and that is "Bravo".

[*English*]

TERRORISM

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, it is sad that as peace comes closer between Israel and the Palestinian people so does the prospect of terrorist action designed to hurt and outrage, to fuel distrust, fear and hatred.

When tragic and terrible violence occurs it is essential that we continue to support those engaged in the search for peace. I found encouraging the powerful statements by Prime Minister Rabin in the aftermath of the Hebron massacre and as well the forceful condemnation by the American-Arab Anti-Discrimination Committee of the murderous attack on Jewish youth in New York.

It is important that members of all faiths and communities examine more carefully their own habits of thought and expression so that these cannot fuel the acts of extremists, so that they can never believe that they are merely zealots acting as true agents of God and their people.

It is such mistaken beliefs that lead to the most hateful acts.

* * *

• (1110)

NATIONAL TRANSPORTATION AGENCY

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, recently the National Transportation Agency of Canada announced new regulations requiring that rail, marine and air carriers train their employees and contractors to provide suitable transportation services to persons with disabilities.

In addition, as of January 1 of this year air carriers operating domestic services with aircraft of 30 passenger seats or more are required to provide certain services if requested in advance.

I mention these improvements as the former associate critic for the disabled in the last Parliament. Physically handicapped people often have trouble finding employment and coping with situations which most of us take for granted. It is encouraging to see some of the shortcomings in our society pertaining to the handicapped being addressed.

It has been a long, difficult struggle for those affected by physical disabilities and those speaking for them. I congratulate those responsible for these new regulations.

[*Translation*]

CANADA'S UN TROOPS

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, the Bloc Quebecois, which participated actively in the debate in this House on the future of our peacekeeping operations and of our commitment in the former Yugoslavia, is pleased today to offer its sincerest congratulations to all of Canada's UN troops who are doing an outstanding job over there.

The government decided yesterday to extend the presence of our troops there for six more months. They can thus pursue their important task of helping humanitarian aid get through.

We are thinking especially of those who have just completed a quite remarkable mission in Srebrenica, most of whom are Quebecers. Like all the rest, they have contributed to our solid reputation as peacekeepers in UN missions.

Our UN troops are doing their difficult job overseas with courage and dignity and we are proud of them.

* * *

[*English*]

CANADIAN ATHLETES

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, as a Canadian citizen I was extremely proud of the effort and showing of our athletes in Lillehammer during the Winter Olympics.

Young Canadians from coast to coast demonstrated to the world the talent and sportsmanlike conduct developed in a country that prides itself on being one of the best places in the world to live.

Whether in victory or defeat each of our athletes set an example of excellence for the next generation of athletes to follow that can only be achieved through years of hard work and dedication to become the best they can be.

I commend our gold, silver and bronze medalists. I commend all our athletes with whom we share a strong sense of achievement and patriotism.

I commend Mr. Glen Rupertus of Camrose, Alberta. This small town boy from western Canada accomplished what so many young people only dream of. He made his aspirations come true, he made it to the Olympics.

The memory of his journey, the friendships he found and the honour bestowed on him by all Canadians who witnessed his performance in the biathlon will last a lifetime.

TRAVEL BY MEMBERS OF PARLIAMENT

Mrs. Carolyn Parrish (Mississauga West): Mr. Speaker, I stand in the House today to describe a cost saving procedure in which most colleagues can share.

We all travel repeatedly from our ridings to Ottawa. Using a personal example, a regular economy flight from Mississauga to Ottawa is $443.47 return. That same flight when booked from Ottawa to Mississauga with our normal weekend stay over, which includes a Saturday, is $244.26, a difference of $199.21.

The savings per year are well over $10,000 per MP on one of the least expensive routes. For 295 MPs there would be a minimum savings of $3 million per year, a possible savings of $6 million per year.

Many of us book our travel through one agency here in Ottawa with that agency receiving a commission. With the enormous amount of travel booked by the House with MPs spending most weekends in their ridings I am severely disappointed that both airlines have not instructed our travel agent on this considerable saving.

I am also amazed that our travel agent has not instructed our staffs on the savings to Canadian taxpayers.

* * *

VIOLENCE AGAINST WOMEN

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, Canada's 1993 initiative at the United Nations Commission on Human Rights in Geneva led to the adoption of a declaration on the elimination of violence against women.

Canada has done it again in 1994, as the United Nations General Assembly approved the Canadian initiated resolution to appoint a special rapporteur on violence against women.

• (1115)

The rapporteur will report annually to the Commission on Human Rights with recommendations on how to eliminate violence against women, both at the domestic and international levels.

The appointment of this special rapporteur is indicative of Canada's strong commitment to the promotion of the rights of women, both here at home and at the international level.

ORAL QUESTION PERIOD

[*Translation*]

FIGHT AGAINST POVERTY

Mr. Michel Gauthier (Roberval): Mr. Speaker, a genuine movement is taking shape in Quebec, led by prominent citizens

including academics, bishops, union leaders and business people, to take up the fight against poverty, which is affecting an increasingly larger segment of society.

Instead of proposing measures to eliminate poverty, the latest federal budget merely aggravates the problem by shifting many people who would normally have access to unemployment insurance on the welfare rolls.

Will the Prime Minister admit that Canada is getting poorer and poorer and that an increasingly large proportion of the population is suffering as a result? And could he explain what he, as the Prime Minister of Canada, intends to do to give new hope to four million people who are living below the poverty line?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the government realizes it is very important to create jobs in order to restore the dignity of Canadians.

Clearly, the current system has not managed to eliminate poverty. We want to eliminate it by trying new policies, a new approach that will create jobs and restore the dignity of Canadians. A committee of the House of Commons is examining these issues at the moment. The Minister of Human Resources Development is working on a plan to take all our social programs and focus them on job creation. As soon as people have jobs, their dignity is restored and they can get out of the poverty cycle.

That is the approach the government has decided to take, and we will keep on trying until we succeed. I hope we can count on the co-operation of the opposition parties for this new approach, because unemployment insurance and welfare are not the answer. The answer is dignity through work.

Mr. Michel Gauthier (Roberval): Mr. Speaker, does the Prime Minister realize that according to a very thorough study by the Conseil scolaire de l'île de Montréal, Quebec has the largest number of low income families of any province in Canada, in other words, 31.8 per cent of all poor families in this country, and that cutting and restructuring social programs to save money is not going to restore people's dignity and provide jobs? What does the Prime Minister of Canada intend to do to change a situation that has become very bad for families in Quebec?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I just answered the question. We have embarked on a fundamental reform of our approach to employment and social security, and that is the mandate I gave the Minister of Human Resources Development. The committee that is considering these issues is to report to the House very shortly.

We hope to table legislation before Parliament by next fall and next spring. I would urge opposition members to take part in this process. The sooner we finish, the sooner we will have reforms that will change things, because we are not satisfied with the status quo.

Mr. Michel Gauthier (Roberval): Mr. Speaker, the Prime Minister's answer will not satisfy families that are below the poverty line in this country. The Prime Minister is probably aware that in Canada, one child out of five is living below the poverty line.

Would he agree that considering ways to cut social programs in Canada does not constitute a comprehensive strategy to fight poverty? Would he agree that his responsibility should be to put in place a comprehensive plan with specific strategies to give new hope to people who are poor?

• (1120)

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I invite the member of the opposition to participate in the work the Minister of Human Resources Development is doing at this time. There is a committee meeting on that right now. He has met with his provincial colleagues.

Everybody agrees that the status quo proposed by the Bloc Quebecois is not what is needed. We need a new approach where there will be dignity through work, not through welfare and unemployment insurance payments.

We want all parties of this House to make sure that the resources of the Canadian taxpayers are used for creating jobs and giving dignity back to the workers, not having them sit home waiting for welfare and unemployment insurance benefits.

* * *

[*Translation*]

OLD AGE SECURITY

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, my question is for the Minister of Human Resources Development.

After the Minister of Human Resources Development made his controversial statement calling for Canadians to choose between old age pensions and youth training programs, the Prime Minister intervened to allay the fears raised by this statement. The Prime Minister said that the government had no intention of touching old age pensions.

Now that the Prime Minister has contradicted him, can the Minister of Human Resources Development confirm that the white paper he will table in June will not propose any changes to the old age security program?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, first of all, the hon. member's question is inaccurate. I never said there had to be a choice between seniors and young people. It is not what I said, it is what the hon. members opposite said.

I said that we had to find ways to create jobs for all Canadians and that we will have to review benefit programs and develop a system for investing these funds, which could be used for development and job creation. It is an issue to be examined by all Canadians. It is not a question of pitting seniors against young people but of co–operating for the benefit of all of Canada.

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, is the minister willing to apologize to seniors he upset with his controversial statement, forcing the Prime Minister to contradict him?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the only people who caused a problem and concern among seniors were the members opposite who raised false fears. They were responsible for that. They were aided by some of their journalist friends who did not look at what the question was doing. If there is to be an apology it should be from those who are out to create false fears and false suspicions.

This government is trying to take an honest look at some of the tough realities facing this country, particularly the problems down the road for our social security system which the Liberals built.

We are responsible for putting in place over the years an effective social security system for older persons. We want to make sure that is maintained and preserved. To do that we must find ways of financing it. We must find a way of ensuring that the large change in the seniors population which will almost double in the next two decades can be accommodated.

Those are honest, realistic questions. It is not helped by members opposite trying to raise false fears which they have been doing and creating a crisis only in their own minds.

* * *

• (1125)

ABORIGINAL AFFAIRS

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

Several days ago the minister of Indian affairs announced that the government was formally proceeding to establish a new order of aboriginal self–government starting in Manitoba. The government has yet to provide this House with a clear definition of this new order of government.

Recognizing the minister's long experience in the field of intergovernmental relations, how is the federal government defining aboriginal self–government in the case of Manitoba's aboriginals? What will be the relationship of that new order of government to the Government of Canada?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, these extremely important questions require complex answers. It would be better if the questions could be deferred until the minister of Indian affairs can be here to answer them.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, if the government committed itself to establishing a new order of government in Manitoba surely this question must have been discussed at cabinet. Surely no cabinet minister would have committed to this concept without having a clear definition in law and legislation of what this concept is.

We got nowhere asking this question of the minister of Indian affairs. I thought perhaps we would with the intergovernmental affairs minister. Perhaps I can direct this question to whoever on the other side understands what the meaning of aboriginal self–government is with respect to Manitoba. Could we be given that definition?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, the concept of self–government in Indian affairs is one which was used in the red book. It is not a concept that is fully defined. The concept will have to be defined as it is put into place over time. There is no doubt that federal–provincial co–operation will be necessary. As this slowly develops we will give all the details to hon. members.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I am sure all ministers will agree that in a democratic country no new order of government should be established without the consent of the governed.

Will the federal government be conducting a formal referendum among the aboriginal people of Manitoba to secure their approval of this new order of government?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, it is quite important that the concept be discussed among the aboriginal people and discussed by the various stakeholders in the country, including federal and provincial governments and the aboriginal people.

We cannot of course define the content of the concept until it has been negotiated with the various parties. This is what we will do over the next few years, I hope with the co–operation of the opposition parties.

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, while the people of Saint–Jean mobilize every day to express their concern about the closing of the Royal Military College in Saint–Jean, the only French language institution of its kind in the country, the minister stubbornly persists in his decision to close it.

Can the minister of defence confirm to us that his government has reached an agreement with the Government of Quebec and that the announcement of this agreement has been deliberately delayed until the closing speech of the Quebec Liberal Party convention on Sunday afternoon?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I do not know where the hon. members across the way get their wild ideas from. They are making up the most outrageous assertions and the answer is absolutely no.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, does the minister realize that for some savings which he himself is unable to demonstrate, the Liberal Government of Canada is killing the only French language military training institution in America and sending a very negative message about the place of francophones in the armed forces and their future there? Does he realize that?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, this question has been repeatedly asked in another forum over the last few weeks. Responses have been given by the Prime Minister and me.

• (1130)

I said on a couple of occasions this week that with respect to the financial details surrounding the closure of Collège Militaire Royal de Saint–Jean, we will discuss it at the committee, which is the appropriate place, on Tuesday morning when all the estimates are there.

* * *

ALAN EAGLESON

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, my question is for the Solicitor General and involves the notion that all citizens must be equal before the law.

As the minister is aware, Mr. Alan Eagleson, a Canadian closely identified with professional hockey in Canada, is under indictment in the United States for 32 counts of racketeering, fraud, embezzlement, kickbacks and obstruction of justice. Many of these alleged activities took place in Canada.

It is reported that information concerning Mr. Eagleson's activities has been supplied to Canadian law enforcement and professional organizations.

Will the minister tell this House if the Government of Canada is currently conducting an investigation into the activities of Mr. Eagleson in Canada?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the RCMP has been assisting the FBI in its investigations. Furthermore, investigations are going on into similar allegations in Canada. Under the circumstances, I am sure the hon. member will agree it would not be appropriate for me to comment further.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, this information was made available to Canadian law officials almost four years ago. The same information brought to the attention of American officials two years ago resulted in an immediate investigation in the laying of charges.

As Mr. Eagleson's activities were conducted on both sides of the border and Mr. Eagleson had a role in Hockey Canada, an organization created by this Parliament, can the Solicitor General explain why the Canadian government has been so slow in acting in this case?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I have only had this particular job for the past approximately four months but it seems to me that in light of the complexities of this matter, it is not unreasonable to assume that investigations take some time.

I repeat, under the circumstances I hope the hon. member will agree in terms of fairness to all concerned that it would not be appropriate for me to comment further.

* * *

[*Translation*]

PUBLIC FINANCES

Mr. René Laurin (Joliette): Mr. Speaker, my question is for the Minister of Finance.

The federal budget does not appear capable of putting our public finances in order, considering that it foresees a record–high deficit of nearly $40 billion, does not address the numerous instances of squandering brought to light by the Auditor General and rests on unrealistic revenue assumptions.

In the meantime, the pitiful state of our public finances requires an additional risk premium to be paid on interest rates, a premium which could cost the federal government as much as $5 billion a year.

Does the minister not realize that his lack of credibility with the international markets in the fight to curb the deficit is the direct cause of this $5 billion surcharge in interest costs to the Canadian taxpayers?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I find it somewhat ironic that the hon. member would ask me a question about deficit reduction when his leader, deputy leader and colleagues keep telling us not to cut back and deal with the deficit.

With respect to the deficit, we are clearly on the way to reducing it to 3 per cent of the gross domestic product within three years. And once this target is achieved, Canada will be in this good a position for the first time in 15 years. This should be applauded, and you are right to do so, Prime Minister.

I am not done, Mr. Speaker.

Having said this, as for our revenue projections, the vast majority of economists agree that for once, Canada has a realistic budget in terms of revenue, inflation and interest rates.

• (1135)

Mr. René Laurin (Joliette): Mr. Speaker, the minister is having a very hard time answering my question. Let me ask him another.

Does the minister recognize that the additional cost of the risk premium on interest rates equals the cuts and sacrifices imposed on the unemployed and the poor?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, if by comparison with other countries, there is a premium on our interest rates, it must be pointed out that rates are the lowest they have been in the last decade, and this has been the case ever since we took office.

* * *

[*English*]

MILITARY COLLEGES

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, my question is directed to the Prime Minister.

On Monday, in response to a question from a member of the Bloc Quebecois, the Prime Minister said he is ready to help Quebec maintain Collège Militaire Royal de Saint-Jean as an institution of higher learning following closure of the military college.

Is the Prime Minister willing to make the same commitment in this House today to the people of British Columbia with respect to the future of Royal Roads Military College?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the answer is yes.

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I thank the Prime Minister for his candid answer.

My supplementary question concerns the MICMIC report which was a cost benefit analysis that was done on the military colleges and completed in May 1993. It was commissioned by the federal government.

It has as its primary recommendation that all military colleges be kept open. The previous government kept this report hidden and this government has kept this report hidden. Can the Prime Minister tell us why the report has continued to be kept hidden?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I think we have tonnes of reports on that.

In the United States there are two million soldiers in the armed forces and there are three colleges. In Canada we have 65,000 people in the armed forces. We cannot keep three colleges. For a party that is always complaining that we are spending too much, that we took the political flack to do the right thing, rather than giving us a problem with that the member should get up and applaud our good judgment to reduce expenditures.

* * *

[*Translation*]

INFORMATION HIGHWAY

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, on February 4 last, I asked the Minister of Industry to tell us what his specific plans were with respect to the information highway. At the time, the minister answered rather vaguely that he was planning to set up an advisory council. I was concerned by this because we already had the Ostry report which provided details about the information highway to the government.

Can the minister now inform the House of the mandate, composition and work schedule of this council?

Hon. John Manley (Minister of Industry): Mr. Speaker, the Secretary of State for Science, Research and Development, Mr. Gerrard, gave a speech in Toronto several weeks ago in which he clarified our interests in the information highway project. I believe that I will be in a position next week to provide the hon. member with the information he is requesting.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Then I guess I jumped the gun with my question, Mr. Speaker. How does the minister intend to involve the provinces, particularly Quebec, the cradle of la Francophonie, in the charting of the

information highway? I would appreciate an answer to this question today.

Hon. John Manley (Minister of Industry): Mr. Speaker, we have Quebec's interests very much at heart. In fact, last week I met with Mr. Chagnon from Vidéotron, a company that has already unveiled a project to provide service to consumers in the Chicoutimi region. The interests of all provinces are important to this information highway project.

[*English*]

This is one of the means of bringing the new economy into reality in Canada in the very near future.

* * *

• (1140)

EMPLOYMENT

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, my question is addressed to the Minister of Finance.

The constituents in my riding of Wellington—Grey—Dufferin—Simcoe are particularly concerned about Canada's unemployment picture. Both before and after the budget they told me that their principal concern is seeing their family members, friends and neighbours find jobs in this tough economy.

I understand that there may be some improvement in this area. Can the minister comment on this important issue of job creation and how we are progressing since this government came to power?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I congratulate the member on his question. I must say that I am delighted to respond.

I am very, very much encouraged by February's strong jump in employment, particularly so since it has occurred in all regions of the country. Nationally, there is a net gain of 66,000 jobs; 11,000 jobs in the member's home province.

What is also very important to understand, Mr. Speaker—and I know that you are hanging on every word—is that there are particularly strong gains in manufacturing in the retailing sector. Some may have noticed that was something that was very worrisome in the month of January.

* * *

KEMANO PROJECT

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, my question is for the hon. Minister of Fisheries and Oceans who as previously demonstrated speaks officially for the government on the Kemano completion project.

In a letter to Chief Marvin Charlie of the Cheslatta band dated February 22, 1994, the minister clearly stated that only native groups would be considered eligible to receive federal intervener funding required to participate effectively in the Kemano completion project.

Is it the decision of the Minister of Fisheries and Oceans, and indeed the decision of this government, that native concerns carry far more legitimacy than non-native concerns in regard to Kemano and therefore natives should be the only groups entitled to federal intervener funding?

Hon. Brian Tobin (Minister of Fisheries and Oceans): No, Mr. Speaker, it is not the view of the Government of Canada that one group or another in society has a greater right to be heard in the course of hearings of the British Columbia Utilities Commission.

What I have stated in my correspondence, as referred to by the member in asking his question, is that the Government of Canada has provided some assistance for aboriginal groups to participate on an intervener basis. Clearly and I think the member would agree, certainly I hope his party would agree, there is at least the proposition to be put that aboriginal communities and aboriginal peoples have been first impacted by the consequences of the project in question. Therefore it is necessary to ensure that aboriginal people have the means to participate in the hearing process should they so decide.

To my knowledge, no such formal decision has been reached one way or another to this point in time with respect to their intervener status.

Mr. Dick Harris (Prince George—Bulkley Valley): I appreciate the minister's comments.

I would like to ask this of the minister: If no group is more important than any other in the eyes of the government, will the minister then commit to this House and to the thousands of people living in British Columbia who are concerned about this project a process through which all interested parties may proceed in order to receive federal intervener funding?

Hon. Brian Tobin (Minister of Fisheries and Oceans): I have to say that I find it incredible that the Reform Party stands in the House almost daily under the guise of question period and demands of this government far deeper cuts, cuts in the range of billions of dollars. Nothing is sacred, not senior citizen pensions, not medicare, not welfare, but in the next breath the same party can stand and demand that all groups and all individuals, all the thousands of applications for intervener status, ought to be met with a yes from the government.

• (1145)

There is not a bottomless pit of money. We are going to act responsibly. We are going to see that those who have the greatest need are served in providing intervener funding. The member should get his priorities straight.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

* * *

[*Translation*]

VIA RAIL

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, this morning we learned that the Liberal government is about to once again cut VIA Rail's budget. The Minister of Transport went so far as to say that the dream of a major intercontinental carrier is a thing of the past, when he announced yesterday that VIA Rail services would again be reduced.

How can the Minister of Transport explain this latest about–face by the Liberals, considering that they opposed every cut made to VIA Rail's budget by the previous Conservative government?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, first I want to clarify a point: I am sure that the hon. member was not implying that I had personally reacted in that fashion to previous cuts affecting VIA Rail, because it would not be true.

As for the future of that crown corporation, cuts will continue to be made, as has been the case for the last few years. This year, Canadian taxpayers are contributing more than $300 million to VIA Rail's operations, a situation which simply cannot go on. We will do our best, and in fact we have asked VIA Rail to look at every possible option, including reducing its operations. Staff cutbacks have already been made and, as I said here yesterday in my speech, there is no doubt in my mind that other cuts will be made.

The national situation in the transport sector is clear. We have to integrate every system and transportation mode to create an efficient and integrated system and, more important, one which we can afford.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, does the minister agree that successive cuts to VIA Rail's budget mean a slow death for this crown corporation, as well as the loss of more than 23,000 permanent jobs in Canada and in Quebec?

[*English*]

Hon. Douglas Young (Minister of Transport): Mr. Speaker, there is no question that no one takes any pleasure, especially as an Atlantic Canadian, in seeing further reductions in the services of VIA Rail. No longer is there any service of any kind in the railroad sector in Newfoundland. There is no railroad activity in Prince Edward Island. Other parts of the country are deeply affected by the need to rationalize transportation services.

As we go through this process of developing an integrated, affordable national transportation system, undoubtedly there will be some major problems for employees and for users. We are trying to do the very best we can with the limited resources at hand, particularly taking into account the already tremendous burden on the Canadian taxpayer.

* * *

UNEMPLOYMENT INSURANCE COMMISSION

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, the board of referees of the Unemployment Insurance Commission in my riding has now ceased to function due to a shortage of members. For over two months my office has attempted contact with the office of the Minister of Human Resources Development regarding this matter but there has been no response.

My question is for the Minister of Human Resource Development. Will the he state when these important positions will be filled and what process will be used to ensure that the appointments will be based on merit and not on patronage?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I apologize to the hon. member if he has been unable to get a response; I will certainly look into it. We will look very quickly into the situation in his riding.

As appointments come due we are filling the chairmen positions of different UI boards of referees across the country. We are proceeding as quickly as we can. It is a complicated process, as the member knows, because each person who is recommended must have certain checks done in terms of background, appropriateness for the job, and so on. It does take a little time to register each appointment.

• (1150)

I will certainly look into the situation in the member's riding. If he gives me the information on it we will have action for him very quickly.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, I have a supplementary question on this matter for the Minister of Human Resources Development.

The assistant campaign manager of the unsuccessful Liberal candidate in my riding is stating that he is being appointed to the board of referees in that riding. Is this individual telling the truth?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, first, I am not sure who the assistant campaign manager was in that particular riding. Second, I do not

know whether in fact that person has been recommended for that very important position by his or her peers in the riding.

As I said earlier, if the member wants to give me information I would be more than happy to look into it. I can give the member the assurance that regardless of one's political background or affiliation our interest is in getting the best person for the job.

* * *

SEALING

Mrs. Jean Payne (St. John's West): Mr. Speaker, recently we have heard through the media and in the House some reports that the government is promoting a contract which allows for the harvesting and sale of seals.

Would the Minister of Fisheries and Oceans please tell the House whether or not the contract includes the sale of seals for the purposes of providing seal penises? Would the minister also tell the House why Canada is supporting a deal that allows for the export of seals to China?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the hon. member for St. John's West for her question.

A contract has been entered into between Terra Nova Fisheries of Newfoundland and Labrador and a Shanghai firm in China. It is a contract that provides for the use of some 50,000 mature, adult harp seals out of a quota of 186,000 from a healthy and growing herd of three million.

The contract utilizes the full seal. It involves the shipment of machinery into Newfoundland and Labrador for semi–processing of the product into pelts, blubber oil, byproducts and oils for finished processing of pharmaceuticals in China.

The project is not dependent upon any one part of the animal. It is not even directed at any one part of the animal. Rather it is a normal processing operation, I remind the House, that flows from a 500–year old tradition. I believe it is good news for Canada.

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[*Translation*]

ALUMINIUM INDUSTRY

Mr. André Caron (Jonquière): Mr. Speaker, Canada and four other aluminum producing countries have committed themselves, last week, to helping Russian aluminum plants to modernize, in exchange for a reduction in Russian aluminum production. Canada, for one, will help in the privatizing, modernizing and industrial development of Russian aluminum plants.

Did the Minister for International Trade analyse the medium–term impact of the modernization of Russian aluminum plants on our own aluminum industry? If so, could he table the results of those analyses?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, the agreements that have been reached with regard to the orderly marketing of aluminium involve in part assistance to the Soviet industry to modernize and to improve its productive capacities. The basic point is that all this is directed to assuring that the disruption in aluminium markets we have seen in the past months and in the past year does not continue.

I would be pleased to provide the member with additional information if he so desires.

[*Translation*]

Mr. André Caron (Jonquière): Mr. Speaker, this probably means that the minister did not really study the impact of last week's agreement on our aluminum industry.

Since he has also allocated several million dollars for the construction of a huge aluminum smelter in South Africa, could the minister acknowledge that the recent action of his government will jeopardize the jobs of thousands of Quebec aluminum workers, when these new and improved Russian aluminum plants are in operation?

• (1155)

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, no, not at all. With reference to EDC financing of the engineering studies by a Montreal firm of the aluminium smelter in South Africa, I answered that question on an earlier occasion. I would be pleased to provide the member with further information if he so wishes.

* * *

INDIAN AFFAIRS

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

The Semiahmoo First Nations band in British Columbia is in the process of unjustly evicting two long term non–native residents from the reserve. Instead of attempting to mediate or resolve the issue, the department initiated eviction proceedings and is demanding that these residents pay double the rent for 60 days as they attempt to sell their homes. Unfortunately the evicted residents have been told their homes cannot be sold without a signed lease in place.

On February 23 the minister told the House that he and his party stand on the side of those who are discriminated against. Is the minister prepared to live up to his commitment of standing up for those who are being discriminated against and protecting the interests of those being evicted?

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

I would like to inform the hon. member that I will make this information known to the minister and a response will be forthcoming.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I have a supplementary question. As the government moves toward dismantling the Department of Indian Affairs and Northern Development and the implementation of aboriginal self–government, could the government guarantee that the rights of all Canadians regardless of race, gender or status will be protected?

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, absolutely. I remind the hon. member that on the issue of self–government we did not have the privilege of being asked whether a government would be set up before a government was set up in our land.

* * *

[*Translation*]

BILINGUALISM BONUS

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Mr. Speaker, my question is for the Solicitor General. Yesterday, the Federal Court of Appeal ordered the federal government to pay bilingualism bonuses of $800 a year to qualified officers of the Royal Canadian Mounted Police. It is estimated that the government now owes up to $4,000 to more than 3,000 officers as well as retired officers of the RCMP.

Does the Solicitor General intend to abide by the unanimous decision of the Federal Court of Appeal and pay the bilingualism bonus to qualified officers of the Royal Canadian Mounted Police?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, that decision raises some very complex issues. It is presently under review, and I will have more information about that in the near future.

[*English*]

PEARSON INTERNATIONAL AIRPORT

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Minister of Transport.

Mr. Robert Nixon's review of the proposed privatization of Pearson International Airport recommended that Transport Canada proceed with construction at terminals one and two and then establish a non–profit operating authority.

This position is supported by the five regional chairpersons who say that delays will kill several economic development opportunities in the Toronto area.

Why is the minister delaying action when much needed jobs and infrastructure are at stake?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, that is a very serious question. Obviously the reason for some delay is that we want to do what is best for Canada's flagship airport.

The Pearson International Airport is Canada's most important airport. All Canadians would know that we have just gone through a very difficult process in trying to reverse a situation that we as a government did not feel was in the best interest of Canadians and the Canadian taxpayer.

• (1200)

I assure my friend we are taking into account all of the concerns being raised by many people not only in the Toronto area but across the country with respect to the future of Pearson airport.

I encourage my friend and others with an interest in this matter to convey their views to the very strong and influential government members making up the metropolitan Toronto caucus who are currently looking at this matter.

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AUTOMOBILE SAFETY

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my question is for the Minister of Transport.

Recently on the television program "Market Place" the issue of automobile safety was analysed. It was noted that federal standards for car bumpers are minimal and that no standards exist for vans.

Recent insurance impact tests show that at eight kilometres per hour, damage resulted in thousands and thousands of dollars. Today's cars sustain more collision damage than those 60 years ago.

What measures is the minister prepared to initiate to improve automobile safety and safety for Canadians?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, it is a very interesting question. I must admit I was astonished to learn of this particularly with respect to minivans, a very popular form of transportation for families. I was very concerned when I learned of that report. I have asked my department to look into it.

Without equivocation I must say it is absolutely intolerable that manufacturers of these vehicles have not taken safety requirements into account which I think would have been essential in anybody's planning. Care should be taken that vehicles constructed and marketed with the primary purpose of providing transportation to parents and young children should meet the most stringent safety standards.

We are going to make it our business to very forcefully encourage manufacturers in this country to respect the need to provide the highest possible standards for vehicles that are transporting families.

* * *

POINTS OF ORDER

WITHDRAWAL OF COMMENTS

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, during the heat of the moment I made a comment about the minister of fisheries and I wish to withdraw that.

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I would like to thank the hon. member for what I think is a very generous act on his part. I too have been guilty of similar types of comments in the heat of the moment on occasion.

The Speaker: Sometimes I think we should move the chair a little bit closer so I can hear.

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL LANGUAGES

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, pursuant to section 48 of the Official Languages Act and Standing Order 32(2) I am pleased to table, in both official languages, the fifth annual report of the President of the Treasury Board concerning official languages in federal institutions covering the fiscal year 1992–93.

[*Translation*]

Pursuant to Standing Order 32(5), this report is deemed referred to the Standing Joint Committee on Official Languages.

[*English*]

CO–OPERATIVES ENERGY AND LOWER CHURCHILL DEVELOPMENT CORPORATIONS

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources): Mr. Speaker, pursuant to Standing Order 32(2), I am pleased to table, in both official languages, the 1992 annual reports of the Co–operatives Energy Corporation and the Lower Churchill Development Corporation Ltd.

* * *

[*Translation*]

GOVERNMENT'S RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 35(8), I have the honour to table, in both official languages, the government's response to six petitions.

* * *

• (1205)

OFFICIAL LANGUAGES

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, in accordance with section 48 of the Official Languages Act, I am pleased as President of the Treasury Board to table, in both official languages, the annual report on Official Languages in Federal Institutions.

[*English*]

This report covers fiscal year 1992–93. It reports on the progress of the official languages program in federal institutions. I am particularly proud to table this report because institutional bilingualism has come a long way since 1969 when the first Official Languages Act was adopted.

This year, more precisely on September 7, we will celebrate the 25th anniversary of the coming into effect of the first Official Languages Act.

[*Translation*]

The 1969 legislation made English and French the official languages of Canada for all purposes of Parliament and the Government of Canada so that they would have equality of status in all the institutions of the Parliament and Government of Canada.

[*English*]

A new Official Languages Act replaced the 1969 legislation on September 15, 1988. It reflects the significant changes that have taken place in the status and use of the two official languages since that first legislation.

The 1988 act further specifies the constitutionally entrenched rights and linguistic principles initially set out in the Constitution Act, 1867 and then in the 1982 Canadian Charter of Rights and Freedoms.

In line with the 1982 charter the 1988 act provides the framework and the provisions required to translate constitutional language guarantees and principles into day to day realities.

The annual report on official languages describes the activities carried out and progress achieved by federal institutions in 1992–93 in implementing the act.

[*Translation*]

It reflects their significant accomplishments in meeting the three main objectives and commitments of the program.

[*English*]

These are as follows. Within certain limits Canadians can deal with federal institutions in the official language of their choice. In designated bilingual regions employees of these institutions can work in the official language of their choice. English speaking and French speaking Canadians have equal opportunities to obtain employment and advancement in federal institutions.

[*Translation*]

The government clearly expressed its conviction and commitment to official languages in the recent speech from the throne.

[*English*]

Our cultural heritage and our official languages are at the very core of our Canadian identity and are sources of social and economic enrichment.

In making sure that federal institutions live up to their obligations under the Official Languages Act the government will continue to transform this conviction and commitment into reality in its day to day operations and in its contracts with Canadians right across the country.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, the annual report *Official Languages in Federal Institutions* shows beyond a shadow of a doubt that there is still a long way to go to reach true fairness for the French speaking citizens of this country.

The act could have been a development tool for francophone and Acadian communities in Canada by ensuring access to the public service in French. Unfortunately, the way the government views and implements its mission, it is making only Quebec bilingual. Is it the government's aim to destroy the stronghold of the French speaking community in North America?

Let us look more closely at some figures.

• (1210)

In Quebec, where the English speaking population is 10 per cent, the federal public service has 52.7 per cent bilingual positions, that is 15,945 out of a total of 30,234 positions. If the same principle were applied to Canada as a whole, the number of bilingual positions should be 30,666 instead of 7,465. Therefore, there is a glaring and shameful deficit of 23,000 French or bilingual positions for francophones.

For my colleagues' benefit, let us take a look at the data province by province. Reform Party members who think that bilingualism costs too much should be happy to see that so little is done in that regard. The Northwest Territories should have 122 positions instead of 39; Yukon, 38 instead of 7; British Columbia, 1,600 instead of 394; Alberta, 1,564 instead of 395; Saskatchewan, 672 instead of 175; Manitoba, 2,238 instead of 565; Ontario, excluding the National Capital, 9,136 instead of 2,762; Nova Scotia, 2,755 instead of 750; Newfoundland, 132 instead of 63; and New Brunswick, 12,339 instead of 2,680.

In conclusion, in this year of the 25th anniversary of the Official Languages Act, the government has chosen to move the clock back 40 years by transferring the operations of the Collège militaire royal de Saint–Jean to Kingston, where Premier Bob Rae used too narrow an interpretation in determining that the number of French–speaking people in that community did not warrant it being declared a bilingual district.

The Treasury Board and this government therefore do not give us much to rejoice over, and this anniversary, on September 7 next, should rather be considered as a day of mourning, with the Canadian flag at half–mast.

[*English*]

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, I thank the hon. President of the Treasury Board for this opportunity to respond to his interesting report.

Let me first underline that our party is not against bilingualism. We are not. In fact, we encourage it on a personal basis. What we are against is the waste of resources brought about by the application of the Official Languages Act and its divisiveness to Canada as a country.

Although no doubt well intentioned, the continued blind application of the act, to use the words of the President of the Treasury Board, "in making sure that federal institutions live up

to their obligations under the act" is the very thing that is causing resentment across the land.

The minister proudly states that English speaking and French speaking Canadians have equal opportunities to obtain employment and advancement in federal institutions. However, within the last two weeks we heard the Minister of National Defence say with pride that officers of the Canadian forces aspiring to the rank of lieutenant colonel or above will have to be bilingual. This same restriction is being applied at the non-commissioned officer level.

In a country where more than 60 per cent of francophones speak no English and over 80 per cent of anglophones speak no French, a person should be able to pursue a career solely in either official language with the expectation that if he or she does everything correctly, there is a reasonable chance for success in that career. Application of the Official Languages Act takes away this hope from the majority in both language groups. It fosters resentment and division in Canada.

We would be among the first to applaud the opportunity for francophones to pursue a career in the French language.

• (1215)

We are appalled by the fact that the number of jobs available to unilingual francophones has dropped 26 per cent since 1974 thanks to the government's ridiculous pursuit of the bilingual post designation.

We are equally upset that unilingual anglophones are suffering the same form of discrimination.

[*Translation*]

Let me repeat again that we are not opposed to bilingualism. We agree that both languages are necessary in government institutions, such as this Parliament, and the courts of justice. On the other hand, we are opposed to the antagonism and the waste of resources caused by the Official Languages Act over the past 25 years.

[*English*]

I want to conclude by saying I am deeply distressed also by the inaction of the chief parliamentary body overseeing the Official Languages Act. I am a member of the Standing Joint Committee on Official Languages which has yet to meet this session. My research indicates this committee has met only nine times in the past two years and has not issued a single recommendation to this House. It saddens me to think that such a vital part of the fabric of Canadian society appears to be sorely neglected by us, Canada's elected representatives.

COMMITTEES OF THE HOUSE

FINANCE

Mr. Jim Peterson (Willowdale): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Finance.

In accordance with its order of reference of Tuesday, March 8, 1994 the committee has considered Bill C-14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994, and has agreed to report it without amendment.

A copy of the minutes and proceedings and evidence relating to this bill, issue number 18 which includes this report, is hereby tabled, all of which is respectfully submitted.

I would like to again thank the hard working members of our committee from all parties.

* * *

PETITIONS

CRIMINAL CODE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, pursuant to Standing Order 36, I am pleased to table a petition signed by a number of Canadians asking this House to preserve article 241 in the Criminal Code which forbids euthanasia and assisted suicide.

This petition was circulated by Mrs. Theresa Ducharme of Winnipeg and her organization called People in Equal Participation.

I want to outline for the House how difficult it was for Mrs. Ducharme to secure names for her petition. She is a victim of polio, she is on an artificial respirator, she is epileptic, diabetic and confined to a wheelchair. She knows how precious life is and told me that is why she wanted to circulate this petition.

KILLER CARDS

Mr. George S. Rideout (Moncton): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition dealing with killer cards. One section of the petition states: "We abhor crimes of violence against persons and we believe that killer trading cards offer nothing positive for children or adults to admire or emulate but rather contribute to violence".

RURAL POSTAL SERVICE

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I would like to take this opportunity to present a petition from my constituents in Austin, Manitoba.

The signatories of this petition are concerned about the reduction of postal personnel in their community and about the normal services which rural ridings are entitled to.

They would like the government to take notice of this when it deals with that issue.

• (1220)

OFFICIAL LANGUAGES

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, on behalf of summer residents of my constituency of Simcoe Centre, I would like to present this petition which calls on Parliament to take a fresh look at Canada's current policy on official languages and to hold a national referendum on the question.

SERIAL KILLER CARDS

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present this petition of 501 names, duly certified by the clerk of petitions, on behalf of the undersigned residents of Wellington—Grey—Dufferin—Simcoe and the surrounding area, in particular Collingwood and area.

The petitioners humbly pray and call upon Parliament to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killers cards in law and to advise the producers of killer cards that their product, if destined for Canada, will be seized and destroyed.

PENSIONS

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I have a petition here whereby the petitioners ask the government to deal with pensioners' pensions in an extremely sensitive and fair way. They want to ensure that today's pension plans respond to their actual needs.

[*Translation*]

They realize that for several years now they have not received the amount necessary to have the quality of life they are entitled to.

[*English*]

They also want to make sure that whatever future plans are changed, if they are to be changed, they take into consideration the unique situation of our citizens.

Finally, they wish us all to recognize that the country that we have today and many of the benefits that we enjoy are as a result of their contributions to this society.

[*Translation*]

We must not forget them.

[*English*]

OFFICIAL LANGUAGES

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, pursuant to Standing Order 36, it is my privilege to rise in the House to present a petition, duly certified by the clerk of petitions, on behalf of many concerned constituents of Nanaimo—Cowichan and the surrounding area.

The petitioners humbly call upon Parliament to enact legislation providing for a referendum binding on Parliament to accept or reject two official languages. Given Canada's current financial restraints the petitioners feel the existing official languages law is very expensive and is actually more divisive than cohesive.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I would ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): I wish to inform the House that pursuant to Standing Order 33(2)(b), because of the ministerial statement Government Orders will be extended by 11 minutes.

GOVERNMENT ORDERS

[*English*]

CANADA OIL AND GAS OPERATIONS ACT

The House resumed consideration of the motion that Bill C–6, an act to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources): Mr. Speaker, before our interruption for question period we were discussing Bill C–6 which deals with the transfer to the National Energy Board of the administration and regulation of activities on frontier lands which were previously administered by the Canadian Oil and Gas Lands Administration or COGLA.

Industry needs to have certain and clear sets of rules by which to operate. It needs to be confident that regulation will be carried out in a professional and highly competent manner. We believe these qualities are now exemplified in the National Energy Board.

For more than 30 years the National Energy Board has been an effective regulatory agency. The board's experience in reviewing proposals for complex energy projects has provided it with extensive expertise in environmental, socio economic and technical areas. With the addition of highly qualified and dedicated

staff from the former COGLA, the board is well placed to take on the authority to regulate frontier oil and gas.

• (1225)

We should also emphasize that this reorganization does not mean that the government places less importance on our frontier responsibilities.

In recent years companies have shifted their attention to other regions and adopted a go slow attitude in the Canadian frontiers. This was done primarily as a result of the poor economics of developing these high cost resources in an environment of lower oil prices.

In these circumstances it is all too easy to neglect our frontiers or to conclude that they are too costly to ever attract serious and continuing exploration activity. That, however, is not our intention.

Canada's frontiers north of 60 and off shore hold more than two–thirds of Canada's remaining conventional oil and natural gas resources. Whatever the short–term outlook these areas will be a significant and growing part of our energy future. Consequently, effective regulation of Frontier Oil and Gas exploration is a priority and because it is important the federal government will retain a meaningful role in the frontiers.

The crown is, after all, the resource owner and has an obligation to ensure that this resource is managed in the best manner possible for the benefit of the Canadian people.

The amendment proposed to Bill C–6 do not transfer the full range of ministerial responsibility to the National Energy Board. In keeping with good regulatory practice the government will retain the responsibility to establish the overall policy framework for frontier petroleum development. The crown also maintains the power to grant the legal permission or exclusive rights to companies which in some cases involve some discretion.

It would not be appropriate to transfer these powers to a regulatory body.

Specifically the federal government will retain authority to publicly tender rights to explore, issue exploration production and development licences, approve benefit plans, and set and collect royalties.

We are serious about our responsibilities to the Canadian public with respect to frontier oil and gas development. Key COGLA staff have been retained in both the Departments of Natural Resources and Indian Affairs and Northern Development to help us look after these responsibilities.

Mr. Speaker, at this juncture we would like to bring to your attention some other elements of the bill before you. Although unrelated to the regulation of petroleum activities on frontier lands two areas of legislative amendment relate to the existing operation of the National Energy Board and were identified as requiring urgent attention.

Bill C–6 grants certain NEB staff inspection and enforcement powers related to pipelines. By providing mechanisms for speedier decision–making these amendments will help ensure the safety of the public and the protection of property and the environment.

[*Translation*]

Bill C–6 also provides the NEB with the flexibility to ease the regulatory burden for small pipeline companies.

In conclusion, the restructuring proposed in Bill C–6 makes sense from all possible vantage points. In particular, at a time in which Canadians are looking carefully for the ways and means to restore common sense to our public institutions, it is an important and timely proposal.

[*English*]

Just as importantly the quality and integrity of the regulatory process will be maintained. After all the frontiers are part of Canada's energy future.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, I thank my hon. colleague for his very consistent and almost complete statement of the purpose of Bill C–6.

The bill before us today should have received the assent of this House a long time ago. With the authority to regulate provided by this bill, transfers already made to the National Energy Board by the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern development are formalized.

• (1230)

Bill C–6 also formalizes the expanded powers of the NEB on pipelines under its jurisdiction, namely international and interprovincial pipelines.

The bill also provides for minor amendments to related legislation. On the surface, it does not seem to contain any original idea of this Liberal government. As these powers apply to frontier oil and gas activity, several provinces where there are no federal/provincial shared management agreements will be affected by this transfer of authority and increased level of responsibility.

For example, the Northwest Territories and the Yukon, which are Crown lands and public lands, will be directly affected by Bill C–6. Alberta, Saskatchewan, Manitoba, British Columbia and Ontario will be affected in so far as the regulating of pipelines is concerned. Since Newfoundland and Nova Scotia will be administering their offshore resources jointly with the federal government, they will not be affected by the transfer of authority provided for in this bill.

In addition, the coming into force of the Northern Accord and the signing of a joint administration agreement with the Northwest Territories will, in the medium term, result in the loss of NEB authority over these lands. The NEB would maintain its

authority to regulate oil and gas activities only in the case of offshore resources in the Pacific and in the Gulf of St. Lawrence.

Quebec, meanwhile, has been only marginally affected by the changes to the National Energy Board's mandate since 1991. However, should resources be discovered offshore in the waters of the Gulf of St. Lawrence, then the question of resource ownership would inevitably arise, just as it arose when resources were discovered offshore from Nova Scotia and Newfoundland.

Clearly, Quebec and the Bloc Quebecois would set some conditions in terms of the legal and constitutional options of having Quebec's and the provinces' ownership of any potential resources recognized.

In a number of cases involving gas and oil distribution in Canada, Quebec has repeatedly voiced its opposition to various federal policies, notably in recent cases where legislation, regulations and constitutional interpretation appeared to blatantly infringe on Quebec's jurisdiction and economic interests.

I will briefly share with you two of those issues, so as to clearly express some Quebec positions which, I believe, federal authorities did not take into consideration thus far. We are not talking here about pouring out a long litany of unfounded complaints. The Bloc Quebecois was elected in Ottawa both to promote Quebec sovereignty and, in the meantime, to defend Quebecers' interests within the present federal system.

I am well aware that my colleagues from Western Canada are very sensitive to issues concerning natural resources ownership. I must tell them that I share the same sensitivity. I would just like to say that no one will challenge the representatives of western Canada or of Quebec for putting forward what they perceive as their constituents' interests.

• (1235)

First, the federal government is partly responsible for the decline of the refining industry in Quebec. Until the early 1980s, Quebec exported refined petroleum products. During that decade, Quebec lost more than half of its refining capacity and as a result was forced to import part of its consumption.

The economic costs of this change in the petroleum industry were enormous, especially for Montreal, which had been a centre for refining petroleum products in North America since the 1940s. Quebec lost its leadership to the benefit of Ontario. The Borden commission of 1961 is responsible for this decline since it decided to give western oil producers a captive market in Canada. It was also decided that the pipelines taking oil from the West to the East would stop in Ontario—this was called the Borden line. With the coming of the Borden line and the requirement for Quebec refiners to buy western oil which was carried by pipeline only as far as Ontario, Quebec definitely lost its geographical advantage as a refiner for central Canada, to the benefit of Ontario.

The federal government has never repaired the damage done by its energy policy. Quebec lost thousands of jobs. Head offices, businesses and research and development that could have put Quebec at the forefront of the industry were lost.

I would also like to raise another very current issue and that is the ruling made last week by the Supreme Court of Canada regarding exploitation of electricity. That decision led us to believe that other conflicts might occur in the future. The court empowers the National Energy Board to subject the granting of hydro–electricity export licenses to an environmental assessment. This decision is a setback for Quebec which always wanted to assert its jurisdiction regarding environmental matters.

Already in 1990 the National Energy Board had imposed two conditions before granting Hydro Quebec an electricity export license for the States of New York and Vermont. These two conditions provided that these exports should not contravene federal environmental standards and that the energy–producing facilities would have to be subject to the federal environmental assessment and review process.

Quebec's Energy Minister, Lise Bacon, who was far from being a nasty separatist, declared at that time that this federal intrusion into provincial jurisdiction was completely intolerable. In 1992, another Quebec Liberal minister, Pierre Paradis, who was then Minister of the Environment and who is not a nasty separatist, said in a letter addressed to his federal counterpart that the bill he was about to introduce contained elements which were a perfect example of totalitarianism and domination by the federal government and that it continued to embitter relations between Quebec and Ottawa.

• (1240)

Quebec has already successfully appealed that decision in the Federal Court of Appeal. Following this victory for our province, in turn, the James Bay Cree appealed the NEB's decision to grant a hydro facility operating licence in their region.

The recent Supreme Court decision will have an impact on the development of Quebec's hydroelectric resources and will make the costs of any new project higher.

Moreover, the Supreme Court decision imposes a public review to limit the development of hydroelectricity, power lines and production facilities. Before a provincial development project can be undertaken, it would be very surprising if the NEB did not require the equivalent for gas or oil exports, thereby limiting the environmental impact to pipelines, and overlooking anything having to do with the greenhouse effect, air pollution, depletion of resources and other environmental considerations.

I conclude by saying that the Bloc Quebecois is not necessarily opposed to this bill. However, since the NEB will only have jurisdiction over small parts of the Canadian territory, once all the joint management agreements are signed, the parliamentary

committee will have to review this legislation with a long–term perspective in mind.

We must not only straighten out an existing situation; eventually we will have to have a modern approach regarding all issues related to the management of offshore natural resources. We have to take reality into account and propose alternative structural changes which will give each province responsibility for its own future interests.

Needless to say, if necessary, we will make sure each province gets jurisdiction over offshore resources. You can count on us to do that.

[*English*]

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I rise today to address Bill C–6, an act to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act.

In the interest of reducing the duplication of comments and overlap of debaters I will speak on behalf of the Reform Party which in principle supports Bill C–6 in the spirit has been put forward by the Department of Natural Resources and the National Energy Board.

As the member of Parliament for Calgary Centre, I need only look out the window of my constituency office to see the importance of the oil and gas industry to the people, the city and the province of Alberta.

When the government, especially a Liberal government, begins to change legislation that regulates this industry, people and companies alike get nervous and express their concerns, especially when it involves giving power to a federal board where it may overlap in the future with an area of provincial jurisdiction.

Having consulted with the Canadian Association of Petroleum Producers and the National Energy Board our party is confident that Bill C–6 deals primarily with the centralization and the consolidation of technical and regulatory functions to the National Energy Board from the ministerial level of the department of natural resources and in some cases the judicial system.

According to the National Energy Board, this process of streamlining will save the government $5 million. This is a positive step but remains just the tip of the iceberg when one considers the overall amount of government waste that has existed over the years.

When I spoke in this House on Bill C–2, I encouraged the Department of National Revenue to initiate line by line, item by item reviews of the department to find out exactly where money is being spent.

Today, while discussing Bill C–6, I want to ask the Department of Natural Resources to do the same. These results should be made public in their entirety in the form of an annual report which could then be distributed to all parties for review.

• (1245)

My party wants the federal government and all its departments to be fiscally responsible and exercise restraint wherever possible. We believe strongly in the streamlining of government operations like those in Bill C–6 and encourage the federal government to do more of the same.

Less government bureaucracy in the oil and gas industry means quicker decisions so that more time can be spent by businesses exploring for new resources and/or building new pipelines.

Freeing up the marketplace from government intervention creates opportunities, incentives and real jobs, long term meaningful jobs. It generates real revenue and sends a message to investors and to all Canadians that this country wants a future based on prosperity and not on high unemployment and high debt.

The Liberal government must continue to cut red tape and encourage the spending of equity capital from the private sector and not debt capital by the government as is the current situation.

For too long governments have relied on the spending of debt capital versus equity capital in the funding of megaprojects that have wasted billions of taxpayers dollars, Hibernia and the Lloydminster upgrader, for example.

My party supports a free market system, one in which supply and demand regulate the industry, not political agendas. Government should facilitate and not hinder the production and efficient delivery of exports.

We support the fact that Bill C–6 will also provide the National Energy Board with the authority to ease the regulatory burden for small pipeline companies that do not have the resources for drawn out hearings and application processes. It enables them to participate in the process without being hung up in months and months of delays and waiting for hearings.

Small businesses like these play a large role in job creation and need to be free to compete in the marketplace.

These significant changes cannot, however, come at the expense of the environment. Bill C–6 takes some positive steps concerning industry safety and environmental conservation. For example, by increasing the power for National Energy Board inspectors to make immediate decisions in the field on safety and environmental violations, potential disasters can be avoided.

Decisions in the past had to be made by the full board which caused delays and proved to be an inefficient way to ensure companies meet high safety standards.

The NEB plays a large role in the oil and gas industry and is held in high regard. We commend and encourage it to continue its high standards of work.

The consolidation achieved through this act eliminates the need for courts and politicians to be involved in the daily operations of frontier activity. The new power given to the NEB should subsequently encourage continuity, consistency and expediency within the department.

Having said that, there are still certain members of the oil and gas community that have expressed concern with the fact that Bill C–6 will eliminate the oil and gas committee which was an independent appeal board.

With no impartial appeal process the National Energy Board could in effect become judge, jury and sole executioner for companies that may disagree with the decision that it hands down. Therefore, the precedent setting decisions that are made will subsequently be extremely important for politicians to monitor, ensuring there are no destructive precedents set.

I would like to conclude by reminding the House that previous Liberal governments played a significant role in crippling the oil and gas industry in Alberta with their national energy policy. We do not wish to see this happen again.

We encourage this new Liberal government to be different and continue to improve the regulatory environment in Canada, discourage red tape and the size of bureaucracy and promote free and open competition in the private sector and leave the industry alone. With respect to discriminatory grants or subsidies, it does not need them, nor does it want them, with new environmental taxes like a carbon tax and wasteful job creation programs.

That is my submission on Bill C–6.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, Bill C–6 before the House today is in fact a piece of legislation the previous government did not have time to pass and which died several times on the Order Paper.

• (1250)

Essentially, this bill only gives legal basis to the role currently played by the National Energy Board ever since its merger with the Canada Oil and Gas Lands Administration in 1991.

As my colleague from Matapédia—Matane said earlier, the Bloc Quebecois approves the principle of the bill and will vote for it at the second reading stage. However, to put things into perspective, I would like to mention that the terms of reference of the NEB was, as recently as last week, challenged before the Supreme Court of Canada.

My colleague from Matapédia—Matane also reviewed the new constitutional realities concerning the need to conduct environmental impact assessments on any hydro projects undertaken for foreign markets. We are anxiously waiting for the decision the National Energy Board will should make, following the ruling of the Supreme Court, as to the need to extend such assessments to gas and oil exportation projects.

Of course, if Quebec becomes sovereign, we should be free of this control over our interests. In the meantime, we think it is crucial to promote and defend the interests of Quebec within the current federal system. Defending Quebec's interests does not prevent us in any way from also defending and promoting the interests of Canadians and the rest of Canada, provided, of course, that theirs are fully compatible with ours and are in no way against Quebec's interests.

Yesterday, my colleague from Rimouski—Témiscouata brilliantly demonstrated this when she defended the cultural interests of English Canada against excessive control by American publishing multinationals. The Leader of the Official Opposition himself does not fail opportunity to stand up for common interests of Canada and Quebec in his speeches which attract considerable attention, including his stand on the presence of Canadian UN troops in Bosnia.

I would like to take this opportunity to congratulate the Minister of Foreign Affairs, who took the advice of the Bloc Quebecois and yesterday extended for another six months the mandate of our UN troops in Bosnia.

But to come back to the issue of oil and gas development, there is a subject which involves the financial interests of all Canadians and Quebecers. I am talking about the Hibernia megaproject, of which our friends in the Reform Party have just spoken.

Left to market forces alone—and I think members of the Reform Party will fully agree on this—the Hibernia project would never have come about. It exists only because two governments, this one and the one before, persisted in investing billions of dollars in this venture whose outcome nobody can predict. Such quandering of public funds should give the shivers to anyone in this House who takes taxpayers' interests to heart.

In fact, what worries me most about the Hibernia adventure is the extremely high financial risk. Just think that Chevron, Mobil and Murphy, the oil companies that are partners in that venture, have so little confidence in it that they demand that the federal government, and ultimately the Canadian taxpayers, bear a huge share of the financial risk.

Notwithstanding the heated debate on the relative cost of each barrel extracted from the Hibernia and Avalon oilfields compared to the international price, one has to admit that it takes an act of faith to believe that the project will ultimately be

profitable. As a professor at Memorial University said so eloquently: "We are down to gut feelings and faith about it".

The profitability of that project, if it is ever profitable, can only be marginal at best. Moreover, the rate of return depends on unpredictable fluctuations in three distinct and very important factors. The first is the quantity of oil that can really be extracted from this field. The second is the final cost of building and operating the gigantic drilling rig. The third, which is both the most unpredictable and the determining factor, is the price of oil in 1997, the year when production is supposed to begin, and during the productive life of the field, which is 15 years.

• (1255)

I could refrain from mentioning the risks of environmental disasters that are never desirable but always possible, but I have to raise the issue of the safety of the platform itself, which will be towed 300 kilometres off the coast of St. John's, right in the middle of what is referred to today as Iceberg Alley, in the area where the *Titanic* sank in 1912. The risks of disaster are so great that it seems impossible for the promoters of the project to insure the platform for its full value in case a disaster should occur. So it is obviously something important.

It seems to me that Canadian taxpayers should not have to trust the federal government blindly, as it is asking them to do. They should be informed of all the costs and the great risks associated with this project. After all, it is the money of Canadian and Quebec taxpayers that the government is throwing at this project to prevent it from sinking.

The money invested by the federal government on behalf of taxpayers currently exceeds $3 billion in direct grants, loan guarantees, interest payments and direct equity participation in this project. And I would remind all Canadians who are listening to this debate that $1 billion equals $1,000 million. So, $3 billion means that the federal government is asking Canadians to trust it with a $3,000 million investment in a single project, over and above the hundreds of millions it has already invested in activities related to the exploration and development of resources off Canada's east coast.

In one of his recent annual reports, the Auditor General of Canada expressed legitimate concern about Hibernia. He said that it was a high risk venture due to fluctuating prices as well as technological and environmental issues. The Auditor General's analysis is still valid today, and even more so during a period of fiscal restrictions, when we are making deep cuts in unemployment insurance. Billions of dollars, thousands of millions, have been invested in high risk ventures based on faith but, when cutbacks are needed, we do not hesitate to cut benefits to the unemployed. This government seems to think that unemployed people are the problem.

If I brought up the issue of Hibernia today, it is probably because I am wary. The Bloc Quebecois is not in power and has no ambition in that direction; that is quite obvious. We cannot stop this massive investment of public funds in a high risk venture based on faith. However, as the Official Opposition, we will fight to ensure that, should this project go forward, it will generate as much economic activity as possible in Canada and Quebec. It is the least we can do.

We will hound this Liberal government to ensure that subcontracts promised to Canadian and Quebec businesses by the previous government and the Hibernia consortium will be honoured and, if possible, maximized.

As for other megaprojects whose profitability is more than doubtful, the Bloc Quebecois will defend the interests of Canadian and Quebec taxpayers.

In short, the Bloc Quebecois will support Bill C–6 at second reading. We will look into the legitimate complaints that will eventually be brought to our attention before or during the committee stage of this bill.

[*English*]

(Motion agreed to, bill read the second time and referred to a committee.)

The Acting Speaker (Mr. Kilger): Shall I call it 2.30?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): It being 2.30 p.m. the House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 1 p.m.)

HOUSE OF COMMONS

Monday, March 14, 1994

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*Translation*]

PARLIAMENT OF CANADA ACT

Mr. Eugène Bellemare (Carleton—Gloucester) moved that Bill C–201, an act to amend the Parliament of Canada Act (oath or solemn affirmation), be read the second time and referred to a standing committee.

He said: Madam Speaker, I welcome this opportunity to introduce Bill C–201, the first Private Members' bill of this session. It concerns the oath of allegiance we swear to the Queen, to which I would like to make some changes.

[*English*]

On October 25, 1993 I was honoured and proud to be elected to Parliament for the second time. On November 9, 1993 at my swearing in ceremony I had the honour as an elected member of the Canadian Parliament of pledging allegiance to the Queen.

Having been elected to Parliament by the electors of my riding of Carleton—Gloucester by a record 46,800 votes in my favour, about 35,000 votes more than my nearest challenger, I felt proud but above all I felt honoured at having been elected to serve so many Canadians.

• (1105)

For this reason I want to add to the present oath of office, that is to say the one that pays allegiance to the Queen, a pledge of allegiance to Canada and its Constitution.

After swearing allegiance to the Queen on my family Bible and signing the parliamentary documents handed to me by the Clerk in the presence of my wife and children, I requested that the Clerk of the House of Commons let me read the following affirmation:

[*Translation*]

> I, Eugène Bellemare, member of Parliament for Carleton—Gloucester, swear and solemnly affirm that I will be loyal to Canada and that I will perform the duties of a member of the House of Commons honestly and justly in conformity with the Constitution of Canada.

[*English*]

I was extremely proud to add this affirmation to my pledge of loyalty to the Queen.

Since I first introduced this bill in 1993 when it only went to first reading, I have had many discussions and conversations on this topic and received many letters from across Canada from my constituents and colleagues applauding this bill which adds to our present oath to the Queen. It adds to our allegiance to Canada. It is with this support that I present the bill to the House today.

This private member's bill in no way negates or removes our allegiance to the Queen. Our parliamentary monarchy is part of our Canadian Constitution, our Canadian history and our Canadian heritage. The Constitution cannot be amended by Parliament without the consent of the provinces and territories.

My proposed oath for solemn affirmation to Canada and the Constitution is a proposed amendment to the Parliament of Canada Act, not the Constitution, and therefore is in proper order. It comes as an addition to swearing allegiance to the Queen.

The wording of my private member's bill was prepared according to parliamentary rules by the legal experts of the House of Commons.

[*Translation*]

Some people think this bill is redundant, in that the oath of allegiance to the Queen already implies allegiance to Canada and Canadians and it would therefore be unnecessary to add a pledge of allegiance to the Constitution. In my experience, however, what is implied is often interpreted differently by different people.

I think it is important to affirm what we believe in when we pledge our loyalty, and in this case, I pledge my loyalty to Canada and to Canadians, and I am not afraid to tell the whole country and the whole world.

[*English*]

Canada, as a member of the British Commonwealth, is headed by the Queen. The existing oath sworn by members of Parlia-

ment is the swearing of allegiance to the Queen. I was as proud as any member of the House in pledging allegiance to the Queen during my swearing in ceremony.

[*Translation*]

However, the oath sworn by all members of this House is practically identical to the oaths sworn in all Commonwealth countries.

I may point out that we were all elected by Canadians in Canada, and I assume that we all represent Canadians and not people living in other countries like Australia, Bangladesh, Ghana, India, Pakistan, Nigeria, Tanzania, and so forth. These are all Commonwealth countries whose members of Parliament pledge allegiance to the same Queen.

• (1110)

Canada is a distinct society and is different from other countries that belong to the Commonwealth and are represented by the Queen. The pledge I made to my constituents clearly indicates that I represent Canadians, not citizens of the whole Commonwealth.

Since the bill I introduced in the House today is not votable, this will prevent me and my fellow members from taking a position and stating whether we feel patriotic about Canada.

I was very disappointed to hear that the Standing Committee on Procedure and House Affairs, which is responsible for deciding what happens to a Private Member's Bill, has judged that my bill would not be votable.

[*English*]

Even though my bill answered all 11 criteria for the selection for votable items as set out in the rules of the House, I had submitted a positive written reply to all these criteria when interviewed by the House committee. It told me the interview would be five minutes. It seemed interested enough to prolong the interview to over 20 minutes and the attitude was very positive. I do not know what has happened since the time I left that committee when it decided in private to make the bill, unfortunately, non–votable.

I want to make it clear that the bill is an amendment to the Parliament of Canada Act and is not intended to replace the current oath but rather to add to it. The pledge to Canada and the Constitution is in addition to the pledge to the Queen.

Members of Parliament, present, past and future, I am sure are proud to be Canadians and are proud to serve in the House of Commons.

Several other Commonwealth countries are presently studying the need for an oath such as the one I am presenting today. Members of the national assembly in the province of Quebec already pledge allegiance to the people and the constitution of Quebec. They do this because they feel the need to affirm their loyalty to the people they represent. They also, as everyone knows, swear allegiance to the Queen.

[*Translation*]

I would therefore urge all members, who wish to pledge their loyalty to Canada and Canadians or who feel the need to do so, to do this in the form of a pledge of loyalty to the Constitution and to this country. I would be delighted to meet anyone who would like to discuss the pledge of loyalty to Canada I made when I swore my oath of allegiance after the last election.

In concluding, I can inform all hon. members that I am proud that at my swearing–in after the last election, I added my pledge of loyalty to Canada, to Canadians and to the Constitution.

[*English*]

I believe that all of my colleagues presently sitting in the House of Commons would like a chance to individually go on record and officially tell their constituents that they are proud to be Canadians. Giving all members of Parliament a chance to vote on this bill in the House of Commons is the perfect vehicle for such a patriotic statement.

[*Translation*]

Madam Speaker, in concluding, I wish to say that yes, I was elected by 46,800 Canadians in a Canadian riding, and I have a responsibility to my constituents in Carleton—Gloucester.

• (1115)

I have a solemn commitment and I am conscious of my responsibility, to use my judgment to serve all Canadians, and I would ask my fellow members to do likewise. I know from discussions I have had with them that in their hearts they want to pledge allegiance to their country, in addition to pledging allegiance to the Queen. They want to pledge allegiance to their Constitution and their people.

Mr. François Langlois (Bellechasse): Madam Speaker, I am pleased to speak on Bill C–201 which was tabled by the hon. member for Carleton—Gloucester. Constitutionally speaking, I have a problem with this bill. Pursuant to section 52 of the Constitution Act, 1982, "the Constitution of Canada is the supreme law of Canada, and any law that is inconsistent with the provisions of the Constitution is, to the extent of the inconsistency, of no force or effect".

What exactly is the relationship between the Constitution of Canada and the oath of allegiance? The provisions respecting the oath of allegiance are contained in section 128 of the Constitution Act, 1867 which I will take the liberty of reading. Section 128 of the Constitution Act, 1867, which most of us know as the British North America Act, reads as follows:

> Every Member of the Senate or House of Commons of Canada shall before taking his Seat therein take and subscribe before the Governor General or some Person authorized by him, and every Member of a Legislative Council or Legislative Assembly of any Province shall before taking his Seat therein take and subscribe before the Lieutenant Governor of the Province or some Person authorized by him, the Oath of Allegiance contained in the Fifth Schedule to this Act.

The fifth schedule reads as follows:

> I, A.B. do swear, that I will be faithful and bear true Allegiance to Her Majesty Queen Victoria.

Of course, in accordance with the law governing succession to the throne, the reference to Queen Victoria includes all of her heirs and successors. This is the sole requirement for sitting in this House that is set out in the Constitution of Canada. And, as we have seen, the Constitution is the supreme law of Canada.

The hon. member for Carleton—Gloucester is proposing, through a simple bill, to amend section 27.1 of the Parliament of Canada Act by the addition of the following: "No person holding a seat in the House of Commons shall sit therein nor shall any funds be made available to such a person for the carrying out of parliamentary functions unless the person, in writing, has taken the oath or made the solemn affirmation provided for in Schedule II before the Governor General or any person authorized by the Governor General to administer such oath or solemn affirmation".

Schedule II of Bill C–201 reads as follows:

> I, ——, swear that I will be loyal to Canada and that I will perform the duties of a member of the House of Commons honestly and justly in conformity with the Constitution of Canada.

Clause 27.1 of this bill states very clearly that no member can sit in this House unless he or she takes this oath. Enacting a statutory law is certainly not the way to go about changing the oath of allegiance. What we need to do is amend the Constitution of Canada, just as a member of Parliament, Mr. Keyes, attempted to do during the third session of the 34th Parliament with Bill C–270, An Act to amend the Constitution Act, 1867 (oath of allegiance).

It is clear that unless the Constitution of Canada is amended, and since section 128 applies not only to the federal government, but to the provinces as well, the amending procedure that applies here is unquestionably the one set out in section 38 of the Constitution Act, 1982, that is the 7/50 rule which requires approval of seven provinces representing 50 per cent of the population. Curiously enough, we are not moving in that direction. We therefore have before us a bill that would be futile at best since it would contradict Canada's existing Constitution.

• (1120)

Some of the comments made by the hon. member for Carleton—Gloucester about the merits of his bill surprised me a little. He told us that the oath of loyalty to the Crown prescribed in Schedule V of the 1867 Constitution could apply to His or Her Majesty as head of the Commonwealth. There is a timing problem. When we look at the situation, we see that there is an anachronism somewhere for, when the Constitution Act of 1867 was enacted, the Commonwealth did not exist. How could it have been possible in 1867 to consider a measure applying to the Queen as head of the Commonwealth when the Commonwealth was formed almost 100 years later?

It also ignores the whole evolution of the monarchy in Canada, from the imperial conferences of 1926 and 1930 and the 1931 Statute of Westminster to the Constitution Act of 1982 that definitely Canadianized the monarchy.

It is now clear that the monarchy in Canada is solely dependent on the will of the Canadian Parliament and the Canadian people. We are not subjected to any foreign monarchy. Our oath of loyalty to the Queen is undoubtedly directed at the Queen of Canada, and only Canadian parliamentarians can swear allegiance to the Queen of Canada. This oath is not required of parliamentarians in Australia, Great Britain or New Zealand who swear allegiance to their Queen; we are the only ones affected.

Canada is not a republic where the official oath is usually directed at the state. It would be rather surprising to see French parliamentarians, for example, swearing allegiance to President Mitterrand. They have to swear allegiance to the institutions of the Fifth Republic. It is the same thing in the United States of America.

In a monarchial system of government like ours, the Sovereign, the Queen of Canada, is the embodiment of the state as the official head of the Canadian state.

Like Louis XIV, Her Majesty the Queen could say, "I am the state," subject, of course, to the limits imposed by the Constitution since we live in a constitutional monarchy.

Swearing allegiance to Her Majesty Queen Elizabeth II as Queen of Canada is the same as swearing allegiance to Canada, everyone having their own definition of Canada. Is it the Canada of 1867 with its four provinces? Is it the Canada that existed prior to 1949 without Newfoundland? If this oath had existed, would it have been possible to allow Newfoundland to join the Canadian federation if we had sworn to keep the oath's status quo? Is this a way of singling out the members of the Official Opposition, who want to promote and eventually achieve Quebec's sovereignty in a democratic fashion and by respecting

clearly established constitutional conventions and the right of peoples to self–determination?

Those are questions I ask myself and to which I have no answer. We have always been comfortable since we have always said that we would respect the current system as long as it remains unchanged, as well as its institutions. We are showing it every day in this House, and such an oath, even though it can be voluntary, cannot in my opinion encroach on the provisions of the 1867 Constitution which are unusually clear.

• (1125)

[*English*]

Mr. Darrel Stinson (Okanagan—Shuswap): Madam Speaker, I am speaking today in favour of Bill C–201, an act to amend the Parliament of Canada Act and not the constitutional act.

The bill would ensure that all members elected to this place, before they could sit here and before any funds would be made available to them, would have to take an oath or make a solemn affirmation of loyalty to Canada and to the Constitution of Canada.

This oath seems to be an appropriate step in the process of recognizing our nationhood. It is only recently that Canada became a nation in its own right rather than being merely a so–called dominion of Canada, a part of Great Britain.

As our nation moved through this maturing process, we acquired our own flag, the beautiful red and white maple leaf of which we are so proud today. We have chosen as our national anthem "O Canada" in which we sing about having true patriot love for our home, our native land.

In my dictionary the word patriot is defined as being a person who is devoted to and ready to support or defend his or her country. It comes from a word in Greek and also a word in Latin that means father.

Many people living in Canada today are new Canadians, people whose fathers and mothers were from some other country who came here as immigrants or new Canadians to seek a new life for themselves and for their families. I want to say a special word of welcome to them and to tell them I hope they will now become Canadian patriots, devoted to and ready to support or defend Canada.

I devoutly hope that they will be proud to call themselves simply Canadians, not Chinese–Canadians or Lebanese–Canadians or any other hyphenated Canadian. Personally, I believe there is nothing more racist than saying that we have English Canadians and French Canadians and new Canadians. We should all just be Canadians and proud of it. If we want to celebrate the customs and traditions of the land where our parents were born, we should be free to do so but we should first of all be proud Canadians.

Two weeks ago I was in my constituency of Okanagan—Shuswap. I had been invited to visit the children of an elementary school in the community of Sicamous. They were interested in some of the simpler facts about being a member of Parliament, like where did I live, where did I work. However one little girl asked a question that had me stumped. She wanted to know why she and her little classmates do not start every school day by singing "O Canada".

I would be obliged if some hon. member could answer that question. Why do all our Canadian school children not start every school day by singing "O Canada"? When members assemble in this place, why do we not start our proceeding by singing "O Canada"? I believe such a practice should go hand in hand with swearing our loyalty to Canada as this Bill C–201 would require to show that we are patriots devoted to this country.

There is a group in our midst in this place who are not devoted to Canada. No, no, this group brags that it is devoted not to Canada but instead to the breaking up of Canada, to making the great province of Quebec a separate country.

Personally I would like to go to each of them and ask how they can dare come to Parliament to try to break this great nation apart. Many of us from western Canada have been hit hard by such legislation as the national energy program which hit Albertans especially hard. We are paying for official bilingualism while hospital beds are closing from lack of money when we do not even know anybody who speaks French.

Many of us westerners think we have grievances, yet we do not talk of breaking up Canada. The Reform Party has come to Ottawa to try to right some historic wrongs but we are pledged to working within Canada. We are each, every one of us, proud patriots devoted to one federation of 10 equal provinces.

It has been said before and in many ways that a country is like a big family. When hard times come, it can bind a family closer together but it can also tear that same family apart.

• (1130)

As I mentioned earlier a group in our midst in this place thinks times have been so tough for Quebec that it wants to tear Quebec away from the rest of us. This group says there have been wrongs done to the great province of Quebec. Therefore it wants to separate from Canada and become a separate country. Nevertheless members of this group somehow found it in their hearts to swear allegiance to the Queen when they took their oaths on becoming members of Parliament.

Many Canadians in Okanagan—Shuswap and all across our nation have asked: How can anybody be allowed to serve in Parliament who is not loyal to Canada? How can people be allowed to serve in Parliament who are not patriots devoted to doing the very best for the people they represent both in their own constituencies and for people all across Canada?

Each of these constituencies we as members represent is not some isolated island, not some little kingdom all on its own. Each and every constituency is part of one country, Canada. Therefore I cannot accept it when someone in this place says: "I only represent Quebec". All of us must represent Canada. We should swear an oath of loyalty to that one great country, Canada.

All of us must feel some pride in the examples set by some members of the government recently when they started making tough decisions about what services, programs, and military bases should be cut. They did not just think of their own little backyards; they thought about all of Canada. Much as we on this side of the House may disagree with some of its overall philosophies, much as we may disagree with this or that piece of the budget or with this or that amount being spent or cut, we must give the government credit for at least trying to look at what is good for the entire country.

Now it is time for each of us to look at Bill C–201 and ask ourselves: If we are one country and if we have our own flag and our own national anthem then why should we not swear or affirm allegiance to Canada before taking our seats as members of Parliament?

Personally I think this is an excellent idea which is long overdue. I believe in it so firmly that before Black Rod opened the first session of the 35th Parliament, I held a grand opening of my office back home in Okanagan—Shuswap. I put ads in the paper inviting the community. With a standing room only crowd I personally took an oath of loyalty to Canada and had everyone at the ceremony sign as my witnesses. In conclusion I might add we started that little ceremony by singing "O Canada".

Hon. Audrey McLaughlin (Yukon): Madam Speaker, it is a pleasure for me to speak on Bill C–201, a bill to amend the Parliament of Canada Act so that members of the House may pledge allegiance to the country.

I am pleased to support this initiative. It is extremely important and reflects very much the public opinion I heard during the previous election in my travels throughout various parts of Canada.

I come from Yukon which in this federal Parliament is probably the farthest area away from Ottawa. I recognize how important it is for those of us who live in regions not in central Canada to share in that feeling of commonality which exists among the majority of Canadians.

I certainly do not share in any way the point of view of colleagues in the Bloc Quebecois who want to see Quebec separated from Canada. However I respect the right of duly elected parliamentarians to express their views in this Parliament. That is the essence of democracy. Should we ever be in a position in this country where we did not have a forum to express various views we would indeed be losing not only our democracy but the essence of what we are as a country.

This issue is very important to me as an individual who has worked in federal politics for a number of years and to all Canadians. The country is going through a period of uncertainty. Many people fear for their economic security but there still remains a pride in what we have achieved together. We can go further in that and build not on our differences but on what we have in common.

• (1135)

That is where I part company with some of my other colleagues in the House who have often asked why we cannot all be the same. As a white female anglophone from an Anglo–Saxon background I take great pride that Canada respects different languages, different cultures and that it welcomes people to its shores. There are only three people in the House of Commons whose ancestors did not come to Canada generations before as immigrants.

We must learn to rejoice in the diversity of our culture, not defile it. It will make the loyalty to and strength of Canada which the bill expresses meaningfully.

There are two visions of what kind of country Canada is. One vision was presented by my colleague just before me. Using the analogy of a field of flowers, he would see Canada as a field where all the flowers were the same, all pretty and neat. My vision of Canada is as a field of flowers of different colours, sometimes chaotic, always difficult but vibrant and providing excitement to the North American continent.

What have we achieved? We have achieved a political system with different points of view from social democratic to Liberal to Progressive Conservative and the Reform Party. We represent those views in our debates. By presenting different alternatives we come out with better solutions.

For the cause of our disunity the tendency today is to point to those individuals who have come to this country and not accepted what it is to be a Canadian. This is what I believe it means to be a Canadian. To be a Canadian it means first that we are loyal to this country. We want to take walls down, not put them up. Every part of the country from Newfoundland to Yukon is as important as every other part. When it comes to employment equity and other issues our goal of social and economic justice sometimes stands alone in the world where the tide often goes the other way.

Canada is not a perfect country. Things are not always done perfectly, but what are the options? An option is to wrench our country apart, in many ways to rend our democracy apart when the whole world is moving to work together on major problems of the day such as unemployment and growing debts. Those are not just Canadian problems. They are not the problems of the North American continent. They are problems of the world.

In closing it is with pride that I support the bill. It is a very important message that we put those constituencies we represent front and centre in the House of Commons, but that we know and accept that our first responsibility is to work for Canada.

I hope people will take this debate very seriously and will support this bill. Canada is worth standing up for and we will all be better for doing that.

• (1140)

Mr. Ted White (North Vancouver): Madam Speaker, in rising to speak to private member's Bill C–201 I would like to state at the outset that Reform MPs do support a change to the oath of allegiance. In fact a separate oath of allegiance has already been developed by the Reform Party. Many of us used it in our ridings, as my colleague from Okanagan—Shuswap mentioned.

I held a local swearing in ceremony at my office in North Vancouver on January 7 of this year. We invited about 175 voters, chosen at random from the voters' list, people we liked and people we did not. It did not even matter if they voted Liberal; we had them in our office. Although for the most part the event was fairly informal we did have a formal part of about five or ten minutes when I took the oath of allegiance.

I would like to quote from documentation we used that day which is headed: "A Statement of Principles and a Pledge of Commitment by Your Reform Party Member of Parliament". I will read some of these principles quickly.

> I, Ted White, having been elected by the voters of the Federal Constituency of North Vancouver to represent you in the 35th Parliament of Canada, do hereby sincerely pledge that I am committed to the following principles as I carry out my duties on your behalf:
>
> I am committed to the development of a new and stronger united Canada: a balanced democratic federation of provinces, distinguished by the acceptance of our social responsibilities, and the recognition of the equality and uniqueness of all of our provinces and citizens.
>
> I am committed to equality for all Canadians regardless of race, language, culture, religion or gender and will give true and faithful representation to all of my constituents.
>
> I am committed to being your democratic and fiscal conscience in the 35th Parliament, and I am prepared to demonstrate this commitment by showing leadership by example.
>
> I believe you have sent me to the House of Commons to present your views in that forum, not to represent Ottawa's views to you. I believe that the House of Commons must be the house of the people, not the house of the parties. The word "politician" must mean a *representative of the people* not a servant of a party. To that end, I shall not only encourage you to communicate with me, but I am committed to consulting your views at every opportunity, and shall make myself available to you regularly, within our constituency. I need your advice and guidance.
>
> I believe that when decisions are to be made on contentious issues of major national importance, it is my duty to seek the consensus view of my constituents, and to represent that consensus in Parliament, even if it conflicts with my own personal view.
>
> I believe you have placed me in a position of great trust. I shall therefore conduct my personal and public life with honour and integrity. I shall administer public funds as carefully as if they were my own. I shall make sure that neither I, nor my family, will profit from any knowledge or influence I have as a legislator.

Then I took the short oath with one of my peers, the hon. member for New Westminster—Burnaby taking the oath. The oath read:

> I, Ted White, your Member of Parliament, do pledge, that I will be faithful and bear true allegiance to the Canadian federation and to Her Majesty Queen Elizabeth, and that I will faithfully represent the people of the Electoral District of North Vancouver in the Canadian House of Commons.

The document was then signed and witnessed by 25 of the people present.

The wording for a new oath as suggested in Bill C–201 is similar to the suggested Reform oath in that it addresses the concept of loyalty to the Canadian federation. However I feel that it does lack the very important reference to the need to faithfully represent the people of the riding. Bill C–201 proposes that the oath read:

> I, Ted White, swear that I will be loyal to Canada and that I will perform the duties of a member of the House of Commons honestly and justly in conformity with the Constitution of Canada.

The oath refers to performing the duties of a member of the House of Commons. However the problem is that there is no job specification for a member of the House of Commons. If the duties are not defined then it is meaningless to swear to carry out those duties. MPs are entrusted to conduct themselves in a manner appropriate to the position and very few constraints are placed on us. We must be free to speak and to act on behalf of our constituents without any controls being placed on us by the system or the government.

• (1145)

It is virtually impossible to define our duties, making the suggested new oath better than the one presently used. However I believe it is open to improvement. In the absence of the ability to amend the bill I do support it. I am sorry it is not a votable bill. I congratulate the member for introducing it to the House.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est): Madam Speaker, many things have been said this morning about Bill C–201. I cannot comment on all the points raised. Perhaps I could just correct or qualify a number of remarks like this one, to the effect that to effectively sustain Canadian unity, all ten provinces must be equal.

That is the problem, this lack of understanding of the fact that Quebec is slightly different. We have been trying for a long time to make English Canada understand that Quebec is not like any other province. Actually, it was one of the things we tried to do with the Meech Lake Accord and again with the Charlottetown Accord. It was in good faith, I think, to seek recognition of the fact that Quebec is different from the rest of Canada. It is absolutely obvious to me, even a blind man could see, be it only at the cultural level, how rich the French language is in Quebec and how many cultural industries it sustains, as compared to English Canada.

Quebec is different in many regards, not only culturally, but also economically. Quebec has been trying for thirty years or so to be recognized as a distinct society or at least as a province which is not like any other. That is part of the problem with Canada in fact. As long as Quebec's distinctiveness is not recognized—because of the failure of Meech and Charlottetown—we will find ourselves stuck with an amending formula which prevents the Constitution of Canada from being amended to recognize Quebec's uniqueness, and that is a shame, of course.

It is a shame, but only to a point because it sets us on a course where we will be forced to readjust our relationship with English Canada. I think this will do Quebec much good, and English Canada as well, judging by another remark made this morning, to the effect that Canada was a distinct society. The fact of the matter is that Canada is made up of a number of distinct societies. Just as British Columbia is completely different from Atlantic Canada, English Canada is different from Quebec. And I believe that by setting off on this course, by restructuring Canada, we will be able not only to better define ourselves, in Quebec, but also to develop better relations with English Canada, at least that is what I think.

Basically, we must bear in mind that we are part of a truly great democracy. The Bloc members were elected with quite substantial majorities. This show of will from the people of Quebec was not artificial, it was not fabricated. It is not the kind of thing that happens all of a sudden, by surprise. It must be recognized that the people of Quebec massively supported the Bloc Quebecois and this is a reality that we respect and live by. If we at least want to respect the democratic principle, we must recognize the legitimacy of the Bloc Quebecois as representative of the distinct character of Quebec here in the House of Commons. This is not to insult anyone. This is not to irritate English Canadian nationalists—on the contrary, I find it is a very fine thing to affirm the beauties and virtues of English Canada. Is that opposed to recognizing the distinctiveness of Quebec? I think not.

• (1150)

Someone mentioned the diversity of Canada. I too am a great believer in it. Furthermore, it is a principle found in nature, all the diversity found in gardens—there are many examples of it. Indeed, diversity is a richness. That is what nature teaches us and of course we in Canada have great diversity.

However, this government, like previous governments, has tried instead to make Canada uniform. I think that is a bad idea. I think that it is very good to recognize the diversity of Canada, since it makes our country richer.

The Acting Speaker (Mrs. Maheu): I recognize the hon. member for Carleton—Gloucester and add that by exercising his right to reply, he will close the debate.

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, thank you for letting me reply at the end of the debate. I would like to challenge the sense of loyalty of all Canadian members of the House present here today. I ask that we waive the Standing Orders of the House, as I will move at the end of my reply, so that we can vote on my bill.

[*English*]

What a wonderful opportunity to have MPs declare publicly that yes, they want to vote on my private member's bill, to swear allegiance not only to the Queen but also to Canada, Canadians and the Constitution, and that they are loyal and patriotic citizens.

[*Translation*]

A few minutes ago, the member for Bellechasse made a presentation on the legal aspect of my bill. He took us into the history of Canada in 1867 and spoke about the Constitution and Queen Victoria and all the regulations of 1867. He overlooked all the changes to the Constitution since 1867. He overlooked the patriation of the Constitution in 1982.

Above all, the member for Bellechasse did not mention that in 1976, I believe, in Quebec, Premier René Lévesque wanted to respect the Constitution, as I do and all hon. members here, especially the member for Bellechasse and the other members of the Bloc Quebecois, wanted to tell us they do want to respect the Constitution. With reference to the Constitution, the then-premier, who was a member of the Parti Quebecois, added that once elected to the Parliament of Canada or a provincial legislature—the Quebec members in the Quebec legislature would swear allegiance to Quebecers and to the Constitution of Quebec.

• (1155)

I congratulate the former premier for that. Why not?

Members of the Bloc Quebecois were elected to the federal Parliament. Very often they seem to forget that they are not members of the Quebec provincial legislature, which I esteem and respect greatly, but members of the Canadian or national or federal legislature, let them choose the term they like.

They have come here to help make life in Canada better, and let me make an aside on this point. I often hear members of the Bloc Quebecois refer to French Canada, to English Canada, to Quebec, but what is English Canada? I would say to them that it includes the province of Quebec. What is French Canada? It includes Quebec and also Ontario, New Brunswick, the Yukon, the territories, the other provinces, all of us.

We must be proud of being Canadians and I challenge all members of this House today to proclaim that pride.

In closing, I invoke the Standing Orders of the House which allow me, as a member, proud to be what I am, a Franco–Ontarian, a French Canadian, or if Reform Party members prefer, a French–speaking Canadian, a fourth–generation Franco–Ontarian whose ancestors came from France in the 17th century, and call upon all my colleagues here in the House to let me have a vote on this bill by overriding the Standing Orders. We can do so with unanimous agreement and I call upon the patriotism and loyalty to Canada of all members of this House.

Long live Canada. Long live Canadians.

The Acting Speaker (Mrs. Maheu): Can the member for Carleton—Gloucester move a motion in the House? Does the House agree to allow the member to present his motion?

Some hon. members: No.

Mr. Bellemare: Only members of the Bloc Quebecois said no to the country.

The Acting Speaker (Mrs. Maheu): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the item is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—THE BUDGET

Mr. Ray Speaker (Lethbridge) moved:

That this House declare that the budget plan of this government is not a solution to Canada's debt and deficit problem and therefore requests the government to:

(a) place a moratorium on all new spending programs announced in the budget such as Youth Services Corps, Court Challenges Program, Residential Rehabilitation Assistance Plan, Engineers Program, and Infrastructure Program;

(b) establish effective spending caps in co–operation with all parties of this House;

(c) produce quarterly reports on the progress being made on deficit reduction; and

(d) commit to immediate corrective action using a spending contingency plan developed in consultation with all parties in the House.

• (1200)

He said: Madam Speaker, I rise today only three short weeks since the budget was presented to the House of Commons. Those three weeks have been very significant. Today we want to evaluate that budget in light of some of the recent economic changes and events that have occurred. It is on this basis that I move the motion before the House.

Reformers have objected to the lack of true cuts in the budget. We have said that it does not go far enough and we still hold to that criticism. To our ministers currently at the G–7 conference to attempt to create job opportunities, jobs in Canada, jobs in North America and throughout the world, the message today must be very clear to them that it is not the government that will create jobs but rather a matter of the economy being able to have the circumstances in which jobs can be created without the intervention of government.

The budget that was presented to us three weeks ago is already off track. Assumptions and calculations done in the budget are no longer relevant. Today in light of that I would like to examine the budget with three factors in mind. I believe it is time we look again and rethink our responsibilities in the House of Commons.

First, I want to examine the revenue predictions and ask a question. Is it prudent today to expect the type of revenue forecast that is in the budget?

Second, I want to examine interest rate assumptions. I ask is it prudent today to expect the type of interest rate forecasts in the budget?

Third, I want to examine the question of what is the true deficit. Have we been presented with the true picture in the House and as Canadians?

As Canadians we felt that we were misled. We thought the deficit was $38 billion; then it was projected to be $45 billion. Someone is misleading us. Therefore, it is very important that we ask is it prudent today to believe the deficit numbers that were presented to us by the Liberal government?

I would like to look at each one of these questions. I am certain the answer is no to each one, but I believe it is time that we look at each one with greater detail, realism and sincerity in this assembly.

First is the issue of the unrealistic revenue assumptions presented to us. Forecasting fantastic growth in government revenues is certainly not a recent phenomenon. The former Conservative government consistently predicted revenues far in excess of what it ever collected. Knowing this, the Liberals in the budget promised that their budget would be the end of those unrealistic assumptions. They pledged to come clean with Canadians.

What are the facts? Robert Fairholm of the forecasting firm DRI Canada said recently: "The government is saying that revenue growth will exceed the growth in the economy by roughly 22.5 per cent. This is optimistic". If we examine the growth of revenues coming out of the 1982 recession we find that tax revenues increased just over 8 per cent faster than the economy. The finance minister stood in the House and promised that he would come clean with Canadians. He now says that the revenues will grow 22.5 per cent faster than the economy. That is unrealistic. It is blatant wishful thinking. I wonder where the numbers come from.

• (1205)

There is no indication that we will grow out of this recession as fast as we escaped the recession of 1982. Because of massive public debt and deficits our growth out of the recession is absolutely hampered. To expect revenues to grow faster than they did coming out of the 1982 recession is foolhardy. The finance minister is playing games with Canadians.

We have not seen a change in the way government predicts revenue. The finance minister is following in the footsteps of his predecessors. I am sure if Mr. Wilson or Mr. Mazankowski were in the House they would be very proud of the way the budget is playing itself out. They would be very proud and very pleased to see that the pattern is the same.

It is right to ask: Is it prudent today to expect the types of revenue forecasts that were in the budget? The answer is clearly no, it is not.

Second, I would like to look at the interest rate assumptions. We must understand exactly what an increase in interest rates really means. For every 1 per cent that interests rates on our debt increase, that translates into $1.7 billion in increased interest rates on a yearly basis for the Canadian taxpayer. That is a significant amount, $1.7 billion per year with a 1 per cent interest rate.

We must recognize that just a 1 per cent increase would wipe out the net savings that the Liberals have claimed in the budget. Also we must recognize we are very dependent on these interest rates because our debt is so massive.

In the budget the Minister of Finance assumed that short term interest rates would be 4.5 per cent and that long term rates would be 6.4 per cent in 1994. What are the facts? Today the short term rates are just above 4 per cent and are rising and the long term rates are already one full point above the minister's predictions. These rates must be sustained. If sustained, it will cost anywhere between $2 billion to $3 billion in the budget so that the final outcome will mean a greater deficit for certain.

Where will the minister get this revenue? How will we come to a point at which we only have a $39.7 billion deficit as projected when we have not taken into consideration these interest rates? What are the markets saying about future interest rates? Are these increases just a temporary measure or an indication of future trends?

Sherry Cooper, chief economist of Burns Fry, said as early as last week that the government's projections look suspect. If the term structure of interest rates is the best indicator of long term rates, as is commonly understood, then the predictions that long term rates will fall are clearly hogwash. Our current term structure would indicate that rates are on a slow but steady climb up, not down, as predicted in the budget.

One of the other factors we have to consider, and it has not been talked about in the House of Commons, is the Quebec factor and the influence it will have not only on interest rates of the upcoming fiscal budget but certainly on a longer term basis on budgeting in the future.

I am not any more pleased with the prospect of further constitutional wrangling than the government or anyone else in Canada. However I have the courage to stand today in the House and say that whatever the outcome, the uncertainty created by the separatists who want to tear our great country apart, who want to break us down, will affect our markets and will affect interest rates. We must recognize that uncertainty is the enemy of the financial markets. Uncertainty is the enemy of the budget that we are examining today after three weeks.

• (1210)

Let us look at some facts about interest rates and the various effects of constitutional discussions or constitutional wrangling. How does that type of environment affect interest rates and the value of our Canadian dollar? I would like to make a couple of quotes.

First, Scotia McLeod had this to say following the debates: "During the key weeks of the Charlottetown constitutional discussions, the spread between 10 year Canada and U.S. government bonds rose sharply. The rate on 91 day T–bills jumped from 4.6 per cent to 7.9 per cent and the Canadian dollar dove from 85.4 to 80.0 U.S." This is a significant shift.

If this type of uncertainty and this circumstance were created and continued and applicable here today, a 3 per cent rise in rates would translate into $5.1 billion of increased interest costs because of constitutional wrangling. That would occur over a one year period in a fiscal budget.

We have every reason to believe that the upcoming Quebec question will be more severe and more drawn out than the recent Meech Lake and Charlottetown fiascos. There are two things I would like to bring to members' attention. First, the potential separation of Quebec will undoubtedly have a much more

devastating short term effect on Canada than the passage or failure of the Charlottetown accord. There is no question about that.

Second and most important, the debate will be more prolonged and certainly delayed in terms of a crisis circumstance.

Mr. Parizeau, the leader in Quebec, has said that if he is elected he would hold a referendum within six months or a year. That translates into a significant period of uncertainty and, more important, it will have a significant effect on the 1994–95 budget before us.

As Reformers, how do we feel about this matter? I want to put on record so that it is very clear that we do not want all that constitutional wrangling. We believe that Quebec should continue to be a part of Canada and that we fully expect Quebecers to see the benefits of staying in Canada. We will do everything we can to get that message across clearly and concisely. We reject any divisive message of either the Leader of the Opposition or Mr. Parizeau. We will do everything on our part to ensure that Quebec stays as part of this nation.

I ask the Minister of Finance today, considering the potential of the Quebec circumstance and considering other circumstances, what provisions he has made for this potentially explosive and expensive issue in the budget before us in the House.

When this issue creates a significant jump in rates and if that jump is sustained, we recognize and we all know that it will cost our federal treasury untold billions of dollars, not millions, which we cannot afford at this time. We should take this matter into consideration. That is the reason that this motion is before this assembly today. It is so we can rethink our position, re–entrench what we are doing and be ready for any type of critical circumstance that may befall us.

I want to make a final point with regard to interest rates and the interest rate spread between Canada and the U.S. The spread between Canadian and American rates indicates the confidence in one economy relative to the other. When investors lose confidence in Canada or in their Minister of Finance it is reflected in increased costs of borrowing relative to our major partner.

● (1215)

The real question is: Did the budget increase the confidence of markets in the economy of Canada? Despite the reserved acceptance by the markets these questions should be asked as well: How are investors voting with their money? What are investors doing at the present time? Are we watching that? Has the finance minister got his finger on where our Canadian investment money is going?

As I examine those questions the news is not good. Canadians have been investing abroad in increased numbers due to taxation and lack of confidence in the government's dealing with the debt and deficit question.

International investors are moving away from Canada to lower risk investments. This has been occurring with greater significance in recent years, especially the last quarter of 1993 and into the early part of 1994. We can blame the latter government for this, and we should, but we also must take responsibility currently with the budget before us in this assembly.

What are further facts about this budget in terms of confidence? What can we say it has done for confidence? How are the investors voting with their dollars?

I quote a couple of people, first, Robert Palombi, senior economist with MMS International who said this recently:

> The cracks in investor confidence are beginning to show. Despite the increase in bond yields, buyers were not attracted. This does not suggest the financial markets have confidence in lower Canadian rates or tighter Canada–U.S. yield spreads. This is why Martin's deficit projections are questionable.

The *Financial Post* pointed out as early as February 24:

> Canadian markets have been hit hard by the recent hike in U.S. interest rates, despite a lower inflation rate and weaker economy. This is a sign that foreigners are selling our bonds, continuing a trend that started in the fourth quarter of last year—A post–budget widening of 10 year Canada–U.S. yield spreads suggests U.S. investors are the ones pulling out of Canada, a big concern since the size of the U.S. holdings now rivals that of the Japanese.

Clearly the 1994–95 budget is no solution to the confidence required in the Canadian economy. Despite calm assurances from the financial community, investors are telling the story with their money. They are losing confidence in the ability of Canada to deal with its debt and deficit and the budget gives them no reason to regain that confidence. I ask this question: Is it prudent today to expect the types of interest rates forecast in the budget?

To this question I have to say the answer is no. The market since the budget has destroyed the interest rate assumptions. The Quebec question is never raised, never mind dealt with in the budget, and the budget has done absolutely nothing to build investor confidence which will create the necessary jobs.

I would like to talk about the fudging of numbers. What are the facts here? I pointed out very clearly in that section of my remarks that the government projections of $39.7 billion will not hold. It will most likely be more like the current budget. The deficit will be $43.7 billion. I point out that this is not acceptable and it should be dealt with.

On all three of my questions with regard to revenue projections, interest rate projections, and whether the deficit projections are accurate, I want to say no, no, no, on all three counts. They are unrealistic revenue assumptions, unrealistic interest

rate projections, and the Liberals have misled the people in terms of the numbers.

• (1220)

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Madam Speaker, I want to make a brief comment to bring out two points. First, I agree with the hon. member for Lethbridge when he says that the budget does nothing to reduce Canada's deficit and excessive debt. Indeed, in spite of unacceptable cuts of $7.5 billion which will affect the unemployed, the poor and the elderly, we will end up with a record deficit which will probably exceed even the least optimistic forecasts of about $45 billion.

However, I do not agree with the hon. member when he dares say that the gap between Canadian and American interest rates, as well as the difference in the two economies, are attributable to the fact that there is a sovereignist movement in Quebec. I also disagree when he claims that our bad financial situation and the sudden fluctuations in our interest rates are due to the existence of that movement.

I want to remind him that, during the debate surrounding the Charlottetown Accord, in the fall of 1992, the rise of interest rates and the lowering of Canada's credit rating were not due to the presence of sovereignists, but to the catastrophic situation of Canadian public finances and the inability of federalists like the hon. member to control government finances and the economic future of Quebec and Canada. This is the real problem.

If we go back to 1992 and 1993, we see that the problem is also due to the chronic inability of the Ontario government to control excessive spending, which had the effect of hurting Canada's reputation, and not only Ontario's, with foreign investors. The problem of interest rates and the economy in general is much more related to government finances than to the presence of a sovereignist movement. In fact, this is the real source of the problem.

To think and speak like the hon. member for Lethbridge is to bury one's head in the sand. And this kind of excessive talk, which stirs up emotions and is pure misinformation, will scare away investors, who will think that Canadians are not serious.

[*English*]

Mr. Speaker (Lethbridge): Madam Speaker, I say to my colleague that constitutional wrangling in the past has had a major effect on interest rates, and that is realistic.

The debate on the Constitution will take place in 1994. An election is going to take place in Quebec in that period of time. If Mr. Parizeau is successful the sequence will be a referendum following that and there will be a lot of tug and pull between the federalists and the separatists.

Investors are going to ask themselves whether they really want to invest in Canada. Interest rates will most likely increase. For every 1 per cent rise in interest rates on the debt, which is over $500 billion, it costs Canadians $1.7 billion. That will increase the deficit projections in the budget. Other factors have to be taken into consideration. All of it is stress and strain not only on the budget but the Canadian economic circumstance. That is the way it is.

It is not looking at the circumstances if I have my head in the sand. I am looking realistically at what is going to happen in the Canadian political system in the next few short months.

Mrs. Jane Stewart (Brant): Madam Speaker, I would like to comment on the hon. member's statements. He is talking about his sense of realism.

I would like to share with him that yesterday morning at nine o'clock I received a call from a constituent who said that the government's budget is working. He is an individual who looks for investment for Canadian projects. He says we are turning the corner, that Canadians are showing a strong interest in spending money here and that the confidence of Canadian investors is increasing and growing rapidly as a result of the government's presence and policies.

When it comes to the issue of Quebec, I would say to the hon. member that we are not looking toward a future of doom and gloom. We believe the people of Quebec want what every other Canadian wants: a good job.

• (1225)

By focusing on projects like the Canadian youth service corps and the infrastructure program we are telling the people of Quebec that yes, they should have confidence in the government because we are here to do what it is they want and that is find the people jobs.

Finally I would like to say that I have had meetings with people in my riding particularly with regard to the infrastructure program and the Canada youth service corps. The degree of interest and desire for those programs is phenomenal. There is a sense we cannot stand back, do nothing and just look at numbers. As a government we have to find opportunities to create work in the short, medium and long term. I believe the programs we have outlined in the budget are going to do just that.

Mr. Speaker (Lethbridge): Madam Speaker, I certainly hope there is that optimism and things will happen but the Reform Party believes that we must deal with the yearly deficit so that we get the cost of government down. In that way more dollars will be in the marketplace for private investment. This will create job opportunities and give confidence that the investment will be respected after it is made. Then investors will not lose all their profit and whatever to higher government taxes and higher government take. That is what has to be stopped and we are trying to do that.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, I would like to ask a question of the hon. member. I noted in his motion that two particular programs are targeted by the Reform Party. One is the youth services corps and the other is the court challenges program.

Is the hon. member aware that youth unemployment is very near the 20 per cent mark? If we cannot provide hope for our youth then surely we have failed in the tasks we set ourselves as parliamentarians. I am not sure why the hon. member would target youth in this way, saying it was not important that something should be special.

I am not commenting on the particular quality of this program, but I would say that the youth of our country deserve better than simply to be told there is no particular problem concerning youth.

Why does the hon. member ignore youth in this way? Why does his party not care about the youth of Canada?

Mr. Speaker (Lethbridge): Madam Speaker, we absolutely do care about youth so they have job opportunities, so they can be independent, self–sufficient, and able to have a life outside being employed by government, or life outside government coming along after they create a business or have a profession, whereby 30 per cent of the take is taken by government. We want to move away from that kind of an environment.

I have had experience with the Company of Young Canadians and a couple of other youth programs created by government. They never created long term opportunity for our young people. It is not the right way of doing things, to say that we are going to deal with jobs for young people. It just does not satisfy a long term need.

It is an artificial, government created environment which is not sufficient and is not the highest priority in terms of job creation as far as we are concerned as the Reform Party.

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Madam Speaker, I welcome the opportunity to respond to the motion put before the House by the hon. member of the opposition.

Let me say that I appreciate the member's sincerity. But while his intent may be positive it seems that his view of the government budget plan, the range of economic challenges we had to address has been blinkered by deficit myopia. I say myopia because the real solution to Canada's debt and deficit situation will not come from short term and shortsighted hatchet work. Amputation is no way to restore Canada's fiscal health. We need a co–operative, consistent and comprehensive plan of action and that is what our February budget delivers.

The motion before us states baldly that "the budget plan of this government is not a solution to Canada's debt and deficit problem". It follows this up by urging four steps including a moratorium on spending such as the $6 billion national infrastructure program. I want to comment briefly on each of the unnecessary nostrums the motion advances. First let me step back and remind the House of the concrete plan for deficit reduction we have put in place.

• (1230)

There need be no question about our objective. Our goal is to eliminate the deficit. Our interim target is to reduce it to 3 per cent of GDP by 1996–97. The budget puts us on a course to meet that target. We will reduce the deficit to $39.7 billion in 1994–95, to $32.7 billion in 1995–96 and, with only moderate growth, to about $25 billion in 1996–97.

The motion before us intimates that these targets do not represent fast enough progress, but that view simply and dangerously chooses to ignore the destructive consequences that more drastic spending cuts would impose. Canada's economy is still in recovery. Unemployment remains unconscionably high. Consumer and business confidence, although improving since the government was elected, cannot be called buoyant. Industrial restructuring from the fisheries of the maritimes to the manufacturing heartland of Ontario to the farms and ranches of the prairies to the forests of B.C. remains a painful reality.

These are all part of the context within which our budget decisions were framed. These challenges demand that the government play its part in helping restore economic vigour, in restoring national confidence and job creation. They also demand that government continue to assist those in real need.

That is why our budget refused to take a slash and burn approach to government spending. That is why we are reallocating funding to the infrastructure program and to residential rehabilitation, activities that do not merely create jobs on their own but act as a catalyst to further job creation and renewed optimism.

The budget recognizes that sustained deficit improvement can only be achieved in a growing and healthy economy, an economy that is equipped with the skills and technology to meet and beat the challenges of global competition in today's information age. That is why the budget funds programs such as the youth services corps, the technology network and the engineers and scientists program that will help small business.

While the budget invests in jobs and renewed competitiveness it also applies, and I would like to underline this, the most significant net spending cuts of any budget in over a decade. We are reducing departmental operating budgets and extending the salary freeze for Parliament and the public service. The total savings from cuts in government operations will rise from $468 million in the coming fiscal year to $1.6 billion in 1996–97.

We are closing military bases and reducing other elements of defence infrastructure. Combined with the cancellation of the EH–101 helicopter program, savings over the next three years will total some $3.6 billion.

We are renewing our unemployment insurance system in order to make it more effective, more fair and more affordable. Savings here will reach $2.4 billion a year in 1995–96. We are also looking to change other aspects of Canada's social security system to produce savings of $1.5 billion annually in provincial transfers.

Yes, these actions will take time to achieve their full weight, but we make no apologies for refusing to rush helter–skelter into cutting simply for the sake of cutting. If that approach actually worked then the previous government's record would have been one of sustained deficit reduction instead of exactly the opposite.

It is the need for consistent, considered and co–operative action that explains why we have set future targets for savings in provincial transfers rather than imposing them overnight. Again this is a lesson that the previous government failed to understand. There is nothing to be gained by offloading the federal deficit on to Canada's provinces by unilaterally changing the structure of transfer payments the federal government makes to those provinces. That simply shifts the debt from the federal ledger to a provincial one.

Instead we firmly believe the two levels of government must approach their respective challenges through co–operation. That means consultation and deliberations before we act. This is the strategy the budget embraces.

• (1235)

I should also say that we are encouraged by the fact there is an unprecedented consensus today both nationally and provincially on the need to bring deficits down. Strong action is being taken across the country, and this will have a significant impact not simply on the federal deficit itself but on the national deficit overall. That in the end must be the ultimate goal.

Some people have said that we should simply cut spending by 5 per cent across the board. In a number of areas we went well beyond that and the results will be evident. There are other reasons why simplistic across the board approaches do not work. This ties right back to a fundamental principle of the budget's approach to deficit reduction. We do not believe that sustained success lies in treating symptoms that Canada needs to change.

That is why we have given notice of the need to modernize unemployment insurance and the federal–provincial social security system. We believe that a new design can be more effective and less costly. We have given ourselves and the provinces two years to succeed and have set out the minimum savings that must be achieved.

This needed change is not an option. It must happen and it will happen. There are due dates. There are deadlines. There are firm fiscal targets. This plan offers a real solution to Canada's fiscal challenges.

Let me emphasize this by drawing on some recent remarks by the Minister of Finance. He said: "We are not doing this simply to cut spending. We are doing it because Canada needs a new architecture for a new economy on the verge of a new century. But in the end the result is also going to be to get the financial monkey off our back. That is going to be one of the legacies of this Canadian government to its people".

To further explain our approach, I ask all hon. members to consider this. In difficult times would any sensible company manager simply cut operations across the board or would cuts be deeper in some facets of an enterprise and less in other areas of strategic importance for further growth? That requires prudent planning. It requires strategic analysis and sensible commitment, and that is exactly what the government has done in the budget.

I believe my remarks offer real reasons why the motion before the House is unnecessary and ill–considered. Let me just tie off some of the particular suggestions that the motion offers. It urges a moratorium on all new spending, such as the youth service corps and the infrastructure program. First, the motion fails to realize that virtually none of this is new spending. These actions are being funded by savings elsewhere or reallocation of existing funds.

That is not the real flaw in the suggestion. As I stated earlier in my remarks, such spending is a bottom line investment in job creation, restored confidence and long term competitiveness of our economy. Eliminating this investment would be a classic example of penny wise and pound foolish. It would hold back the economic recovery that will be essential to long term deficit elimination and debt reduction.

Incidentally those who would be hurt by such spending cuts would be Canada's young people and small businesses, communities that government and all Canadians should be doing all they can to nurture. I can hardly believe that punitive action here is what the hon. member really means by this motion.

The member's motion also proposes that the government establish effective spending caps. The budget by definition sets spending targets that represent the caps the government intends to apply to spending.

The previous government legislated a more formal cap process. This did not prevent it from falling substantially off its deficit track by tens of billions of dollars. Again the real answer to spending control is a consistent, comprehensive plan based on credible economic assumptions. That is what the budget delivers.

• (1240)

The member's motion also proposes that the government produce quarterly reports on the progress being made on deficit reduction. I am not sure if I understand or the member understands exactly what he is looking for. The Department of Finance already produces monthly and quarterly fiscal reports covering the most recent data available on revenues and spending. Perhaps he is not aware of that publication.

I should also point out that the Minister of Finance has committed to producing this fall a comprehensive statement laying out changes in Canada's economic and fiscal outlay. This is a major departure from the past and will help ensure that all Canadians have a clear understanding of our fiscal process and whether further action is needed.

Finally, the motion before us refers to committing to "corrective action using a spending contingency plan". I can see no reason why we need corrective action when there are no grounds to assume our plan will not deliver the objectives we have set out. The member may not be aware that we did build into our fiscal projections increased contingencies to ensure that our fiscal targets would be met.

If the member had been attentive, he would have realized that our revenue assumptions are very prudent indeed and that our interest rate assumptions are very prudent as well. The hon. member stated just a minute ago that political uncertainty is caused by elections. Surely the hon. member believes in elections. If we did not have elections none of us would be here today. However political uncertainty is certainly part of our democratic process.

In conclusion, all members concerned with regard to Canada's deficit and debt situation deserve an adequate response. It is a concern all of us in government share. That is why the government in its first budget took action that was both balanced and courageous, action that is delivering results now but also looks to the future, action that takes aim at spending where appropriate but also works to strengthen the economy and job creation.

More people working and paying taxes and a more efficient government are needed to reduce the fiscal deficit and that is exactly what the government delivered in its first budget. To me and to the government the bottom line is clear. We have put in place a budget plan that is credible, realistic and responsible, a plan that meets the needs of Canadians today and for our national future.

There is no reason for the motion with its pessimism, scare tactics and myopia to pass.

[*Translation*]

Mr. Jean Landry (Lotbinière): Madam Speaker, some of the measures identified by the Reform Party to reduce the deficit and the debt seem quite interesting. As far as the opposition parties are concerned, we must reduce the deficit.

[*English*]

Mr. Speaker (Lethbridge): I rise on a point of order, Madam Speaker. Is it not the usual custom that following a member's remarks there is time for questions to that hon. member?

The Acting Speaker (Mrs. Ringuette–Maltais): On the point of order, the Official Opposition has the first priority on questions. Maybe the member could follow after.

[*Translation*]

Mr. Landry: As far as the opposition is concerned, we must reduce the deficit, but the latest Liberal budget raises some doubts as to the government's intentions. Does it deal with the real problems?

The Liberals ignored the Auditor General's report. During the past three years, the Auditor General has identified waste and unnecessary spending, totalling at least $5 billion annually. I will get back to more obvious cases later on, but I would like to recall the real problems which the party in power was afraid to deal with. Former Quebec Revenue Minister Yves Séguin provided some good examples in an article published in *Le Devoir* on February 5, 1994.

• (1245)

The way resource profits in the energy sector are interpreted and defined will cost Revenue Canada more than $1.2 billion, although a simple amendment could have prevented this tax loss.

But the worst part is, Madam Speaker, that the minimal deficit reduction planned by the government will put a heavy burden on the provinces. It was criticized recently by Pierre–Yves Crémieux, Pierre Fortin and Marc Van Audenrode, all with the Economics Department at the University of Quebec in Montreal, when they discussed this passing of the federal buck to the provinces. The government reduced its deficit at the expense of the unemployed who, once their benefit periods have been cut, will have no choice but to go on welfare. Just 280 million less for Quebec.

We have to agree with the Reform Party when it condemns the general level of government spending. Our colleagues, however, should also respect the position taken by the Bloc Quebecois. We have already said that we want to reduce government spending and fiscal spending by $10 billion and inject half of this amount into job creation.

Getting rid of waste is not just a buzz word, it is a goal within our reach. Think about it! This government would not have lasted long in Sherwood Forest! When we say waste, we are referring to all the shortcomings mentioned by the Auditor General.

Investment Canada spent $132,000 on a new office with kitchen and bathroom for its new president, although her predecessor's office, located in the same building, had the same amenities. The cost of government travel using the Challenger jet fleet totalled $4 million, with more than half spent on trips by ministers.

According to the Auditor General, these figures represent a total cost per flying hour of $19,650. The federal vehicle fleet is worth more than $500 million, with an additional 4,000 vehicles being purchased each year. We could go on for hours with the list of horror stories, Madam Speaker.

Look at the waste caused by interdepartmental overlap! Staff and equipment assigned to similar activities could be deployed more effectively. The government mentioned setting up one–stop counters in some departments to streamline internal operations, which is all very well, but watch out for undue administrative growth that might reduce an agency's effectiveness.

We all know what happens when bureaucracy gets out of hand. Take this example from the Auditor General's report concerning the Canadian Aboriginal Economic Development Strategy. The CAED Strategy was to invest $1 billion over a period of five years. Three departments were directly involved: the Department of Indian Affairs and Northern Development, the Department of Industry and the Department of Immigration.

The purpose was to reduce disparities between aboriginal peoples and Canadians. The strategy's objective was to help aboriginal peoples achieve economic self–reliance.

In 1993, $900 million was spent under this strategy. The Auditor General deplored the lack of co–ordination between the three departments. According to the Auditor General, it was not clear who was to provide leadership in implementing the strategy. The departments concerned were supposed to co–ordinate the strategy and provide for an evaluation mechanism.

This mechanism was not put in place until 1993. I agree with the reduction of all government expenses providing, I repeat, that the cuts in government and fiscal spending reach $10 billion and that half the savings are injected in job creation. What I am saying is stop wasting public money.

• (1250)

You want examples? Here are a few. Anyone giving money to a charitable organization wants to know whether the money is used to reach the stated goals. This is only natural, Madam Speaker, and this applies to the government as well. However, in this case, we are not talking dollars, we are talking billions spent without any evaluation of the expected return on the investment in given projects.

I was saying that we are all careful with the way we spend or give away our money, we want to be sure that it will be used properly, but grants are allocated by the government without making sure that the stated objectives are reached. We could at least make sure those grants to companies will create jobs.

Coming back to the example I was mentioning earlier, the government spent $900 million, in 1993, for the Canadian Aboriginal Economic Development Strategy. The Auditor General is telling us that there are few ways we can measure the efficiency of the strategy. Would I give a lot of money to a friend without knowing what he was going to do with it? Not me, but the government does.

The Auditor General says that it is not possible to determine the impact of the strategy. For example, in 1992, the Department of Indian Affairs gave $20 million to 73 economic development entities in native communities it considers fully developed. Almost $33 million more were spent on 296 less developed community organizations.

The Auditor General is asking that program control and assessment measures be put in place. It is not a mystery, Madam Speaker. The government prefers to attack the unemployed and the old people, which is less complicated. Yet, all they have to do is to better manage public funds so that we can see concrete results in the whole Canadian economy.

In the aforementioned example, we talked about the Department of Indian Affairs, but the same goes for all other areas. We do not know which real benefits came from the strategy activities. We do not know if funds were spent in accordance with aboriginal people's priorities. We do not know if there is a more effective way of getting the same results. Yet, it is possible to reduce operating expenses.

Let us open the Report of the Auditor General at any page. Here, in November 1992, a consulting firm did an operational examination of the Department of Public Works. According to these experts, the Department could save annually $63 million to $68 million by March 31, 1997. These savings would come mainly from business planning and management and support activities.

The government must stop trying to fool people when it speaks of cutting the fat. I think there are still a lot of areas where we could cut spending, and people have had enough of lies. They know that the government will still take the money out of their pockets instead of reducing the big government machine.

• (1255)

In conclusion, I would like to examine the last point of the Reform party's motion. Our colleagues want the government to develop a spending contingency plan. I suggest they adopt the Bloc's position concerning the creation of a parliamentary committee which would examine government expenditures one item at a time. My colleague, the member for Shefford, will present another point of view later on, but we have said time and again that such a committee is absolutely necessary and we will keep on saying so till the situation is corrected.

It is the responsibility of members elected by voters who trusted them to represent them effectively and keep an eye on such brazen squandering of public funds. The members of this House and of some committees are better suited for such a task than the civil servants since they are accountable to those who elected them. They would see to it that the various programs really reach their targets and that the government manages public funds with equity, effectiveness and thrift.

I know the present government has some reservations concerning our proposal for the creation of such a committee which would examine and review government expenditures item by item. The Liberals have suggested we expand the mandate of the Public Accounts Committee. We would agree, but only if the rules governing the committee are modified.

Our party insists on giving the Public Accounts Committee the following terms ef reference: to analyze and examine the whole of government spending, item by item, in order to present to the House a review of various programs, with the power to gather any information or financial data necessary to carry out its mandate. Officials and political staff members of departments and Crown corporations should be obliged to testify in front of the committee if asked to do so and give it all the information requested. I think that would be the fair way to go about it.

A consensus seems to be possible. The Reform Party wants to develop a government spending management plan, and we would accept such a proposal under the conditions I just mentioned. For once, we should set an example and agree about it.

[*English*]

The Acting Speaker (Mrs. Maheu): Before going to questions and comments to the member for Lotbinière we will be returning to questions and comments to the hon. Secretary of State for International Financial Institutions.

Mr. Ray Speaker (Lethbridge): Madam Speaker, I have a question for the Secretary of State for International Financial Institutions.

In terms of monitoring the budget as it progresses from today into the fiscal year, what mechanisms are in place that trigger the government to come back to this assembly to deal with such problems as revenue projections off track?

That could happen on the basis of two things. The first is the cigarette tax reduction and the potential reduction in taxes on liquor across this nation. There is tremendous pressure for that. Second, marketplace interest rates increase significantly. Because of those two factors we would see our deficit moving from $39.7 billion to over the $40 billion mark.

What mechanisms are in place to trigger a reaction by the government in the House?

I want to say two more things to the minister. First, I appreciate we are going to have a review this fall, but that is a long time into the fiscal year to wait to react.

• (1300)

Second, the concern I have with regard to the government's approach is that there were much appreciated cuts but at the same time they were replaced by new expenditures. I do not feel this really came to grips with fiscal accountability.

I would appreciate the minister remarking on the question and the remarks.

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Madam Speaker, there are a number of items in the question.

On monitoring the revenue projections and the expenditures, this is done very easily by the publications put out monthly and quarterly by the Department of Finance. These are published and made available widely across the country. Any member can follow those projections easily.

The question of whether the revenue projections will be off track is a question that concerned us in the preparation of the budget. That is why we took a very prudent view of the forecasts this year. We took the lower end of the private sector forecasts. The private sector forecasts for this year ranged from 2.9 per cent to 4.3 per cent economic growth. We took a 3 per cent number in our projections and we did the same lower estimates for future years as well.

These are very prudent projections. These are taken at the low end. It is very likely that our revenue projections will be low, not high. It is very likely that our spending projections will be in line or lower as well.

As far as interest rates are concerned, the interest rate projections we used are again very prudent, we assumed higher than private sector estimates presented to us in December and since then by the groups of private sector economists. I have spent 27 years looking at interest rate forecasts. Believe me, if the hon. member would like to tell me exactly what interests

rates are going to be over the next 12 months, I would be glad to listen. If he did know he would not be sitting in the House. He would be out making himself a few million dollars.

I guess my message is we do not know what interest rates are going to be over the next year. Nobody does. We make a very prudent estimate of what they are. We have set aside funds to look after any errors on them. We will very likely come in on a deficit number well under the number we have projected.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Madam Speaker, I listened carefully to the hon. member. I have one question and one comment relating to the part where he said that the government has set firm fiscal targets—I believe these are the words he used.

Given the debt and the deficit we are faced with, it is of paramount importance to set firm targets when it comes to taxation, but at the same time he mentioned revenues. I would like to ask the member if its really possible to get the debt and the deficit under control without creating more jobs, since it is obvious that the lack of revenue is directly linked with the present unemployment rate.

Does the hon. member agree that it is as important for the government to set targets, in its forecasts, regarding job creation and the reduction of the debt and the deficit, and to balance them, giving people a chance to examine the government's agenda and its targets concerning unemployment?

• (1305)

[*English*]

Mr. Peters: Madam Speaker, the question raised by the hon. member is an interesting one. We did face those questions squarely in the budget.

There are definitely spending cuts but there are also job creation programs. It was a balanced approach of both job creation and fiscal responsibility. It was done because that was the only way that one could achieve an adequate result in deficit reduction.

The Reform Party's program that simply slashes and cuts will not work because it will backfire and we will get higher unemployment. We need a combination. We need to get both the jobs to pay the taxes and an efficient government.

As far as providing targets for unemployment, that is an interesting proposal. It is very difficult to target that item. There are so many variables that enter into the unemployment numbers.

We are looking at an unemployment rate that has dropped marginally since this government took office, but it is still very high. If one adds to that the discouraged worker effects and the other effects, one will probably get an unemployment rate close to 15 per cent which is a terrible number.

The speed with which the discouraged workers return to the workforce is unknown. It is very difficult to forecast that number. Therefore we could have a sharp drop in the unemployment rate and still many discouraged workers or we could have the discouraged workers moving very quickly into the workforce and have rising unemployment even though job creation was growing at a substantial rate.

We do not have a target in that but my personal feeling is that the only acceptable target for any political party is that every Canadian looking for work should have a job available to them. That is a long way off but that is the political target.

The Acting Speaker (Mrs. Maheu): I would like to direct the question and comment session now to the hon. member for Lotbinière.

Mr. Ray Speaker (Lethbridge): Madam Speaker, to the hon. member for Lotbinière, in my remarks earlier today I made the point that the Quebec election followed by a potential referendum would have a major effect on the 1994–95 fiscal budget of the Government of Canada.

The comment of the hon. minister was that we will have an election and that is the normal process in our democracy in Canada. I can agree with that. It is true but this is rather an abnormal and unusual circumstance that would be an aberration in the election process and how the election process would affect the budget or the economy of our nation.

I would appreciate a comment from the member on how he sees the current 1994–95 budget affected by an election in Quebec and the position of his party with regard to an independent Quebec.

[*Translation*]

Mr. Jean Landry (Lotbinière): Madam Speaker, obviously an election is looming on the horizon in Quebec and clearly a major movement is emerging at the present time in the province. I listened to my colleague speak of democracy and I believe that in Quebec there is also a similar process of democracy. In the upcoming election and referendum, the people will be called upon to make a choice, through a democratic process.

• (1310)

When the hon. member speaks of a strain on the economy, I for one do not believe that the economy will suffer. The hon. member must know that the federal government and the provinces have been examining for some time now the issue of overlap and duplication. It is not a question of saying that Quebec wants to separate. That is not the point at all. You can rest assured that when Quebec decides democratically to become sovereign—you can forget the word separation because since coming to this House, all we hear is separation and we are not separatists at all—you can rest assured that when Quebec decides to take charge of its own destiny as a nation, an economic union will be forged.

This fact is never mentioned. It goes without saying that there will be an economic union and I believe that this will be an extremely positive development. Let me tell you something. When I was a boy, my father travelled across Canada, from east to west, doing business. When he returned from conferences in the west, from Vancouver and elsewhere, he would say to me: "Jean, do you know which regions are the most separatist–minded?" I would answer: "No, dad, which ones?" And he would say: "The western regions. I have just returned from a three–day, or one–week, business trip out west".

Believe me when I say that this is our goal. From an economic and monetary standpoint, we want to assure you—and this is one of the reasons why the leader of our party went to the United States, to reassure the Americans—that there will be no barriers or borders, as there were between East Germany and West Germany. Right now, we already have tariff barriers between Quebec and Ontario or the other Canadian provinces and I would like to see these barriers removed. Quebec wants to do away with them.

If we can eliminate these barriers while acting as serious, honest individuals, and if we can make the people of Canada and Quebec understand Quebec's economic viewpoint and resources, we can be good friends and partners. Personally, I will always work with Canada and Quebec. Rest assured that I will be honest and frank. If we explain our position clearly, all Canadians and Quebecers will be reassured.

[*English*]

Mr. Monte Solberg (Medicine Hat): Madam Speaker, I rise in response to the challenges which were laid out but sadly not met by the finance minister in his budget speech and to speak in favour of the motion that is now before the House.

Canada's federal debt has given birth to the vandals that ravage the Canadian economy: bankruptcy, ruinous taxation, crumbling social programs and dehumanizing unemployment. Interest payments on the debt consume a third of every tax dollar from taxpayers who are already among the highest taxed people in the world.

Our level of foreign debt for all levels of government now approaches 50 per cent. We are particularly vulnerable to financial chaos should investors grow concerned about our stability and withdraw their funds. They are concerned. Thus our soft underbelly lies exposed.

Time after time bond rating services caution us about getting our spending under control. Two provinces, Saskatchewan and Newfoundland, teeter on the brink of fiscal crisis. Canadian investors vote with dollars, and with the stability of our economy in question they are increasingly looking south, to Europe and to the Pacific Rim to invest their money or they move their trade to the underground economy beyond the maw of the insatiable tax man.

Meanwhile the uncertainty that surrounds the future of Quebec has driven up the premium that investors demand on their money to the point at which some analysts say we pay an extra $6 billion a year in interest on the debt. As always those investors are ready to flee our country to more capital friendly regimes at the very first sign of trouble.

This is the grim reality unadorned by the charming optimism that formed the minister's budget speech. The budget merely tinkers with the problem of the deficit. Some mild spending cuts, some tax increases and a lot of luck will leave us with a still untenable $40 billion deficit. To be kind, it is an effort that is left wanting.

• (1315)

I hasten to point out that the government deserves congratulations in a few of the measures it has taken. Apparently it is no longer politically incorrect as it was during the election to suggest that social programs need not be universal.

The reduction of UI benefits for some, the targeting of benefits for others and the subsequent removal of January's UI premium hike are all welcome moves. In their modest ways they will improve the economy. However much more needs to be done to mollify the fears of investors, both domestic and foreign, and of taxpayers to encourage them to stay in Canada and to remain in the above–ground economy.

The Reform plan focuses on judicious and humane spending cuts, cuts first to the top levels of government starting with MPs and senators. Including but not limited to it would be immediate and radical reform of MPs pensions. This pension plan is so unjust and so motivated by greed it is beyond belief that the Prime Minister has feebly attempted to defend it on several occasions in this place.

We advocate cuts to grants and subsidies for big business and special interests. We advocate the targeting of social programs to those most in need with the retention of the present levels of funding for education, health care and the core of the pension programs. We also advocate that unemployment insurance be administered and funded solely by employers and employees on an equal basis.

The effect of these cuts to government operations, the elimination of subsidies and grants and targeted social spending would be to reduce spending by about $20 billion a year. This combined with growth in the economy would bring us to a balanced budget or close to it after three years.

Naturally we therefore support a cap on spending as is advocated in this motion. We support the elimination of the infrastructure program and the other measures listed in this motion.

Let me talk more specifically about a single department and the measures which can be undertaken in that one area to bring spending under control. As a member of the Canadian heritage committee I am aghast that this department was almost completely overlooked in the government's initiative to cut spending.

It is no exaggeration to say that no other department has more vague, nebulous and implausible objectives than this one. Building understanding, striving for equality, preserving one's culture and appreciating our Canadian heritage are all noble goals and things we should all strive for as individuals. Generally speaking however these are areas where government is in way over its head.

Despite the billions and billions of dollars spent on official bilingualism in this country there are no more and perhaps fewer bilingual Canadians than 20 years ago. This is a failure by any standard. Because Canadians resent the heavy hand of government, official bilingualism has served to divide us along linguistic lines.

Despite the hundreds of millions of dollars poured into official multiculturalism, racial tensions are hitting new heights. That is also a failure by any standard. The sense that government favours certain minorities serves to divide us along racial lines.

Despite the billions of dollars poured into subsidizing and protecting Canadian culture, more and more we see Canadians gobbling up American TV, music and movies. Even CBC TV has acquiesced. With great embarrassment I am sure, it is forced to run American sitcoms to capture viewers. This too, by any conceivable standard, is a failure on a grand scale.

Just as important, Canadians are left to assume that this government intervention must mean our culture is inferior to culture from elsewhere. Or again, they simply resent the government's show of favouritism to the selected few, harbour their grudges and thus another division is created.

Why in the world does the government continue down this path that is so littered with failure? The $2.8 billion spent in the Department of Canadian Heritage could be cut by two–thirds. Average Canadians not only would not be hurt by it, they would probably stand and cheer out of gratitude for the tax dollars it would save them.

The problem is as plain as the nose on the Prime Minister's face. We have a very serious problem of overspending in the federal government. Our country is hemorrhaging red ink.

• (1320)

Let us not be fooled by a temporary upturn in our economic fortunes. The next few months may signal a stronger economy but to assume that the economic battle has been won is just whistling in the dark. The debt is always lurking nearby ready to drag us down at the first opportunity.

I ask the government to acknowledge the obvious problems I point to and to act immediately to reduce its overall spending in accordance with the motion before us.

I neglected to mention at the beginning of my talk that I would like the time to be divided pursuant to Standing Order 43(2).

Mr. Jim Abbott (Kootenay East): Madam Speaker, the media entrepreneur, Ted Turner of CNN fame, has a plaque on his desk which reads: "You can lead or you can follow, but if you are not going to lead, get out of the way".

I want to speak about leadership. There is a leadership vacuum in this country on the issue of compliance with taxation rules. Canadians have lost confidence in the ability of their governments to get spending under control. Therefore they have increasingly turned their backs on tax compliance and instead have become involved in aggressive tax avoidance. Tax avoidance takes place illegally and legally, but why would Canadians have reached the point of being prepared to break the law and potentially suffer the consequences?

Let me make my position very clear. I am not in any way condoning or excusing tax avoidance. If the government does not have the income then providing services to people and even the servicing of our national debt will become impossible. Furthermore, if we do not have respect for the laws of Canada, including taxation laws then we have anarchy. Therefore the epidemic of tax avoidance is an issue far larger than the issue of missing revenue.

We need to have leadership by example. We must show ordinary Canadians that people involved in the political process, members of Parliament, members of the government, cabinet ministers, are prepared to lead by example.

Many of us in this House are aware of single income families where the homemaker babysits one or two of the neighbour's kids but does not declare the income. There are housekeepers who clean the homes and toilets of others but again are not declaring the income. We are also aware of tradesmen who are avoiding the GST, in fact any taxation, simply by not declaring the value of their work. These people need to be shown sacrifice and leadership by members of the House of Commons, including the cabinet.

That is all part of the so–called underground economy. It is growing at a phenomenal rate. Yet the vast majority of these people desire to be law abiding citizens. In all other areas of their lives they obey the laws of Canada. So I ask: Who is going to lead them?

Many businesses have a friendly, approachable and helpful demeanour toward their customers and clients. This helpfulness is carried out by the staff. Can you imagine that the president of the company is not also friendly, approachable and helpful? In other words, the staff takes the lead from the example set by the chief executive officer. If a firm is open, honest and straightforward in its dealings with suppliers, the government and its customers, we can safely assume the leadership of the firm will also be honest and straightforward.

The bottom line is that Canadians are prepared to comply with reasonable tax laws, reasonable laws respecting taxation. When members of this House and the government lead by example, Canadians will follow. This is the reason the Reform Party has the unrelenting objective of straightening up the MPs pension plan.

The Liberal red book specifically states:

> The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable. If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.

Whether by accident or design, politicians from the House have historically told Canadians that the MPs pension plan did not cost the Canadian taxpayer any money, that it was self–funding.

• (1325)

Any reasonable individual looking at the numbers concluded that members were mistaken in their assertions. It would be impossible to support the luxury of the MPs plan solely from the members' contributions. Only two weeks ago it was revealed that in 1992 Canadians forked over $158 million to top up the MPs pension plan and a further $12 million in 1993. The Canadian public is rightfully outraged at this excessiveness but are beyond outrage when they understand they have been duped.

As recently as the election the former member for Kootenay East was protesting loud and long that his pension plan was fair and reasonable. Yet the Prime Minister has said in the House he would correct the situation sometime before the next election. That is some time in the next four years. Is it only during elections that members of Parliament are answerable to Canadians or listen to them?

If Canadians are looking for leadership by example why will the Prime Minister not immediately alter the MPs pension plan to reflect a pension plan that would be available to any other member of the public? There must be leadership by example. Members of Parliament who choose to stonewall this issue in my judgment are doing a major disservice to this parliamentary institution.

We have spoken today about illegal tax avoidance. I would like to raise the issue of legal tax avoidance as shown in a newspaper article by Tim Naumetz of Sterling News Service. This very solidly falls under the issue of leadership by example.

In documents filed under the conflict of interest and post–employment code for public office holders a cabinet minister has revealed he has six companies registered in Liberia among his many holdings.

Let me make my position crystal clear on this issue. I am not stating nor suggesting or even implying there is any legal wrongdoing on the part of this cabinet minister. I also recognize the practices illustrated here may very well be standard practices in the shipping business. However within the shipping business I ask why ships are registered in Bermuda and Liberia rather than in Canada.

That is just one example of legal tax avoidance which brings into question the whole issue of fairness in our tax system.

The Acting Speaker (Mrs. Maheu): I would remind the member that the tack he has been taking is very borderline with regard to parliamentary procedure and acceptable parliamentary conversation. Would the hon. member please be careful.

Mr. Abbott: Thank you, Madam Speaker, I will dispense with the balance of my speech in deference to your advice save to conclude if I may.

Canadians rightfully are looking for parliamentarians to lead by example. At the end of the day, unless there are substantial changes on the part of the majority of members of Parliament and members of the cabinet in the next four years, Canadians will rise up and say in a very loud voice: You can lead or you can follow, but if you are not going to lead get out of the way.

Mrs. Dianne Brushett (Cumberland—Colchester): Madam Speaker, in response to the two hon. members who have just spoken I suggest that the 400,000 youth who have been unemployed for the last two years are looking for employment. The budget deals with that in creating the youth corps.

The infrastructure program which is in progress arose out of concerns for municipalities which cannot fund the infrastructure work alone.

The rehabilitation assistance program has arisen out of the needs of seniors on fixed incomes.

That is why this budget addresses fair, realistic approaches to all Canadians. Today's headline is: "66,000 jobs return". That is leadership and it is coming from this government.

• (1330)

Mr. Abbott: Madam Speaker, I suggest that the youth of the country may very well hold this government accountable for the fact that it is passing on the spending of today to Canadian citizens to be paid for out of their income at some future point in time.

Constant deficit spending absolutely ties down and chains up the present youth of Canada.

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, before I begin my remarks in this debate, I wish to convey my sincere congratulations to you on your elevation to the chair. I wish you luck in your deliberations over the next number of years.

As you probably recall, Madam Speaker, in another Parliament I had some familiarity with opposition motions. While in opposition we would examine the policies of the government and of course make our pronouncements and our suggestions to the House and to the Canadian people.

One thing I learned as an opposition member in drafting opposition motions is that if we have something to say, something shall we say substantive, we come to the point and we say it. I do not wish to question the efficacy of the length of the votable opposition motion here today, but I see it has a preamble, a part (a), part (b), part (c) and part (d). I see that part (a) has several subparts: one, two, three, four, five, six, seven, eight, nine.

If one really has something substantive to say to the Canadian people, it does not necessarily follow that one has to use all those words to say exactly what one means. The distinguished member who moved the motion has a long public career in the politics of this nation and in particular in the politics of one province. I am disappointed that he would bring forward such a votable motion. I thought he would have taken the route of putting something which is very clear, very substantive on the floor of the House of Commons and then give us his view.

I heard his colleague moments ago. I did not bring into question the issue of relevancy which is covered by the standing orders, but it had very little to do with the motion which was before us. It leads me to conclude, and I may be wrong because I have been wrong on occasion before—

Some hon. members: Oh, oh.

Mr. Dingwall: Well, okay, I have never been wrong. Surely an opposition party wishing to become the national Government of Canada did not have to put all of those words. It could have been clear and unequivocal unless of course one is trying to use the shotgun approach.

I am saddened that hon. members opposite have seen fit to bring forward this particular motion and focus on an element of society who look to governments, and note I use the plural and not the singular word, for assistance. They sit in their wonderful parliamentary offices. They eat food from the parliamentary restaurants. They take their fat paycheques home to their constituencies. They wear their Gucci shoes, their Boss suits and their tailor made shirts, but they are the first crowd to say to low income Canadians that they want to do away with the RRAP, a rehabilitation program for people on low incomes.

• (1335)

What sort of intestinal fortitude do members opposite have to do that? Hon. members have had their say and as sure as God is our creator, I am going to have my say. They can yell and catcall all they wish but the point remains that members of the Reform Party stand in this House and mould expressions with regard to assisting Canadians on one hand and then stand in their place and do the exact opposite, which is to take away from those Canadians who deserve assistance, leadership and the compassion of the Government of Canada as well as all other governments across this country.

Part of this mammoth opposition motion that one could never put on a marquis, that one could never get into a one–line sentence, says that they want to get rid of the RRAP. That is one thing they want to do. What is the other? They want to get rid of the national infrastructure program.

Perhaps hon. members later in the discourse will have an opportunity to rise in their place and correct the record, but I thought when the Reform Party talks about democracy and the will of the Canadian people, that was paramount in their deliberations. That is what they say on Fridays but on Mondays it is a different thing.

Today they want to rid us of the national infrastructure program. Provincial governments, municipal governments, numerous councillors in every region of Canada, and provincial MLAs commissioned by votes in the respective legislatures support overwhelmingly the objectives of the national infrastructure program, but we have here today the Reform Party members once again speaking out of both sides of their mouth, saying on Friday that democracy and the will of the people is paramount, but when the Government of Canada delivers the goods with regard to servicing that constituency, it is they and they alone who protest.

I suggest there is a reason for that confined to opposition parties, particularly those that are on the rump side of the House

and not necessarily the official opposition, which is to try to play all sides and cater to all sides whenever convenient.

Hon. members must realize that members on this side of the House, provincial governments, municipalities, individuals, construction companies, reasonable Canadians both young and old support overwhelmingly the national infrastructure program.

The hon. member will rise in his place and provide us with a quote that says that so and so from somewhere in Canada is opposed. However the fact remains that Canadians overwhelmingly support the national infrastructure program.

I say to the Reform Party members that if they do not want moneys spent in their constituencies as they relate to the national infrastructure program and if they have their province on side, why do they not do the honourable thing? Why do they not stand in their place and say to the people of their riding that there are no moneys in this area of Canada for the national infrastructure program? That is if they have the intestinal fortitude. I ask the hon. member opposite who reads his book, reads his "Quorum", flips his glasses, who wishes to catcall from his seat: "Do you have the intestinal fortitude to turn it down?" The hon. member will have an opportunity later to give us his answer. I say to the hon. member through you, Madam Speaker, that there are numerous members on this side of the House who will take that money and spend it on behalf of Canadians.

• (1340)

I am always reluctant to enter into debate, but I have to say on the floor of the House of Commons in terms of the motion that is before us that there are two things on which I would like to comment as they relate to this mammoth opposition motion.

Third is the youth services corps. This is the same crowd that puts their hands over their chests, stands on guard for Canada, and says they are all in favour of motherhood and apple pie, which I am too. However, when it comes to providing some economic assistance to youth in this country, who are the first to oppose it? The Reform Party of Canada.

Perhaps I am incorrect. Perhaps it really is not the Reform Party of Canada. Perhaps it is just the Reform Party that happens to represent an area of Canada and not all of Canada. That is the issue.

[*Translation*]

This government's vision of Canada includes all Canadians, irrespective of their income, their language or their social status. Our vision is that of a country where everyone enjoys some quality of life, a country where we are responsible for the well–being of others and where people still have hope both for themselves and for their children.

There is no doubt in my mind that this vision is tied to the provision of decent housing to all Canadians. Also, there is no question of excluding certain people from this vision just on account of the fact that they need help to meet their basic housing needs.

[*English*]

I am saddened that members opposite would use this opportunity, a privilege which I would say to the mover of the motion is only granted to a select few Canadians who have earned the right to sit in this Chamber and voice the concerns they believe to be important in public policy matters affecting this nation. I for one would never, ever disagree with hon. members opposite exercising that fundamental right. But having agreed to exercise that right, do not be fooled into thinking that those of us on this side of the House are consenting or in any way agreeing with the public musings nor the contents of the resolution which have been put forward by the Reform Party of Canada.

We in the Liberal Party oppose now and will continue to oppose these Draconian, inarticulate, vague concepts of public policy as they confront Canada. The hon. member may laugh. He has that right. I say to him that those who have been elected to this side of the House also have the right to stand in this place and stand for Canadians who want assistance, leadership and economic activity from their government.

In this recent budget we have provided that leadership and we have provided that direction. I find it unacceptable for members of the Reform Party to waltz in here and put a motion before the people of Canada which I suggest is nothing more than griping at its best. They have not provided alternatives. They have not spoken to the real issues which affect Canadians. Yes, deficits are important, but it is not the only thing that confronts Canadians. To suggest otherwise is being totally irresponsible as a member of an opposition party.

• (1345)

It would be equally irresponsible for those of us on this side of the House not to talk about deficits. We have talked about deficits. We said in the campaign, in the throne speech and now in the budget that all of our commitments in the red book have now been put into effect and we are moving in the direction we said we would with regard to deficit control.

I find it unacceptable that a seasoned member who has experience in public life would raise on the floor of the House of Commons the chopping of our youth, chopping our senior citizens and low income Canadians and dissipating and doing away with the national infrastructure program which is a program needed, wanted and delivered by the government.

I want to talk about several other issues since hon. members dared to tread that line. They talked about pensions. They said: "How terrible it is for members of Parliament to receive pensions". The Prime Minister said clearly and unequivocally: "Yes, that matter will be addressed". However, was that sufficient enough for members of the Reform Party? No that was not

sufficient enough. They continuously raise the issue of pension reform when they know the matter is being given due consideration by the appropriate authorities and at that time they will have an opportunity to address that particular issue.

However, what do we hear? We hear that if this is not corrected the heavens will fall and the country will disappear. That is the way in which they paint the issue. That is not to suggest that the hon. member's points deserve consideration. Again, as I said with the national infrastructure program, they should be careful and prudent in the way in which they present their arguments because a number of Canadians perceive, perhaps quite rightly and or indeed quite wrongly, that the Reform Party is nothing—these are not my words and I want to be very clear because I do not wish to be unparliamentary—more than a bunch of antis: anti–immigration, anti–French, anti–regional development, anti–seniors, anti–women, anti–youth. That may be unfair or it may be fair, it could be unfair but then again it may be fair. These are not my words, that is what Canadians tell me from time to time as I travel the country.

Let us not be unfair. Let us be fair and let us say that the resolution which the hon. member put down is not deserving of the support of members on this side of the House. It is not deserving of support of members on that side of the House. Certainly it is not deserving of the support of the member's own political party. I am sure that in exercising their free vote they want to be fair, not unfair. They will exercise their free vote and they will vote against this particular resolution put forward by my colleague opposite.

• (1350)

Finally, in closing—I will probably get a few questions, at least I hope I will—I want to say to members opposite that when they are developing an opposition motion they should give it some more thought, do their homework, go back and think what it is they want to accomplish. Do not put it in vague terminology; long, windy, whiny sentences. Do not do that. Their grade seven English teacher, my grade seven English teacher, would tell us that when we are writing a composition or a resolution. Chop it down, be focused, be specific before bringing opposition motions before the House of Commons for adjudication by members and ultimately by the people of Canada.

But to say, as the hon. member did in his remarks, and to imply in the resolution that somehow it is low income Canadians who benefit from RRAP, that somehow it is disabled Canadians who benefit from the residential rehabilitation assistance program, who are the cause of the deficit, that they, the weakest members of our society, should not have leadership from their governments, is a pretty gutless way really to represent Canadians. I mean there is nothing tough, is there? Is there anything tough? Is there anything really tough about saying this to senior citizens who happen to be disabled?

I will close with this message. Today I received a letter from a lady who has multiple sclerosis, and she is going to be a beneficiary of the RRAP disabled program announced by the Minister of Finance. If the hon. member is saying to those kinds of Canadians that yes, they are the ones that we want to chop off and that yes, they are the ones who do not deserve any attention from the Government of Canada, let him say it. Do not do it in a phony motion, comprised of many words written by some staffer in the back rooms of his political party. Have the intestinal fortitude to come to the floor of the House of Commons and say to disabled Canadians, low income Canadians, the youth, the municipalities, councillors across this country that the programs we put into effect are not necessary and are not needed by Canadians.

If not, the hon. member should do the honourable thing.

Mr. Jean–Paul Marchand (Québec–Est): Madam Speaker, I have a very brief question. I am very impressed by the form of the speech from the minister, maybe not the content but certainly the form. I was just wondering whether he has recently made an application to join the Shakespearian troupe in Stratford.

Mr. Dingwall: I will keep it in mind.

Mr. Ken Epp (Elk Island): Madam Speaker, I appreciated very much the presentation of the member opposite. In particular I enjoyed his lesson on the use of brevity of words. That was very interesting to me.

I would like to make a comment. He mentioned that we are here to represent our constituents and he gave us a little bit of a tirade about how we are misrepresenting this democratic responsibility. I report to the House that I represent my constituents when I support a motion like this one. I have had people express to me great concern about the amount of debt and deficit. I have had people tell me that they do not support the infrastructure program but they feel blackmailed by a federal government which with a $2 billion commitment has forced a province to match it and the municipalities to match it. They are opposed to going into further debt and they are opposed to further borrowing. Consequently I do represent my constituents when I say we want to put a cap on spending. We want to reduce it.

• (1355)

I had a conversation with one of my constituents this weekend in which we discussed this point. I did a little calculation and found that a deficit of $40 billion is taking us into debt in this year alone to the amount of $500 per family per month and that is a huge concern.

I believe I have used my time allotment and I will stop.

Mr. Dingwall: Madam Speaker, that was an excellent intervention by the hon. member for Elk Island. I am sorry, because the hon. member has just given, and I know it was not intentional, facts to the House from his particular vantage point. The hon. member should check the record.

The national infrastructure program was not the creature of national political parties. The national infrastructure program came from municipalities en masse in all of the provinces and territories. The hon. member shakes his head. If his particular province does not wish to take part in the national infrastructure program he should have said that to his premier who signed on the dotted line on December 21, 1993.

Furthermore, the hon. member has made reference to representing his constituents. I applaud the hon. member for representing his constituents. I say to the hon. member that he was not elected to be a weather vane, to check the political winds to see whether they like this or they like that. Since my colleague is a great student of Shakespeare, his colleague might be a great student of one of the great philosophers Edmund Burke who said: "You owe your constituency and constituents much more than your industry. You owe them your judgment".

It is our judgment as a national political party that a national infrastructure program is needed by Canadians, wanted by Canadians and we as a national political party are delivering on that commitment.

The Speaker: It being two o'clock p.m., the House will now proceed to statements by members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

LABOUR FORCE SURVEY

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, my statement today is under the heading "Good news gets better with the Liberal government".

I am extremely happy to rise at this moment to make mention of a few encouraging points from last month's labour force survey. The survey has indicated a decrease in the unemployment rate while an increase in the help wanted index has grown. The help wanted index of job advertisements rose for the fourth time in the last five months, the largest increase of the recovery. I was particularly encouraged by the strong gains in employment in sectors that had experienced recent declines, such as manufacturing and retail trades.

The other good news is that all regions of the country experienced growth in the employment rate. In my province of Ontario alone 11,000 new jobs were created. The government's commitment is to put—

* * *

[*Translation*]

ALPINE SKIING

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, on behalf of all Quebecers, I would like to extend today my heartfelt congratulations to one of our own athletes who won the giant slalom yesterday at the world junior alpine skiing championships in Lake Placid. I am referring to, you have guessed it, young Mélanie Turgeon.

● (1400)

It was not Mélanie's first medal at the championships either. She had already reached the podium twice before; first winning a silver medal in Super G, and then bronze in downhill.

Yesterday's victory puts Mélanie in the overall lead at the championships. Another event is scheduled for today: slalom. I want to wish her, personally and on behalf of the Bloc Quebecois, the best of luck. We are proud of you, Mélanie. Go for it!

* * *

[*English*]

SMUGGLING

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, since the government's anti–smuggling measures were announced, several Manitoba border crossings have been open 24 hours a day. This only sends a clear message to smugglers to avoid these border crossings.

In addition, extra customs officers must be kept on duty at night at each crossing because of the extra hours. The only increased traffic at these crossings has been in the form of vehicles going south to the United States to take advantage of cheap U.S. liquor, food and gasoline.

Revenue is being taken out of the pockets of Manitoba businesses and sent over the border. Everyone agrees we should be concentrating on a decrease in smuggling, but instead the local RCMP which is already understaffed has to contend with increased smuggling of not only cigarettes but liquor and guns.

Would it not make more sense to close down the customs ports at night and increase the RCMP personnel to create better border patrol? This would show real action against smuggling and would keep more Canadian dollars at home.

* * *

WOMEN ENTREPRENEURS

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, although last Wednesday was specifically designated as International Women's Day I would like today to acknowledge women entrepreneurs.

In 1989 women founded 50 per cent of all new Canadian businesses. In Atlantic Canada between 1984 and 1990 the percentage of women owned businesses employing five or more full time employees increased from 16 per cent to 28 per cent. Women are also succeeding in existing businesses.

In my riding in 1990 a former bank worker, Lois Robarts, took over Advocate Harbour Seafoods. She has since expanded her sales and her processing plant and now employs five people. That is significant considering that small businesses created 90 per cent of our region's new jobs in the 1980s.

It is imperative that the joint government–business committees we are establishing to encourage small business be particularly sensitive to the economic potential of Atlantic Canadian women.

* * *

THE BUDGET

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I am delighted the government has declared in its budget that it intends to review the funding of some 500 special interest groups which are relying on taxpayers' dollars rather than raising their own money. The results of this review are to be incorporated in the 1995 budget.

I hope that this review will result in ongoing cuts where obviously warranted this year, not next. We must concentrate on the genuinely needy now, not later.

* * *

EMPLOYMENT

Mrs. Jane Stewart (Brant): Mr. Speaker, like all Canadians I am encouraged by the reduction in Canada's national unemployment rate in February. However it is with great concern I report to the House that the riding of Brant was not so fortunate.

Our monthly unemployment rate jumped from 11.7 per cent to 14.1 per cent in February, well above the provincial average of 10.7 per cent.

One way that government can address the unemployment problems of smaller centres is by decentralizing some of its services. In my riding, for example, we have no unique post–secondary institution. Our level of post–secondary education falls well below the national average.

My community could greatly be supported by the location of a federal research and development centre or some other technological institute or agency within its boundaries.

While I strongly support the job creation measures taken in the budget, I believe that decentralization is another proactive step that governments can take to create opportunities in our smaller communities.

I encourage our government to take steps in this direction.

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[*Translation*]

MINING INDUSTRY

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, the "Mining, an industry to support" campaign launched by the mining industry last September has received massive public support in over 150 mining communities in Canada and Quebec as well as from many other Canadians and Quebecers who are concerned about the future of this industry.

The mining industry is one of the driving forces of the economy and as such requires more serious attention from the government as well as urgent action.

Canada's mineable reserves keep decreasing. But this country cannot afford to lose an industry which contributes so much to the national economy and to regional development. The government must take steps to revitalize this industry. Time has come, for example, to look at the possibility of giving preferential tax treatment to mining flow–through shares as well as at the need for a definition of "research and development" in the Income Tax Act that would include mining exploration.

* * *

• (1405)

[*English*]

WORLD CUP SKIING

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, during the last two weekends the resort community of Whistler in my riding hosted three World Cup skiing events.

They were a great success as a result of the hard work of a large army of volunteers, the management and employees of the Whistler Ski Corporation, sports federations, the media and sponsors from the private sector. Over 12,000 spectators and many more television viewers throughout the world saw the events.

In the women's downhill Michelle Ruthven finished third, Kate Pace fourth and Kerrin Lee–Gartner ninth. In the men's downhill Cary Mullen finished fifth, Rob Boyd tenth and Edi Podivinski fourteenth. Cary Mullen also placed fifth in the Super Giant Slalom yesterday.

Let us thank all those who have made the event such a success. Let us congratulate those who braved one of the world's most challenging race courses and send sleds full of roses and a hearty thank you to those who represented Canada so well by beating some of the world's best racers.

S. O. 31

[*Translation*]

SIXTH PARAOLYMPIC WINTER GAMES IN LILLEHAMMER

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the official opening of the Sixth ParaOlympic Winter Games took place last Thursday, in Lillehammer, Norway.

[*English*]

The Paralympic games are the premier competition for high performance athletes with disabilities.

[*Translation*]

Six hundred athletes representing 31 countries are participating in these Games, which are held from March 10 to 19.

[*English*]

Canada is represented by 34 athletes competing in alpine skiing, cross–country skiing, sledge hockey, biathlon and ice sledge racing. These athletes deserve our full support and recognition for their hard work and commitment to their sport.

Stacy Kohut of Calgary has won Canada's first gold medal of the Paralympics today. She was victorious in the Super G event. Lana Spreeman of Calgary has won two bronze medals, one in downhill skiing and the other in Super Giant Slalom. Ramona Hot of Edmonton won a bronze in a separate downhill event.

[*Translation*]

I am very pleased to announce that Canada's athletes have already won four medals at these Games.

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[*English*]

ROTARY INTERNATIONAL

Mr. Paul Szabo (Mississauga South): Mr. Speaker, Canadian unity has been enhanced by the unselfish contributions of many organizations that have worked so hard to make Canada a better place.

One such organization is Rotary International. I was first introduced to Rotary 12 years ago by Mr. Allan Shulman and over the years I have been most impressed by its community leadership role.

In recognition of Rotarians, I would like to share with the House the Rotary International four–way test to guide what we say, think and do:

First, is it the truth?

Second, is it fair to all concerned?

Third, will it build goodwill and better friendship?

Fourth, will it be beneficial to all concerned?

Rotarians reflect the true spirit of Canadians and it is because of that spirit that Canada will always remain strong and united.

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[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Maurice Godin (Châteauguay): Mr. Speaker, yesterday, some 3,000 people gathered to ask that the Collège militaire royal de Saint–Jean remain open. This demonstration was truly a show of solidarity, with residents from Saint–Jean, Montérégie, the greater Montreal and my own riding participating. Politicians representing all political affiliations joined in a common front to convey the message that the French–speaking military college in Saint–Jean must remain open.

The federal government must not make the mistake of closing this unique institution in North America, which serves to train military officers in their own language and milieu. The government must reconsider its decision and have the courage to recognize its mistake, to clearly show that French–language institutions have their place in the federal system.

* * *

• (1410)

[*English*]

THE REFORM PARTY

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, charges of racism have been used all too often as a means of attempting to undermine the Reform Party. These allegations of course are completely false and contribute nothing to the daily operations of the House.

These allegations are based on the fact that Reformers speak openly and honestly on issues such as Indian affairs and immigration. The members opposite sometimes seem more concerned about choosing politically correct words in a speech or question than with the actual content.

Members should be able to express themselves without looking over their shoulder for that politically correct watchdog every time they speak. A return to basic values, including respect and consideration regardless of gender, race or religion, is a much needed improvement in the House.

* * *

LOBBYING

Mr. Paul DeVillers (Simcoe North): Mr. Speaker, on pages 94 and 95 of the red book the government made a commitment to develop a stringent code of conduct for lobbyists under the auspices of the soon to be appointed independent ethics counsellor.

The people of Simcoe North and Canadians in general expect substantial reform in the way lobbying is conducted. I feel the government must go all the way, making mandatory the full disclosure of fees, clients and the names of government officials being lobbied for first and second tier lobbyists.

In addition the government should give serious consideration to making the costs of lobbying non–tax deductible.

[*Translation*]

Canadians really appreciate the fact that this government kept its election promises in the recent budget. With the implementation of these reforms, they will be all the more pleased to see that a real effort is being made to reinstill political ethics in our parliamentary institutions.

* * *

[*English*]

UKRAINE

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to pay homage to the victims of the 1933 Ukrainian famine and make fellow Canadians aware of this atrocious historical event.

Last year was the 50th anniversary of the famine and Ukrainians throughout North America and Europe held special ceremonies to commemorate the atrocities inflicted on their people.

The famine inflicted the highest casualties during the winter of 1932–33. While city dwellers were kept healthy and supplied with food, the countryside was wiped clean. By the spring of 1933 people were dying at the rate of 25,000 a day. By the end of 1933 it is estimated that between six million and ten million Ukrainians had starved to death.

Even today as Ukrainians commemorate the 50th anniversary of the famine, the events are still largely unknown.

I realize that we cannot do anything to bring these people back. However, we can make Canadians aware of the social and political injustice that has been relatively unknown for too long and ensure that such atrocities are never repeated.

* * *

UNIVERSITY HOCKEY

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, this past weekend in Toronto, and for the third consecutive year, Acadia University hockey team participated in the National University Hockey Championship Tournament. For a school of 3,000 students, this is a great accomplishment.

While Acadia, the defending national champions, fell just short against the eventual winners, Lethbridge, I feel the accomplishment of this year's team must be recognized.

Led by the CIAU's player of the year, Duane Dennis, Acadia had an outstanding season; a season marked by dedication, hard work and a commitment to excellence.

I am proud of the young men involved in Acadia's hockey program and their academic achievements. I believe that the members of this team have shown themselves to be responsible, dedicated and hard working on the ice, in the classroom and in the community.

Congratulations to Acadia. It has every reason to be proud of its accomplishments.

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INDIAN AFFAIRS

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, last week the Minister of Indian Affairs and Northern Development announced the devolution of his department's responsibilities to the First Nations of Canada, beginning with a demonstration project in Manitoba.

All I can say is that it is about time. We have heard a lot in this House about the need to define self–government. Self–government will not be defined the same in Yukon as it is in Manitoba because we must define it in terms of the cultural heritage, of the various aboriginal groups that are being dealt with. It must be an item for negotiation.

Each settlement will be defined by the history and culture of the First Nations people. This is an extremely important initiative and because of that I ask the minister to place before the House a plan with clear timetables and, most important, the financial resources to be allotted to this plan of devolution. That will determine whether this initiative is genuine or just another step on the highway of broken promises.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

EMPLOYMENT

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

Several members of the government are attending the G–7 summit on employment held in Detroit today. According to a government source quoted in this morning's newspapers, Canada intends to submit to its G–7 partners a proposal to put in place

a tax credit for employers who create new jobs and for those who save jobs.

Can the Prime Minister confirm that Canada is about to present such a proposal, and can we expect the government to put in place such a tax credit for employers who create new jobs and for those who save jobs that would otherwise be threatened by technological changes?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I do not think that the Minister of Finance will present in Detroit a proposal on Canadian taxation. I think that the ministers who are there today want to look with their colleagues at solutions that could be applied in the Western world and that many ideas will be debated, but in Detroit, the Minister of Finance will not be making any proposals concerning Canadian taxpayers. All that must be done in the usual way, as we did a few weeks ago when the budget was tabled.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, it is very disappointing to hear that so many ministers went off to discuss and chat without having anything new to propose.

I ask the Prime Minister what justifies their presence at the G–7 summit if it is not to come up with new ideas.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, our ministers will talk about what we are trying to do here in Canada at this time, and I imagine that the other ministers will explain what they are trying to do in their own countries. Unacceptable unemployment levels are now a problem throughout the Western world. That is why President Clinton convened this summit, so that the ministers responsible in this area can meet and exchange ideas. And if this summit produces new ideas that can apply to the Canadian situation, I am sure that our ministers will be happy to take note and report to Parliament.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, we hope that the representatives at this summit will do more than compare their respective countries' unemployment rates. All this is not very encouraging.

Can the Prime Minister tell us today if, after the G–7 summit, his government will introduce a real policy, a real job creation strategy to give a little hope finally to the 1.5 million unemployed Canadians and especially to young people, nearly 20 per cent of whom are without jobs?

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, that was debated in the budget debates over the last few weeks. We explained our plans, including the infrastructure program and the youth program. We want to make sure by changing the nature of our social programs there is more money available for creating jobs.

When meeting with others they discuss our approach and we discuss their approach. That is the reason we meet with them. We try to have good exchanges with the people involved and thus have as much stability as possible in the western world. Everyone agrees it is better when people talk than when they do not.

It was a good initiative by the President of the United States to invite all the ministers involved with labour and employment to get together.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Prime Minister.

The government keeps saying that its real priority is job creation. Today, a large delegation of Canadian ministers is attending a G–7 conference which we thought would deal with ways to stimulate employment.

In the meantime, the government maintains the unemployment insurance premium increase which it put in effect last January 1, and which is truly a tax on employment. In fact, last week in this House, the Minister of Finance himself said it was absurd.

• (1420)

Does the Prime Minister agree that, if the government wants to be logical when it talks about job creation, it must immediately eliminate this premium increase?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, this is precisely what the government has done. The previous Conservative administration had decided that UI premiums would go up to $3.30. We passed legislation to lower these premiums to $3.07 for the current year, and to $3 at the beginning of next year. So, we have done precisely that.

Again, the premiums were set at $3.30 by an act of Parliament, but we have lowered them to $3.07 for the current year, and to $3 as of January 1, 1995.

Mrs. Francine Lalonde (Mercier): Mr. Speaker, I remind the Prime Minister that he implemented a decision made by the Conservatives to lower UI premiums to $3.07 as of January 1994. He maintained the decision to set premiums at $3.07 until next January, in order to get $800 million from Canadians.

Does the Prime Minister recognize that cancelling this premium increase would have an immediate effect on employment, and does he agree that if this increase is absurd, as the Minister of Finance admitted, maintaining it is a lot more absurd?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we would have preferred to lower premiums to $3 right away, but we have serious budget constraints. Nevertheless, we did reduce premiums from $3.30 down to $3.07 for this year, and to $3 for 1995.

Obviously, we would have preferred to set premiums at $3, but it is not just a matter of pleasing people, we have to do what we can with what we have, and the decision made by the Minister of Finance to lower premiums to $3.07 for the first year and to $3 for the second year was the best one that could be made under the circumstances.

* * *

[*English*]

EMPLOYMENT

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is also for the Prime Minister.

As has been already mentioned, the government is represented at the G–7 meeting in Detroit to discuss worldwide unemployment and underemployment. I would like to ask the Prime Minister whether his ministers are taking any specific proposals for job creation at all to that meeting and particularly whether the private sector's views on job creation have been included and are going to be presented.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, that is certainly what the Minister of Finance and the other ministers will do.

We said that 85 per cent of the jobs in Canada will be created by small and medium size businesses in the future. That is why we have passed some legislation and made some adjustments that will induce the private sector to create these jobs.

They will explain the technique Canada has decided to use. I hope that others will benefit from our views.

If in the course of the discussions someone were to come up with the miracle solution, of course we would take it, but it is a complicated situation all over the world.

We know Canada has a problem. Some will say perhaps we should reduce or abandon the minimum wage. Canada is not that kind of a country. Canada does not want to have sweatshops in order for people to have jobs. We are a civilized nation that wants to do it the proper way. We have a good regime, but if somebody has a better idea then we are open to it.

I am a Liberal. I am not a doctrinaire person. I borrow from the left and I borrow from the right, as long as the solution is right.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, we appreciate the Prime Minister's answer and we certainly recognize that the Prime Minister borrows.

The Prime Minister made reference and the Minister of Finance is now admitting that a $1 billion spending cut in UI creates more jobs than a $1 billion spending increase on infrastructure. To be consistent therefore will Canada be recommending tax cuts as a job creation strategy at the G–7 meeting?

• (1425)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the infrastructure program is a very good program and will create jobs immediately. It has been subscribed to enthusiastically by all provincial governments and all the municipalities, including the beautiful city of Calgary. That good program is one part of our strategy.

We have reduced some laws passed by the Conservative government by decreasing the level of unemployment insurance premiums made by the private sector over the period of two years from $3.30 to $3. That will put something like $300 million in the hands of small businesses.

However as explained earlier we have to have a balanced approach and job creation to improve the infrastructure of the nation. It is a good program, especially at a time when there is a very high level of unemployment in one country.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the Minister of Finance and some members of the government are beginning to admit that reducing tax loads is the most direct way to create jobs. However the Minister of Human Resources Development and to some extent the Prime Minister continue to stress increased government spending on things like infrastructure as the most direct way to create jobs.

At this meeting are the government ministers singing from the same song sheet? Which approach is Canada advocating at the G–7 meetings: government led job creation through increased spending, or private sector led job creation through tax cuts?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, both techniques were used in the last budget.

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[*Translation*]

COLLÈGE MILITAIRE DE SAINT–JEAN

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, a crowd of 3,000 demonstrated yesterday in Saint–Jean against the federal government's decision to close the only French–language military college in Canada. In a complete about–turn on this issue, the Quebec Premier now says that the Collège militaire de Saint–Jean must continue to exist and its military purpose be maintained.

My question is for the Prime Minister. Will he confirm that his government is presently negotiating with the Quebec government to ensure that certain military training activities are maintained at the Collège militaire de Saint–Jean?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we are discussing at this time with the government of Quebec and, if this college can be used as an institution of higher learning in the province of Quebec, we will be more than happy to work together with the government of Quebec. No decisions have been made. As far as we are concerned, with closures across the country, we want to try and find ways of helping the cities and municipalities affected in order to minimize the impact.

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, are we to understand that the Prime Minister rejects the plea of the Quebec Premier who views keeping Saint–Jean in operation as a golden opportunity to give real substance to the Canadian linguistic duality.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, as I watched images of the demonstration yesterday, it occurred to me that many of the people protesting were the same people who, in 1970 or 1971 if I am not mistaken, were demonstrating against the Collège militaire de Saint–Jean obtaining university status or offering university certification. There were lengthy negotiations. The University of Montreal refused under pressure, and so did the University of Quebec. Finally and fortunately, the University of Sherbrooke accepted. The nationalists demonstrating yesterday were the same ones who 20 years ago did not want the Saint–Jean military college to exist for francophones in Quebec.

* * *

[*English*]

SCIENCE AND TECHNOLOGY

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, my question is for the Prime Minister.

It is recognized that science has an enormous contribution to make to the creation of new jobs for the new economy. Yet there has been very little reference to the role of science from the government.

Does the government have a science policy? If so, could the Prime Minister tell us in a nutshell what this policy is?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the hon. member does not need a nutshell; he can read the budget. In fact we decided to increase the contribution to science in Canada in the last budget. The hon. member should read the red book where it says that investment in research and development is needed to have Canada in a good position to compete internationally in the 21st century.

• (1430)

Mr. Jim Hart (Okanagan—Similkameen—Merritt): I have a supplementary question, Mr. Speaker.

The previous government tried to set targets for total research and development spending in Canada in the vicinity of 2 per cent to 3 per cent of GDP. Could the Prime Minister tell the House the targets for R and D spending in Canada and specifically for departments and agencies of his government?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if the hon. member reads the budget he will find that.

I am happy when I see a member of the Reform Party standing up after four months to ask the government to spend more money. It is very refreshing to hear that. We hear that every day. Now the reality is hitting them. So much the better.

* * *

[*Translation*]

YOUTH EMPLOYMENT

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my question is for the Prime Minister. Nearly 20 per cent of young Quebecers and Canadians are unemployed today—an unacceptable record of 428,000 people under 25. In the speech from the throne, the government announced that it wants to better prepare young people to enter the labour market.

Does the Prime Minister admit that his youth apprenticeship program in no way meets the needs of Quebec since Quebec got only $2 million out of a total budget of $225 million in 1993 under this program, or less than 1 per cent of the money spent?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if the situation was that bad under the former government, we intend to rectify it. It is this government's policy to ensure that Quebec is not treated worse than the other provinces.

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my supplementary question is again for the Prime Minister. The reason that Quebec gets less is that vocational training and the education system do not include apprenticeship courses or programs as they exist in the rest of Canada. Quebec has a different system.

Given the failures of this program, can the Prime Minister promise to give Quebec its fair share of the funds allocated under this program so that Quebec can use them more effectively, according to its own priorities?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, that is exactly what we are trying to do now. That is why the Minister of Human Resources Development is having discussions with his provincial counterpart to find an arrangement whereby Quebec can receive its fair share and use it effectively so that young Quebecers, like other young Canadians, are as well prepared as possible to enter the labour market, because it will be very difficult for them as well as for others.

We must work co–operatively to ensure that all young Canadians are sufficiently well prepared that we can occupy our rightful place in the very competitive world which we will have to face in the coming years.

[*English*]

ABORIGINAL SELF–GOVERNMENT

Mr. David Chatters (Athabasca): Mr. Speaker, my question is for the Prime Minister.

The government has committed itself to establishing aboriginal self–government in the province of Manitoba. Last week neither the Minister of Indian Affairs and Northern Development nor the Minister of Intergovernmental Affairs was able to provide the House with a clear straightforward definition of aboriginal self–government.

Will the Prime Minister, as head of the government and as a former minister of Indian affairs, please give the House his definition of aboriginal self–government, particularly as it relates to Manitoba?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I will take the question but I know that my minister for federal–provincial relations gave the answer last week.

When we negotiate with a group of people about what should be the status of running their own affairs, we cannot give the final decision before it has been negotiated.

What are the goals of the government? They are not very complicated. I was Minister of Indian Affairs and Northern Affairs Development for more than six years. I know that we need a different regime where we can delegate to them the authority to make their own decisions. I have said time and again that we made a lot of mistakes. Perhaps the time has come to let them make some mistakes themselves by giving them the authority to decide locally regarding education, welfare, housing, economic development and not have them wait for instructions from bureaucrats in Ottawa.

• (1435)

Mr. David Chatters (Athabasca): Mr. Speaker, as a supplementary question, will the federal government after having arrived at this definition in some way then allow the aboriginal peoples and all the peoples in Manitoba to voice their approval or disapproval of the example through a system of referendum?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, every member of the House has been elected to make decisions. There will be a vote in the House of Commons. I do not believe that every time we have a difficult problem in Canada we wash our hands of it by having a referendum. That is not my way.

Tough decisions have to be made by government. If we do not make the right decisions it is up to the electors to tell us in the next election. It is democracy that is best. It is complicated enough in that area. If we let a huge majority decide in a complicated situation like this where there are some tensions between different races, it is not a good way to solve it. The best way is for every one of us to take our own responsibility, vote in the House of Commons and live with the judgment we have expressed on behalf of our electors in the House.

[*Translation*]

PUBLISHING INDUSTRY

Mr. Paul Mercier (Blainville—Deux–Montagnes): Mr. Speaker, my question is for the Prime Minister. The takeover of Ginn Publishing by the American company Paramount continues to stir up controversy. In the meantime, the government persists in concealing the identity of the person who made the verbal commitment allowing this transaction to take place.

Under his great transparency policy, does the Prime Minister not find it disturbing and even unhealthy that Parliament cannot know the identity of the person behind the verbal commitment that derailed the established policy on ownership of Canadian cultural industries? Who is the government protecting in this affair?

[*English*]

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, there was a very complete statement given on the Gin question by the Parliamentary Secretary to the Minister of Finance. The member will find it on page 1838 of *Hansard*. To summarize, we had a legal responsibility to enter into this contract and it was done. It was left to us by the previous government.

What our government did was get a better deal. It improved the deal by putting in Canadian content requirements, author requirements and distribution requirements. It was a great deal for Canada.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux–Montagnes): Mr. Speaker, I would have thought that a transparent policy means not having anything to hide and answering the questions that are asked. We asked for a name. We did not get it.

The Minister of Canadian Heritage is trying to hide his abdication of responsibility in this affair behind the changes to the Baie–Comeau policy made by the Tories in 1992. To avoid repeating that mess, can the Prime Minister make a commitment today to fully restore the provisions of the Baie–Comeau policy protecting Canadian ownership of cultural industries?

[*English*]

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the question that has been raised is interesting. The decision was made in 1989 when the leader of the Bloc Quebecois was in the cabinet. Maybe he has some special information on the deal that he would like to share with the House. That was when the situation arose and that was the responsibility of the previous government. If the member is looking for responsibility, look right in the front row of your own party.

• (1440)

RAIL LINE ABANDONMENT

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, I wish to direct my question to the Minister of Transport.

There are currently a number of rail lines or subdivisions in the province of Ontario undergoing an abandonment procedure through the National Transportation Agency. In my riding, Wellington—Grey—Dufferin—Simcoe, the NTA is to rule on the abandonment of the Meaford subdivision which runs from Barry to Collingwood. There are prospective buyers interested in purchasing the line but they are hesitant as a result of the Ontario labour legislation known as Bill 40.

What proactive steps has the Minister of Transport taken with the Ontario government to ensure that rail lines are not torn out of the ground before this critical issue is resolved in order to ensure a solid and diversified transportation infrastructure?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, I want to be very clear in my answer to my colleague with respect to any proactive steps we might take with the Government of Ontario. We obviously have to respect the jurisdiction of the Government of Ontario in this matter. However I would like to tell my friend that there were a number of companies indicating interest for short line operations in the province of Ontario as well as other parts of the country based on a couple of reasonably good experiences that we have had in Canada with that type of operation.

I think it would be fair to say that since that legislation was brought forward and passed at Queen's Park that interest has diminished very significantly. It is unfortunate because there will be undoubtedly many opportunities for short line operators to take over rail lines in various parts of Canada. It is sad that they are not going to have an opportunity, I do not believe, to do it with the same kind of facility in Ontario as would have been the case had this legislation not been passed.

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VANCOUVER PORT AUTHORITY

Mr. Mike Scott (Skeena): Mr. Speaker, my question is for the Minister of Transport.

The Vancouver Port Authority recently approved a Las Vegas style casino project even though such for profit casinos are not legal in British Columbia. Could the minister explain why a federal authority is approving tenders for activities that are currently illegal in British Columbia?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, obviously the proposal that has been taken under consideration by the Vancouver Port Authority is not one that would allow through any measures that authority could undertake for illegal activity.

I do want to answer my friend by saying that one of the policies that we are following in this government, not only with respect to ports but also obviously as we move toward devolution of control for airports, will be to allow for local autonomy. One cannot have it both ways. I am sure that the people on the ground in the greater Vancouver area who have the direct responsibility for management of that area, both the real estate as well as the port, will take into account the best interest not only of that region but of the province of British Columbia and certainly would not be prepared to act in any way that would be contrary to the law.

Mr. Mike Scott (Skeena): Mr. Speaker, I thank the minister for his answer. I have a supplementary question.

This project has caused much concern among the people of British Columbia. The federal government clearly has no mandate to develop casino gambling across Canada.

Could the minister explain to the concerned citizens of British Columbia and indeed all Canadians, given the complete absence of public consultation, how and why the federal government decided to approve this casino project?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, first let me clear up a statement that was made by the member that I am sure he did not intend to mislead the House with and that is that the Government of Canada does not approve that particular situation. There is a local board that is autonomous and is appointed. It is made up of a number of representatives chosen in a very broad selection process.

The question of what will happen with that land, in my view, is far from determined finally because the Government of British Columbia will have a great deal to say about that. As he says, the law does not permit casino activities at this point. I think it is an opportunity for residents of the area to review the matter and make their views known to the Government of Canada, to the Government of British Columbia and obviously to the port authority.

However, there is certainly no final decision on this. I understand the preoccupation of the member as well as many of the people in British Columbia with respect to this particular proposal.

[*Translation*]

CABLE BROADCASTING INDUSTRY

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, before I put my question, I would like to say that there should be and there can be transparency when people are aware of current political affairs. This is not always obvious to the other side.

• (1445)

My question is for the Prime Minister. Rogers Communications is poised to take over the Maclean Hunter Group. This blockbuster transaction will create a virtual monopoly in the cable broadcasting industry, a situation which raises some important questions as to the level of competition within this industry.

My question is this: Does the Prime Minister recognize that this takeover will create a monopoly in the field of cable broadcasting and that this situation will adversely affect rates and the variety of information available to consumers?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I believe that before any approval is given, a submission must be made to CRTC commissioners. I am not in a position to comment on a ruling by this commission before public hearings are held.

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, I believe we are here to get some answers.

Does the Prime Minister not recognize that this monopoly in the cable broadcasting industry and Rogers' 32–per–cent ownership of Unitel shares give this company an unfair advantage over its cable and telephone industry competitors in terms of the development of the information highway?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, this matter does not come under ministerial jurisdiction at this time. The Parliament of Canada established a wholly independent commission to rule on acquisitions of this nature in such areas. The only power we have, and it is quite limited considering Parliament's wish that decisions be made by people outside the executive, is to wait and see what the Commission's ruling on this matter will be. It is not that we do not want to answer the question, it is that we are not in a position to provide an answer.

* * *

[*English*]

CROSS–BORDER SHOPPING

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, my question is for the Minister of National Revenue.

The government has extended the hours of several Canada customs ports of entry in Manitoba. Smugglers know to stay away from these ports, but more Manitobans are being encouraged to go south of the border to take advantage of cheap food, liquor and gasoline.

Is the minister aware that the only impact of his actions are Canadian dollars going south and this is hurting Manitoba business people, not smugglers?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, the extra customs activities at the border are having an effect on smugglers and are beneficial from that point of view.

I do not agree with the hon. member's contention that it is the job of national revenue to make it difficult for Canadians to cross the border, whether they live in Manitoba or in any other place. If Canadians are finding extended hours useful for them in their activities I think that it is something Canada customs would regard as a side benefit from the attempts they are making to curb smuggling.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I appreciate that answer.

I would like to point out to the hon. minister that on February 25 Manitoba RCMP arrested two men for smuggling $28,000 worth of liquor and tobacco. The truck had been driven across the border at a point not controlled by Canada customs and was stopped at Elie, approximately 100 miles from the border.

Would the minister consider making one of those tough decisions, close these border points at night and transfer the funds to extra RCMP supervision of these border crossings?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, among the many measures that were announced with respect to smuggling was the beefing up of patrols by the RCMP. There will be more RCMP officers involved in this than there will be customs officers. This was announced by the Prime Minister, the Solicitor General and myself some weeks ago.

Certainly we do not expect to pick up all smuggled shipments at the border. We do expect to pick them up either in Canada or sometimes in the United States prior to reaching the border, as happened with a large number of semi–automatic weapons quite recently.

I congratulate the member for pointing out the efficiency of the RCMP and the customs service in picking up smuggled goods, but I would point out to him that we do not rely only on the physical proximity to the border to make such seizures.

• (1450)

CANADIAN WHEAT BOARD

Mrs. Marlene Cowling (Dauphin—Swan River): Mr. Speaker, my question is for the Minister of Agriculture and Agri–Food.

Our red book platform promise was to maintain the Canadian Wheat Board. There are some groups on the prairies, particularly one identifying itself as the alliance which is promoting the idea of a farmer plebiscite on the removal of barley from the sole jurisdiction of the Canadian Wheat Board.

I would ask the minister of agriculture if he has considered the possibility of consulting the farm community about strengthening the power of the board by bringing oats back on to the board and by expanding its jurisdiction to the international market.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food): Mr. Speaker, I want to thank the hon. member for her question and for her interest in the Canadian Wheat Board.

This question and others that have been asked reflect the diversity of opinion in western Canada with respect to the operations and the jurisdiction of the wheat board. I continue to have a great many consultations and discussions with the board and with others, particularly with farmers, about the board's operations and its future direction.

With respect to the matter of a plebiscite, there are many differing views on the question. Indeed some who had argued against a plebiscite a year ago are now arguing in favour of one and vice versa.

In considering the government's position we will keep the hon. member's representations in mind. My objective, and it is the objective of the government, is to obtain the very best possible marketing results for farmers both now and in the long term. Every action of the government will be very much aimed in that direction.

* * *

[*Translation*]

OFFICIAL RESIDENCES

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, my question is for the Minister of Public Works. Last February 16, the Minister of Public Works was not able to tell the opposition what amounts will be spent for the renovation of the official residences of the Prime Minister, the Leader of the Opposition, the Speaker of the House, as well as the summer cottage of the Prime Minister at Harrington Lake.

Since the question was asked a month ago already, is the Minister of Public Works in a position now to tell us about the scope of these renovations, or is he still too uncomfortable to justify such spending in times of budget austerity and salary freeze?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. member knows quite well that the minister responsible for Canadian heritage whose jurisdiction this matter falls within is away on government business.

I will endeavour to ascertain the information requested. I am certain I can report back to the House and to the hon. member with the specific information requested.

[*Translation*]

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, I will ask my supplementary to the Prime Minister, because there does not seem to be a great deal of communication between him and his minister. Why does the Prime Minister not intervene regarding the money spent on these residences, particularly Stornoway, the residence of the Leader of the Opposition, which is not even being lived in?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I cannot speak on behalf of the commission responsible for these official residences. However, I can tell you that, as regards the residence of the Prime Minister as well as his summer cottage, no renovation of any kind will be made, as everyone knows. I did not buy furniture; instead, I used what was available, in order to limit spending as much as possible. As far as I know, no major renovations are to take place.

It may be that a plumber will have to do some work, but I am not going to throw him out! However, nothing major is scheduled for 24 Sussex, nor for the residence at Harrington Lake. There could always be some technical problem. Unfortunately, I had to answer so many questions today that I did not have time to study my book on how to solve these technical problems.

* * *

[*English*]

HUMAN RIGHTS

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Justice.

On January 27 the minister announced in the House the government's intention to introduce amendments to the Human Rights Act which "will include sexual orientation as a ground upon which discrimination is prohibited".

Could the minister tell the House what is the government's definition of sexual orientation?

• (1455)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, that provision is now in the human rights codes or statutes of seven of the ten provinces. It has also been broadly dealt with in the jurisprudence as cases have come before the courts and tribunals with respect to the rights of individuals.

I think that in Canadian law there is no question about the meaning of that term in statutes such as the Canadian Human Rights Act. I commend the decisions of the courts to my friend, the hon. member, if there is any doubt in his mind.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, my supplementary question is for the Minister of Justice.

Will the minister include a definition of sexual orientation in the legislation he proposes, and will this definition be clear enough to prevent pedophiles from launching successful court challenges of discrimination for acts that are clearly prohibited in the Criminal Code?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, in matters involving the law, as in so much else in life, we are governed by that which is reasonable. If I may say so, I do not believe it is reasonable for anybody to interpret the term sexual orientation as it appears in human rights legislation as including pedophiles or others who engage in criminal conduct.

As I mentioned in my response to the hon. member's first question, it is my belief that judgments of courts and tribunals across the country interpreting legislation that is already on the books in many provinces makes the meaning of that term abundantly clear. We have no intention to make that additional provision in the proposed amendments.

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[*Translation*]

ALLAN MEMORIAL INSTITUTE

Mr. François Langlois (Bellechasse): Mr. Speaker, my question is directed to the Minister of Justice.

During the last election campaign, the Liberal Party of Canada promised to compensate the families of victims of the brainwashing experiments using electroshock therapy and drugs, conducted at the Allen Memorial Institute in Montreal in the fifties and sixties, but the Minister of Justice has just refused to compensate these families.

Could the Minister tell us whether he intends to follow up on his party's promise of financial assistance or are we to understand that the government has reversed its position?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the role of the Department of Justice in the program that was instituted to compensate those who were victimized by the program in question is to assess each application in terms of the provisions of the order in council which created the fund and to determine whether the applicants meet the criteria established by that legislation.

That is precisely what we have done. In each case, many of which have come to my notice by way of applications for review, we have carefully matched the circumstances of the applicant with the parameters of the order in council. I am satisfied that in each such case we have followed the law to its letter.

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THE BUDGET

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, my question is for the Prime Minister and was inspired by Annie du la Chevrotiere of Brackendale, British Columbia.

Recently the Minister of Finance stated that his ultimate goal is to eliminate the deficit and balance the national budget. If the Prime Minister agrees with his Minister of Finance, will he commit to making a balanced federal budget a requirement of law?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, as the sound of the name is French perhaps I should reply in French because it is not the hon. member's question but was apparently asked by somebody else.

Every government wants to balance its books. No government wants a deficit. We have a target that is very well established in the red book to reduce the deficit in relation to GNP to 3 per cent and we intend to do that. Of course when we get to 3 per cent we will try to go lower and the day we have a balanced budget I will be extremely happy. But I cannot guarantee that to anybody.

Even if we were to pass that law, sometimes things happen which are completely outside the control of government and we have to meet those needs. It is a kind of dream to think that passing a law will balance the books. They have done it in the United States for how many years? They still have a problem there too. It is a problem around the world.

In Canada we have the problem but it is no worse than the one in Europe. Our deficit in relation to GNP is 6.2 per cent and the average in Europe is 6.5 per cent. I am not happy with that. I want to reduce it to 3 per cent in the next three years. After that we will go lower with everybody's help.

• (1500)

SOCIAL PROGRAMS

Mr. Andy Mitchell (Parry Sound—Muskoka): Mr. Speaker, a recent poll shows that Canadians support the government's initiative to reform social programs. Yet some individuals have expressed concern that the government's objective may be solely to cut services and programs.

What assurances can the parliamentary secretary to the human resources minister give the House that indeed the government's prime objective is to provide Canadians with better, more efficient services?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I can assure the hon. member and Canadians that we have no intention of cutting services for the Canadian people. We are working with the provincial governments to bring about more efficient delivery of services.

The single window initiative will improve service to clients, will eliminate duplication and waste and will increase administrative efficiencies. As a matter of fact last week we opened a new employment resource centre in Ottawa that will merge the two services.

We plan to give Canadians only the very best.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 16 petitions.

COMMONWEALTH DAY

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, today is Commonwealth Day, celebrated annually on the second Monday in March to mark the establishment of the modern Commonwealth.

Each year a special theme is attached to this day. The focus this year is on sports and the Commonwealth. This theme has special significance for Canada because we will be hosting the 15th Commonwealth Games this summer in Victoria, British Columbia. For an unprecedented fourth time in the history of the Commonwealth Games, Canada will have the honour of hosting the Commonwealth's festival of sports and culture.

The Commonwealth exemplifies unity and diversity and the strength of multilateralism and co–operation. Almost one–quarter of the world's population now forms the Commonwealth.

Through the Commonwealth, Canada is linked with 49 other countries of various races, faiths, languages, cultures and traditions. The Commonwealth provides an opportunity for Canada to enhance its relationships with the member countries and to advance Canadian foreign policy interests.

Canadians can take pride in the accomplishments of the Commonwealth to which Canada has contributed greatly over its long and vital history. Arnold Smith, a remarkable Canadian diplomat and the first Secretary General of the Commonwealth who unfortunately died last month, is just one example of the dedicated Canadians who have helped to build the Commonwealth and its institutions. Canada will continue to contribute to the Commonwealth through the 1990s and beyond.

In just over one month Canadian observers will be present alongside other Commonwealth and international observers for the first ever democratic elections in South Africa. These elections are an important step in that country's history.

After having assumed a leadership role within the Commonwealth and the fight against apartheid and for universal suffrage these elections also hold a very special significance for Canada and Canadians. Our efforts in the aftermath of these elections will not diminish.

• (1505)

I assure hon. members and Canadians that we will continue to be a prominent member of the Commonwealth to mobilize efforts to promote fundamental human values. These basic values lie at the heart of the Commonwealth and were reaffirmed in the landmark 1991 Harare declaration.

The people to people linkages holding the Commonwealth family together are numerous and are found in every sector and we will continue to promote them. It is in this spirit that we intend to host the Commonwealth Games this year.

I ask all members to join with me today in recognizing the importance of Canada's membership in the modern Commonwealth.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, it is a pleasure for the Bloc Quebecois to join the government

today in recognizing the importance of Canada's membership in the Commonwealth. As you know, the Bloc Quebecois remains vigilant to ensure that resources allocated by the federal government to the francophonie reflect its importance in Canada and correspond to the priorities established by Quebec and the francophonie as a whole.

That being said, we have no intention of neglecting Canada's relations with the Commonwealth. As the Leader of the Opposition has said before, the Commonwealth is a very important forum for Canada to maintain close ties with nearly 50 countries throughout the world and to encourage the exercise of the rights and values cherished by Canada and Quebec.

On Commonwealth Day, I think it is important to recall that a sovereign Quebec would wish to maintain those ties. Without taking on additional financial burdens, Quebec would be able to maintain and intensify its relations with countries in the Caribbean, Asia and Africa. A sovereign Quebec will want to be more open to the world, and I think this should give you a clear indication of what its position will be.

The Bloc Quebecois is pleased to celebrate this commemorative occasion under the special theme: "Sports and the Commonwealth". And we are certain that Canada will be the perfect host this summer at the Fifteenth Commonwealth Games in Victoria.

[*English*]

Mr. Bob Mills (Red Deer): Mr. Speaker, on this Commonwealth Day we should take a moment to think of the advantages to Canada of being a member of the modern Commonwealth.

As the minister said, it certainly gives us an opportunity to enhance our position in the world as a potential leader of one–quarter of the world's population. It gives us a chance to demonstrate our expertise, technology and service to a major world trading bloc. It also gives us the opportunity to do something independent of the United States. That has its benefits for our national unity as well.

It is particularly meaningful this year that the Commonwealth Games will be held in Victoria. By allowing us to host this unique event, through the competitiveness of athletics we can understand our strengths and weaknesses. We can take this opportunity to understand the customs, traditions and the ways of thinking of other people in the Commonwealth.

The Olympics has given us a great world hope for the future and has created an environment for potential greater unity. I am sure the Commonwealth Games will be an extension of this goodwill. Our Victoria friends will do the very best job of hosting them. I think back to when Edmonton hosted this event and the great associations and friendships made during that occasion.

I was also interested in the minister's comments on our commitment to South Africa. I am concerned about South Africa as well and the democracy taking place there. Before we commit ourselves to what I understand could be in the neighbourhood of 50 people, we must ask what the cost will be, what will actually be done and what actual value there is to Canadians. I was personally asked to get involved in this process. I must admit I have great difficulty doing so unless I can have those three questions answered during these difficult economic times.

• (1510)

We in the Reform Party recognize the importance of Canada's membership in the modern Commonwealth and we continue to support that membership.

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OMBUDSMAN ACT

Mrs. Beryl Gaffney (Nepean) moved for leave to introduce Bill C–221, an act establishing the office of ombudsman and amending acts in consequence thereof.

She said: Mr. Speaker, the purpose of this act is to establish the institution of a federal ombudsman. This would be an independent and non–partisan officer of this Parliament who would supervise the administration, deal with specific complaints from the public against the administrative injustice and the maladministration and who would have the power to investigate, criticize and publicize but not to reverse administrative action.

A federal ombudsman with his or her wide powers of investigation, which is something we as MPs do not have, would be able to handle the flow of complaints for which parliamentary procedure is less suitable and to strengthen the present system at its weak point.

Furthermore, a federal ombudsman would be the servant of Parliament and answerable to it alone.

(Motions deemed adopted, bill read the first time and printed.)

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EXCISE TAX ACT

Mrs. Beryl Gaffney (Nepean) moved for leave to introduce Bill C–222, an act to amend the Excise Tax Act (extremity pumps).

She said: Mr. Speaker, some people for health reasons require a piece of medical equipment called an extremity pump. It is the supply of an extremity pump that releases swelling caused by lymphedema of the legs in particular.

I am simply asking that the Excise Tax Act be amended to allow for this extremity pump.

(Motions deemed adopted, bill read the first time and printed.)

* * *

INCOME TAX ACT

Mrs. Beryl Gaffney (Nepean) moved for leave to introduce Bill C–223, an act to amend the Income Tax Act (air conditioners).

She said: Mr. Speaker, the purpose of Bill C–223, which is an act to amend the Income Tax Act, concerns the cost of an air conditioner required for health reasons. To be more specific, people who suffer from multiple sclerosis find it very difficult to breathe during the hot humid summer months and would like an air conditioner. As it would be used for health purposes, its cost would be included as a medical expense under the medical expense tax credit under the Income Tax Act.

(Motions deemed adopted, bill read the first time and printed.)

* * *

• (1515)

PETITIONS

KILLER CARDS

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, it is a pleasure to present a petition on behalf of residents of my riding of Perth—Wellington—Waterloo.

The nature of the petition is to enact legislation to ban the selling of serial killer cards in Canada and I support this petition.

[*Translation*]

SOCIAL HOUSING

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, pursuant to Standing Order 36 and speaking on behalf of my constituents, I wish to present a petition asking the government to fully reinstate the budget for social housing. This petition, with 293 signatures, is being presented to ask the government to act on its responsibility to the most vulnerable members of our society by guaranteeing them the right to housing.

[*English*]

ABORTION

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Mr. Speaker, it is my duty, pursuant to Standing Order 36, to present a petition signed by residents of the greater Toronto region.

The petition states the response to petition 343–2034 avoided the thrust of the petition, namely the rights of individuals under the Charter of Rights and Freedoms and the individual and dealing with abortion and Bill C–43. The Canadian Charter of Rights and Freedoms applies to the Parliament and Government of Canada and article 15(1) states: "Every individual is equal before and under the law and has the right to equal protection and equal benefit of the law".

The petitioners pray and call upon Parliament to urge the government to prepare a response to this petition which addresses why "individuals within the bodies of their mothers" are not individuals with rights under the charter for Parliament to honour.

The petitioners urge the government to honour Parliament's obligation under the Canadian Charter of Rights and Freedoms and provide equality before and under the law and equal protection and equal benefit of law for individuals within the bodies of their mothers from fertilization to the end of the birthing process. In duty bound, the petitioners will ever pray.

CANADA POST

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, pursuant to Standing Order 36, I am pleased and honoured to present a petition signed by a number of constituents from Victoria—Haliburton, duly certified by the Clerk of Petitions.

The petition signed by many seniors who live in and around the Diplomat apartment building in Lindsay, Ontario, request that a mailbox be located near the residence to provide them with better access to Canada Post services.

The petition was circulated by Mrs. Jean Birchard, a resident of the apartment building, and calls on Parliament to consider locating a mailbox in the vicinity of 53 Adelaide Street North for the convenience of the residents of this building and the surrounding residential district.

KILLER CARDS

Mr. Paul DeVillers (Simcoe North): Mr. Speaker, I have two more petitions to present pursuant to Standing Order 36 requesting amendment to the laws regarding killer cards.

I am aware of the difficulties and the possible restriction on the freedom of expression with these petitions, but I believe that because the victims of these crimes are often women and children and these killer cards are in effect glorifying violence against women and children I must support these petitions.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, Question No. Q–2 will be answered today.

[*Text*]

Question No. 2—**Mr. Taylor:**

Who was asked to conduct a review of Canada Post's rural conversion plans, what resources were provided for the review process and what criteria and direction was given to those asked to conduct the review?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): For many years, the government has

heard from concerned Canadians across the country in regard to the closure of rural post offices and, as a result, made the commitment to review the conversion program put forward by Canada Post Corporation.

On November 12, 1993, the government declared a moratorium on the closure of corporate operated rural post offices.

The moratorium, initially set for a period of one month, was extended indefinitely to allow for a comprehensive assessment. During that period, consultations were held with Canada Post, labour leaders and various community groups.

As a result, on February 17, the government placed an indefinite moratorium on future closures of all rural and small town post offices in Canada.

The Deputy Speaker: The question as enumerated by the parliamentary secretary has been answered.

Mr. Milliken: Mr. Speaker, I would ask that all remaining questions be allowed to stand.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

• (1520)

The Deputy Speaker: I wish to inform the House that, pursuant to Standing Order 33(2)(b), because of the ministerial statement and replies, Government Orders will be extended by eight minutes.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—THE BUDGET

The House resumed consideration of the motion.

Mr. Morrison: Mr. Speaker, I rise on a point of order. Immediately prior to members' statements we had a speech from the hon. Minister of Public Works and Government Services. It was very eloquent although somewhat inflammatory.

I believe that there is still time remaining on the clock and I am wondering if comments on that matter are possible.

The Deputy Speaker: That is an excellent question from the hon. member. The procedural expert advises me that if the minister who made the statement is not here, a member who wishes to reply may not do so.

Another time perhaps the hon. member would persuade the minister to come back. However, that was a very good procedural effort.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I believe there are two related fundamental questions which must be considered when considering the motion before the House today. First, can Canadians continue to live on borrowed money? Second, should Canadians continue to live on borrowed money?

We ought to acknowledge that it is very pleasant to live on borrowed money. Certainly Canada has enjoyed that position for over 20 years now and it is even desirable if only immediate benefits are the consideration.

However, I believe that living on borrowed money for our country amounts to short term gain and a lot of long term paying. Addressing the question of whether Canada can continue to live on borrowed money, the answer obviously has to be no, not in the long term.

We are already starting to drain away money that would otherwise have been available to fund our health care education and pension programs by the interest obligation that we have built up on the half trillion dollars plus that we have managed to borrow in the last 20 years.

Our interest obligation is this year $41 billion. We are borrowing only $39.7 billion. Therefore we are not even borrowing enough this year to cover our interest payment. We are going to have to take away tax dollars that could have gone to fund social programs if we had not built up in the last 20 years this interest obligation.

This means also that for 21 years plus our creditors have funded an artificially high standard of living for our country. I would submit that anyone who lives on an artificially high standard of living for very long is going to have to face reality one day. That includes our country.

Unfortunately the government says that it intends to put us even further in the hole over the next three years by borrowing another $100 billion more than we earn. Even if interest rates were so fortunate as to stay at around 5 per cent, on the $100 billion the government is going to borrow we will have to pay each and every year forever $5 billion.

That is a lot of money. The interest today that we are paying amounts to $1,200 per second and that is money that could be helping a lot of Canadians if it were not going down the drain in interest on high living for the last 20 years.

Anyone who has ever run a business or managed a household budget or even the allowance in their piggy bank knows that if one keeps spending more money than is coming in soon one will find oneself in trouble. That is a simple fact of life.

• (1525)

Unfortunately our leaders seem to be the only ones who act as though real life truths need not apply to their decisions. As more and more of our income is spent each year on interest, we are going to have less to spend on health care, education and pensions, let alone on the new programs that governments keep introducing, 18 in this particular budget.

Every dollar that has to go to government in taxes to pay this interest and to pay for government programs is one less dollar that can be invested to build and create business and job producing activity.

This is not a healthy state of affairs. Sir Roger Douglas, a former finance minister of New Zealand, stated: "The only justification for the government taxing people and then spending the money for them is if the government can demonstrate some special skill or knowledge that the average person does not have in how to spend the money". He then said: "I simply do not believe that".

I think a lot of Canadians would agree that governments in the past and present have not demonstrated any special skill in spending our money for us as Canadians.

Saddest and most disturbing, however, are the consequences of governments setting this great country on a course of living on borrowed money. It makes future taxpayers the ones who get stuck with the bill. Sometimes driving down the road one will see a bumper sticker, quite often on a nice motor home, saying: "We are spending our children's inheritance". This is true: in Canada today we are spending our children's inheritance. We are spending their future earnings.

This reprehensible behaviour amounts to taxation without representation. Instead of paying our own way, enfranchised Canadians today through their elected leaders are literally spending money that will have to be paid back with interest obligation by our children and our grandchildren. We have heavily mortgaged their future so that today we can have expensive and comfortable programs.

We are not justified in spending the birthright of future generations of Canadians. I would further submit that we have a duty to protect the interests of those who have no say in the burdens that are being placed upon them. They are the ones who are going to have to live with our mistakes. In 20 short years we are already worse off than if we had not borrowed a nickel.

The money that we bring in today is now not entirely going to fund the help that we want to give disadvantaged people of our society. Some of it is already starting to go to pay interest. As that increases more and more of our income and our tax dollars are going to have to go to interest. We will have fewer and fewer dollars to fund important programs like health care and education and pensions. Pretty soon those programs are going to be squeezed out of existence. They are already being eroded right across the country.

We in the House ought to join together and make the sometimes tough choices needed to secure our children's future. The motion before us today makes four modest proposals to take us in that direction. First, the motion urges us to say no new programs and, second, to put spending caps on the discretion of government. The Reform Party has proposed a very modest spending cap of only 6 per cent. There is barely a household or business in the entire country that has not cut its spending by at least 6 per cent and, I would venture to say, a good deal more than that in the majority of cases. Yet members of the House in both the Official Opposition and the government parties would not even support such a minuscule spending cap by the House. I say that is to our shame.

• (1530)

The third proposal we have put forward is to require progress reports on deficit reduction by those responsible for handling our finances and our fiscal affairs. That is an accountability measure which is only prudent in any company or enterprise.

Last, as leaders, as people who have been entrusted not only with today's affairs but with the well–being of future Canadians, we have to put together a plan for corrective action where we should not be moving further in the direction of living on borrowed money.

For the sake of young and unborn Canadians, I appeal to members of the House today to show the courage and the leadership to support the motion before us.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Mr. Speaker, I thank the hon. member for her arguments which were presented very clearly. I am a little shocked that she and her party would want to cut and not invest in the youth service corps, something which they threw into their motion.

My question for the hon. member is: Which is going to cost the taxpayers of Canada more? Is it the young people between 18 and 25 who are not in school or not working? Their self–esteem goes down. They will probably get hooked on drugs and steal to pay for the drug habit. The girls will probably hit the streets as prostitutes.

Does the hon. member feel that she will save the taxpayers more money by driving our young Canadians in that direction, or will we save Canadians more money by putting these 18 to 25 year old Canadian students who are probably dropouts, not in school, cannot get jobs, by involving them nine months in a youth corps program where they will work on community projects, where they will learn skills which will build up their self–confidence, their self–esteem and hopefully at the end of the youth corps program be able to find a job?

Which will cost the taxpayers more, her idiotic program of cutting the youth corps or what we are presenting in the youth corps?

Mrs. Ablonczy: Mr. Speaker, the doom and gloom parade by the member opposite in his comment would do the Reform Party proud, I would think.

I must say I do not think words like idiotic really add a great deal to the debate. As leaders of this country we have an obligation to discover and consider serious issues in a serious and thoughtful way. I would appeal to the member opposite, through you Mr. Speaker, to do that for the sake of Canadians who are looking to us for leadership.

In the past 20 years, with a great deal of borrowed money from our youth, we have put into place, and the government opposite was responsible for much of this especially in the early days, program after program after program that was supposed to help Canadians, young Canadians, increase employment and do all of the things the government says it is going to do. All it has done is add to the burden placed on our young folks.

I would challenge not only the hon. member who just spoke but all members of the government to think about what is going to happen in 20 years. Are the young people of the country who are going to be our taxpayers, business people and the people responsible for our affairs going to stand and say: Good for you guys, spending this money on a youth corps in 1994? Are they going to say boy, did you ever turn our country around, or are they going to say look where you guys put us, look at the hole we are in, look at the tax burden that is on us, look at the irresponsible way you handled our future? I ask the member to ask himself that question.

• (1535)

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, when reading the opposition motion I came across two sections which say "with all parties". This party has a plan and we want to get it through with the co–operation of the other parties. I hope hon. members on the other side will support our plan.

I also mention that statements made today in the House sound very similar to the statement of the former Prime Minister who said that there would be jobs for Canadians by the year 2000. The government does not have the time to wait for the year 2000 to put Canadians back to work. We have to put Canadians back to work now.

This morning in my constituency office I met two young people who used to be in a position of giving jobs to others. Now they are looking for a job. These people cannot wait until the year 2000 to get a job. We all know what happened to the previous Prime Minister.

Mrs. Ablonczy: Mr. Speaker, with respect to the first comment of the hon. member about developing a contingency plan in consultation with all parties, I would emphasize that this is a contingency plan for corrective action, if we read the words in the motion. We do not consider the present plan put forward by the government to be the proper plan for Canada for reasons that I have just expounded on at some length. However the plan we need to put together is a corrective plan.

I would say again that yes, we can spend whatever money is necessary to put a few people back to work. Yes, we can do that and it would be nice for them. What I would appeal to the House to do is look at the long term and look at what is best over all.

Mr. David Chatters (Athabasca): Mr. Speaker, I rise in the House today to speak in support of this motion. I and my party believe that if we do not drastically alter our economic policies Canadians will be facing an economic crisis in this country equal to or worse than what was experienced in the 1930s. Many senior Canadians today still remember the famine, financial hardship and personal despair of those years.

Today, because of government overspending, ballooning deficits and accumulated debts of the last 25 years, we could soon be facing a similar disaster. Clearly, when one cuts through the rhetoric, misguided optimism and smoke and mirrors of this recent budget, it does nothing to set a new direction or chart a new course for economic healing that we must see if we are to avoid this looming crisis.

Therefore we in the Reform Party are presenting some constructive actions and offering co–operation to the government in seizing the window of opportunity before it is lost for another four or five years.

In the business and non–political community there is general acceptance that we cannot continue to spend huge sums of money over and above our income. Why is it then that the government accepts with many accolades that we should spend in the next fiscal year $3 billion more than last year, accept another deficit of $40 billion and accept $100 billion more debt in the next three years on top of the outrageous $500 billion we now carry?

In modern history where are the examples of countries where governments with debt loads of 100 per cent of GDP were able to stimulate economic growth without becoming involved in another world war? I submit there are many examples of the consequences of government overspending and mismanagement which have brought once prosperous countries to their economic knees. Sweden and New Zealand are but two of the most recent examples.

Speakers and writers from these countries do not like to talk much about the real devastation and hardship that the economic restructuring of these economies caused. However, if one probes behind the stories of rebirth and of economic health there are also stories of despair, bankruptcy and real hardship when there is a major withdrawal of the social safety net, a devaluation of the currency and a downsizing of the bureaucracy.

• (1540)

In spite of these examples, as I have listened to the debate since budget day, I have heard one government member after another praise the Minister of Finance for presenting a budget that will solve the economic ills we face today. They accuse us of being uncaring, racist and without compassion because they say our proposals are Draconian and meanspirited.

The best example of this rhetoric was this morning when we were accused of abandoning the interests of Canadian youth.

The best example of the abandonment of the interests of our Canadian youth has to be the mortgage that we have placed upon the youth of today, offering as an alternative nine months of community service cutting grass and cleaning up the highways for students who worked hard and struggled long hours to achieve university degrees and high school diplomas. It is a disgrace.

I suggest members opposite pull their heads out from the sand and stop misleading and deceiving Canadians by telling them that we can solve our current problems with no hardship or sacrifice. This might have been true at least to some degree when Mr. Trudeau defeated Mr. Joe Clark, or even when Mr. Mulroney defeated Mr. John Turner. However, today with the debt growing faster and faster and with debt servicing combined with social spending consuming 90 per cent of government spending, there is simply no miracle cure and no easy way out.

Therefore let us be honest and, in the best interest of all Canadians, let us work together to inform Canadians about the seriousness of this problem and then present to them a credible, rational, well thought out plan to deal with the crisis.

It is also clear from the debate on the budget that the members of Her Majesty's Loyal Opposition have no grasp of the problem or any rational solution when they suggest that social spending is untouchable and if we cut the fat from government operations we can return to economic health. Surely they must realize that the entire cost of government operations amounts to only half of the current year's deficit.

I believe that an examination of political history here and elsewhere would show that it would be in the best interest of this government to demonstrate some honesty and leadership in dealing with the deficit. Clearly if a government is dedicated to improving Canada's economic health and moving it out of these tough economic times it will have to make those moves in the first year of its mandate, if it is to reap the benefits of those measures at the polls in the next election.

If those members opposite continue to mislead Canadians with statements like "we don't really have a spending problem, we have an income problem", they surely will only incur the wrath of the electorate when they realize the utter incompetence of such statements.

I know without a doubt what the consequences would be if I or any of the members opposite were to go out and purchase with borrowed money an expensive car, a luxurious home or an opulent boat and then when the banker presses for payment tell him: "I don't have a spending problem; I have an income problem". The consequences of such an action would be the same as the consequences for Canada: bankruptcy and financial collapse.

In conclusion, I urge these members opposite to remove their partisan blinkers and for the preservation of our wonderful country please examine carefully and honestly where we are heading in this country. With the same care and honesty, I urge members to examine this motion and our offer of co–operation before they cast their votes in the traditional partisan political fashion.

Mr. Peter Adams (Peterborough): Mr. Speaker, I have been listening with interest to speeches from the other side of the House today, attacking our efforts to assist the young people of Canada, giving derogatory descriptions of the youth corps before it has been possible to put the youth corps in place and see what can actually be done. From what I hear people think it is a make work project, moving sand and gravel from one place to another; whereas in fact it is a program designed to help communities and young people to gain experience which will bridge the difficult transition between school of various sorts and the workplace.

● (1545)

The member just said that the youth corps program was our only alternative for these young people. I wonder where the member has been in the last 10 years, the years in which the deficit has grown to these astronomical levels.

We think in the United States of Mr. Reagan, in Britain of Mrs. Thatcher and in Canada of Mr. Mulroney with their slash and burn policies which not only created these huge debts and deficits but created in each of the jurisdictions serious unemployment problems, particularly among the youth who are being attacked by this motion of the Reform Party today.

What suggestions does the member have other than slash and burn for helping young people today, next week and the week after?

Mr. Chatters: Because we on this side of the House have yet to receive any details about the youth corps program we can only judge the merits of the program from similar programs presented by previous governments. In my opinion those programs were dismal in providing meaningful employment to students of our universities and high schools. Certainly that has been the experience.

Further to the hon. member's comments, the best thing we could do for our young people is to cut the tax burden and allow private enterprise to create jobs and get the economic engine of this country rolling. Stop trying to do what governments have been trying to do since time immemorial, that is create employment through government spending and borrowing money.

Mr. Paul Szabo (Mississauga South): Mr. Speaker, the previous speaker gave some numbers in the House about the Liberal Party adding another $100 million to the debt over the next three years. Other speakers from the Reform have indicated the same thing as if their financial plan during the campaign would not have added to the debt. I wonder why there is this double standard.

In his closing statement the hon. member said we have to stop spending on these kinds of programs for the benefit of all Canadians. I wonder if the member might want to consider whether he is talking on behalf of Canadians who have rather than on behalf of Canadians who have not.

Mr. Chatters: Mr. Speaker, I am a Canadian who considers himself to be a have not. I am very much a grass roots Canadian. I speak for those of my social and economic level.

It would appear to me from what I have heard from the members opposite that perhaps the government wants us all to be have not people in our society. We are not saying that many of the programs proposed in the budget are not good programs, are not worthwhile programs, our problem comes when we borrow money and we increase debt to support those programs.

If we can afford these programs we should provide them for Canadians. At a time when we can no longer afford them we have to cut back on programs provided for Canadians.

Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, may I indicate to the Chair and to the House that government members speaking on this motion will be dividing their time for the remainder of the debate.

I am pleased to have this opportunity to rise in the House and address this motion. On February 22 the Minister of Finance tabled the government's first budget. It was a budget based on, as the minister said at that time, an unprecedented process of consultation with Canadians.

What we as a government have put before the House and before the Canadian people in our first budget is only a first step. It will not solve everything overnight but it will provide a basis that we can build on. This is not a simplistic unidimensional step. It is the first step to economic recovery, to the well–being of individual Canadians and to the elimination of the deficit.

• (1550)

We have listened to Canadians. We are pursuing our game plan and it includes jobs and growth. During the election campaign we made very clear the solutions we were proposing and we are following through on these commitments.

Members opposite would have you believe that they somehow hold some kind of secret solution. Yet their only solution is to cut. This is a scorched earth policy and we feel, frankly, that what Canadians said on October 25, 1993 was that they were burned enough by that approach.

One of the best examples of what can be expected from the government is a positive, constructive program, the infrastructure program. Infrastructure Works is a shared cost initiative which brings all levels of government together working on opportunities for Canadians, working on job creation, working on investing in the very foundation of our economic prosperity for the future.

Each level of government, federal, provincial and territorial, and municipal will contribute $2 billion for a total of $6 billion over the next two years. This is what Canadians want to see, governments co–operating to solve our problems, not governments at each other's throats, competing with each other. The program is also open to private sector investment in these public purpose initiatives, if such investment is useful and can assist local governments.

A federal share has been allocated to each province and territory based on a formula melding population and unemployment shares, a formula I might add that was agreed to by all first ministers in December. Each province and territory will match the federal allocation as will local governments.

Infrastructure Works is intended to speed the economic recovery while meeting the well documented needs of renewing and upgrading Canada's infrastructure. The program should help municipalities and communities use new, efficient and environmentally sound technologies as well as improve our competitiveness and productivity.

There has been a dramatic decline in what we have invested in infrastructure over the last few decades. In the 1960s the three levels of government invested 4.3 per cent of gross domestic product in infrastructure. This declined in the 1980s to 2.5 per cent.

Many members in the House and I have substantial municipal experience. We know from experience that a road not repaired and maintained today means one spends 10 times as much when that road falls apart. We know that allowing bridges to rust and collapse means a much bigger burden for the next generation than the cost of repairing that infrastructure today. We know that unhealthy water systems in our communities are neither in the best interests of this generation or the next, nor is it responsible of us to leave that burden to the next generation.

We have just started to renew the Great Lakes clean–up agreement with the province of Ontario. The province has stressed to us and the International Joint Commission has stressed the important contribution that this program can make to cleaning up our lakes and rivers by having sound water and sewage systems. These are not inconsequential projects now or for the future. These are a protection of our future.

There are communities right in this region that cannot develop their industrial parks because they still have old wooden sewers from the last century. Those are the kinds of investments that are going to be made under the infrastructure program. They will allow the communities of Canada to prosper and grow and provide employment to this generation and provide a sure economic future for the next generation.

• (1555)

This program is going to create jobs immediately. Directly up to 65,000 jobs will be created in the municipal infrastructure program and with indirect jobs many more than that. That is what the desperate people out there wanting employment, wanting a better future for themselves and their children, wanting to see the government doing, and that is what we are doing.

This is a program municipalities have wanted for 10 years. I was sitting on the national board of the Federation of Canadian Municipalities in 1983. We were gathering information to demonstrate the deteriorating nature of the infrastructure of Canada and the negative impact it was having on our potential for economic growth and jobs and a better future for our citizens. Ten years ago the municipalities and the provinces agreed that this program was what was needed across our country. The government is implementing it and will make it a success for every community across the country. Yet that is the program endorsed by every municipality the members on the opposite side by this motion want to cancel.

They also want to pretend that this is new money we are spending. Liberals are responsible in government. We know that if we want to implement a new program, and Infrastructure Works is a new program, then we have to reorder our priorities and that is what we have done.

We have not increased spending, no matter what the members on the other side want to pretend, to create this program. We have changed other priorities. We have cut other spending programs because we know that this program is important.

There could be no more ideal time for this kind of investment. National unemployment is at an unacceptable level. This is a terrible waste of human talent, a constant stress on hundreds of thousands of households across Canada. Infrastructure Works will have a significant impact on unemployment.

The government believes it should keep its promises. We should put Canadians back to work. We should allow our communities to use the new and innovative technologies in the upgrading of water and sewage treatments that are going to provide new opportunities for Canada in the future.

This program is an investment in the future; in the future of individual Canadians, in the future of our communities and in the future of our nation.

Mr. David Chatters (Athabasca): Mr. Speaker, I would just ask the hon. member a question. Our concern is not whether it is new money or old money but whether it is borrowed money. Does she not agree that we are dumping the burden on the next generation?

Also does the member not realize that amortizing $6 billion over the next 10 or 20 or 30 years that we would also pay many times the original cost of these projects?

Mrs. Catterall: Mr. Speaker, the House and Canadians have had 10 years of promises that would have slashed, burned, cut and destroyed programs that would bring the debt and the deficit down. Has that happened? No, it has not.

We have presented a three–year program toward the first real reduction in the deficit that this nation has seen in many years. We are going to do it by cutting spending and we have done that dramatically in this budget. But we are also going to do it by increasing the prosperity of the country. That is what Canadians want us to do.

• (1600)

If the hon. member's roof was leaking, would he leave it until it collapsed and he had to replace the whole roof? If his foundation was leaking, would he allow it to fall to pieces before he replaced it? If there was poison in his water supply, would he allow his children to drink it? Of course not.

If necessary, would he borrow the money to fix those problems? Of course he would because he knows it costs far more to replace a broken roof, to replace a basement, or to heal a sick child than it does to fix the cracks.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I was surprised to hear the last speaker talk about the quasi rebirth of Canada under the infrastructure program. Of course new infrastructures will create some temporary jobs, but the public, the people of Canada were expecting much more than that in terms of governmental economic policy. In that respect, the red book gave the impression something concrete could be achieved.

When the hon. member talks about spending, why does she claim to support this budget if it failed completely, except for promising committees would be set up, to address the tax havens enjoyed by certain multinational corporations, in particular, and certain billionaires?

Over $16 billion are reported to be stashed away in tax havens every year, which could otherwise bring in hundreds of millions in tax revenue for the government. Why has it not been suggested that the infrastructure program, this program she speaks so highly of, be paid for with the money saved by passing a bill on tax havens and another on family trusts, instead of making mere gestures, such as the Liberals are making, while they ranted and raved against family trusts when they were the opposition?

Why not also collect these hundreds of millions? Why not accept to review each departmental budget item? We could easily save, not just hundreds of millions, but a few billion dollars which could pay for the infrastructure program without increasing the deficit?

I am surprised that the hon. member only mentions the costs and benefits of the infrastructure program. She is not looking for ways, however easy, to get money from those who have it, namely the rich, the multinational corporations in particular, who benefit from an overly permissive policy.

One last point. Canada's foreign policy should be reviewed. Take the Canadian embassy in Tokyo for example. We all know that the market value of the lot across from it, which is vacant, is $2 billion and that there are potential buyers prepared to pay $2 billion for a piece of land next to our embassy. Why not?

Mrs. Catterall: Mr. Speaker, I find it the hon. member's comments rather mean. He knows full well that these things are not included in the government's budget. It is very nasty of him to say things like that to Canadians, when he knows the truth. For example, the infrastructure program is but one phase of our economic strategy, which also includes investments in science and technology, as well as measures to help small businesses create employment.

• (1605)

The hon. member also knows that we have launched a project to review, as he mentioned, each government budget item, in order to identify what needs to be done to implement effective programs.

He knows as well that our budget includes many measures to eliminate the tax shelters he complained about. I do not object to hearing dissenting opinions in this House but, for the sake of our fellow Canadians, we must be honest.

[*English*]

Hon. Roger Simmons (Burin—St. George's): Mr. Speaker, I too would like to say a few words on what is at the very least a fairly interesting motion. The motion says in part that the budget plan of the government is not the solution to Canada's debt and deficit problem.

I will come back to that in a few moments but I would like to go to some other parts of the motion. I would have thought the gentleman from Lethbridge with his long experience would have known better than to incorporate things in a motion which are already in effect or have been done.

The member for North Vancouver can laugh. Let me refer him to section (c) of the resolution and let us see if he will laugh. I mention him for the very particular reason that his constituents will know he is identifying with the blatant falsehood contained in section (c).

The falsehood is it calls on the House and the government to produce quarterly reports on the progress being made on deficit reduction. I ask the laughing, much amused member for North Vancouver: As a member of this House and as a Canadian who, if we listen to his rhetoric, is very concerned about the deficit, does he not know there is a document produced regularly? It is "The Fiscal Monitor" put out by the Department of Finance. It reports not just quarterly as called for by the motion, but monthly.

Mr. White (North Vancouver): The finance minister said the people of Canada cannot understand it.

Mr. Simmons: Mr. Speaker, I am sure in time you will have the charity to allow my friend from North Vancouver to say his few words. When he does rise I hope he will realize that something which is blatantly false cannot be be embodied in a resolution. It is blatantly false.

He changes his tune now. He says, yes it is there but they cannot understand it. Well, that is a different issue. Had his friend from Lethbridge said to produce something that is understandable, but that is not what he said. By implication he gave the impression to the people of Canada and particularly to this House that the progress report is not happening. I say to him it is happening on a regular basis in a document called "The Fiscal Monitor".

I am glad for this resolution and glad for this opportunity. It puts into focus two fundamentally differing views on the role of government.

On the one hand there is this punitive philosophy underlying the opposition motion. It says that government has little to offer the economy, that government by its very nature cannot help the jobless. That is not a perspective I subscribe to. It is a perspective I can understand. I do not endorse it but I can respect it. I can respect the gentleman from Lethbridge for having that point of view. That perspective mixes the worst aspects of do nothing corporatism with the slash and trash public posturing of which my friend from Ottawa West talked about a few moments ago.

More to the point, the philosophy which underlies this resolution is the very philosophy the people of Canada rejected outright last fall. It is the philosophy the Tories paraded in this Chamber for a decade and you know what happened to them. If you are not sure, have you heard about the Dodo bird? They both went the same way and for the same reason: They were out of tune with the times. This slash and burn philosophy has been rejected outright by Canadians.

• (1610)

The member for North Vancouver is seized with the importance of having a fiscal monitor that is understood by people who do not have doctorate degrees in economics. I must say, somewhat sheepishly, that several of my constituents do not have doctorate degrees in economics but they know what it is to buy groceries. Let me put it very explicitly for the member for North Vancouver in terms of buying the groceries.

This is what the resolution of the gentleman from Lethbridge says in effect in its simplest terms. I will use a little parable.

A family of four has to buy some groceries. I did some checking and found that a family of four on an income of about $30,000 a year spends about $7,000 a year on groceries. If they are a fairly typical Canadian family they spend maybe $600 to $700 on a mortgage and about $200 to $300 on a car.

One day the breadwinner in that family has a bright idea. The light goes on and he calls the family together. He or she, whoever the breadwinner is, calls in the spouse and the two children and says: "I have a bright idea. Do you know what is killing us and why we can never get ahead? We are paying $600 a month on our mortgage and another couple of hundred dollars on the car loan. But do you know what is really killing us? We are spending $7,000 a year on groceries. I have a bright idea. We will pay twice as much on the mortgage and not buy any groceries for a whole year. No groceries for a whole year".

We all agree that would bring down the mortgage a lot faster. It certainly would. Just buy no groceries for a whole year and there is an extra $7,000 to put toward the mortgage or to pay the car loan off.

I see some of the brighter members of the Chamber have twigged to the problem. They are actually asking: "What are those people going to eat for a year?" There is the rub. That is what my friend from North Vancouver had not thought about, what they are going to eat for a year.

As Marie Antoinette said, let them eat cake, but even cake costs money these days. What are they going to eat for that whole year while they are rushing madly to pay down their deficit, their accumulated debt, their mortgage? I think I have made my point that whether it is a family or a nation these things have to be done in balance. Those people who say that all we have to be preoccupied with is deficit elimination to the exclusion of everything else are not just preaching a very naive doctrine, they are misleading a lot of people.

Let us go back to section (a) of the resolution of the gentleman from Lethbridge. Here is his solution. It is the grocery analogy I mentioned a moment ago. It is the same idea under different terms: cut out the groceries, do not buy any groceries for a year.

The hon. member says to place a moratorium on all new spending programs, such as youth service corps which represents 17,500 new jobs. The infrastructure program represents 65,000 new jobs. Residential rehabilitation assistance program represents several thousands of more new jobs.

Let the word go out. At least one member of the Reform Party, the gentleman from Lethbridge says in writing so we have to take the man at his word, would immediately move to aggravate the job situation in this country by another 100,000 jobs.

This budget is about several things.

• (1615)

Yes, it is about deficit reduction but it can never be about that alone. Yes, it is about job creation. The gentleman in his motion has identified three or four particular programs but he identifies them for the purpose of asking us as a House to wipe them out, to wipe out those 100 jobs, and to drive up the unemployment rate another point or two.

As I said before, I respect the other point of view. I have difficulty understanding why it is being advanced. It makes no sense. It is a one–track mind approach. We all know about the mother whose son enlisted in the military. Being a proud mother, she went down to the parade square to watch him on parade the first day. Being an insightful mother, she noticed something in particular. She noticed that when the drums started and the drummer beat out the left, right, left, right, left, right and the several hundreds of men and women went down the parade square, Johnny was the only one in step. Johnny was the only one in step.

We see in editorials across this country such as in Calgary "Martin is headed in the right direction" and in Edmonton "It is solemn and thoughtful and full of well worked out details. There are real spending cuts in this budget". This is what the editorialist says in the Edmonton *Journal*.

From the Canadian Chamber of Commerce we have this: "I think it is a doable budget". I could go to other parts but I have run out of time. I appeal to my friend from Lethbridge not to be Johnny on this one. Get in step with what the people said last fall. Get in step with what the editorialists are saying. Get in step with what the people are saying.

The people are saying that we should bring down the deficit but we should give them some jobs.

Mr. Ted White (North Vancouver): Mr. Speaker, I did enjoy the hon. member's speech, as I always do.

He mentioned the fiscal monitor but the Minister of Finance said in this House that the people of Canada cannot understand the fiscal monitor. We would like to see it put in a form once a quarter so that the people of Canada can actually understand whether the deficit is being addressed or not.

The problem is that people cannot buy the groceries that the hon. member was talking about. To buy $7,000 worth of groceries, they need to have $14,000 earned because of the level of taxation from each level of government.

Taxes are the problem. Will the member admit that it is government overspending and government overborrowing that is the problem? That is what creates the high taxes. Will he admit that the budget is a fraud, should be scrapped and replaced with a real plan to get control of spending, to reduce taxes and to create jobs?

Mr. Simmons: Mr. Speaker, on the member's suggestion about the fiscal monitor, if he wants to bring in a motion that will call for a simplified fiscal monitor, I will second the resolution for him. I am with him on that issue.

However, listening to the last bit of juicy stuff toward the end, he lunched too long today. The subsidized food is getting to him. He talks about a fraud and this kind of thing. Does he not understand or have enough charity to accept that even if people on this side of the House did not do exactly what he would want us to do at least we have the goodwill to do our best?

To suggest it is fraudulent is an insult to well intended members of this House. I do not think he meant that for a second. It was one of those throw away phrases in the heat of debate which he regrets already. I can tell by the remorse on his face.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I was not surprised that the Liberal member who just spoke ignored the concerns of the opposition parties regarding the deficit, because to the Liberals, deficits are part of their culture. In fact, they invented them. Our big deficits started with Mr. Turner in 1972, 1974 and 1975, and in 1981, when the Liberals forecast a $16 billion deficit, they waited for 16 months before bringing down a budget and then produced a deficit of $38 billion by the end of 1983. So it is perfectly normal for the Liberal member who is part of this Liberal culture and who has been sitting as a Liberal for a long time to be unconcerned about deficits. To them, deficits were never something to worry about. It was just too much trouble.

• (1620)

I also wish to tell him that in my riding, after the budget was brought down, a budget that attacked the unemployed instead of employment, the unemployed in my riding were asking: What is the difference between a Liberal member and the unemployed? And the answer was: the unemployed used to work.

And we could also say, when we hear the Minister of Finance bring down a budget like this, that in my riding—and you come from a nice part of Eastern Canada where there are wonderful oysters, well, we found a new way to open them, and I was talking to people from Eastern Canada who came down to demonstrate in front of Saint–Jean—just a minute Mr. Speaker, I am finishing my sentence—against the closing of the military college, and they said this—Mr. Speaker, I would like to finish so that my colleague will have a chance to respond.

The Deputy Speaker: Order. I believe he has clearly understood the question. The hon. member for Burin–St. George's.

[*English*]

Mr. Simmons: Mr. Speaker, as always I thank my friend from Richelieu for his spirited participation in the debate. I am in English for two reasons. My French is lousy and I want to reach for a metaphor that I cannot translate yet.

We in Newfoundland talk about the pot calling the kettle black. I seem to remember that there used to be a person with the same surname representing the same riding of Richelieu who sat in this House for the Tory Party between 1984 and 1990. As a matter of fact he had somewhat the same features as the gentleman who just spoke. If I may just—

The Deputy Speaker: The time has expired. Sauce for the goose is sauce for the gander.

[*Translation*]

Mr. Jean Leroux (Shefford): Mr. Speaker, we have almost reached the end of the period provided under the Standing Orders for debate on the opposition motion presented by the hon. member for the Reform Party, concerning the Budget Plan for 1994.

I think the motion presented by the Reform Party is only a partial response to the expectations and policies I am about to explain, regarding the budget, job creation and cuts in public spending.

As you know, Canada's economy is the worst among G–7 countries. Recession, deficit and unemployment have become household words, unfortunately! Canada's monetary policy, although aimed at controlling inflation, merely exacerbates endemic unemployment in this country. Lacklustre job creation and the deterioration of Canada's public finances are largely responsible for the lack of vigour of our economy. It is not a pretty picture.

This lack of economic growth which has affected Canada for many years has led to some very serious consequences for Canada and Quebec. This lack of economic growth was followed by budgetary irresponsibility in federal public finances. At first, the Canadian government borrowed to finance existing and new programs. Subsequently, it had to borrow to pay the interest on previous loans, and now we are caught up in this debt cycle. Interest payments on the national debt have absorbed an increasingly larger proportion of government revenues. That is where we are now.

The debt's spiral has slowed somewhat, but this government's fiscal policy defies all logic.

• (1625)

The government is doing more to increase its tax revenue than to control its spending.

In pre–budget consultations, the Minister of Finance implied that he clearly understood the financial reality facing the federal government. It was an especially rude awakening when he announced a projected deficit of $39.7 billion. The saddest part is that the public servants whose salaries are frozen, the military people who are losing their jobs, like the other victims of the Minister of Finance, the elderly and the unemployed, are being sacrificed for almost nothing.

We are no further ahead in reducing the deficit. We might as well say that the effort to reduce the deficit is practically non–existent. In its 1994 budget, the government wants to finance its projected budget deficit for 1994–95 by a very clear increase in direct individual and corporate income taxes. I refer here to the revenue projections in the finance minister's budget plan, where direct taxes are the only revenue in the budget which could enable the government to achieve this deficit objective of $39.7 billion.

Does the government really think that it can tax the people of Quebec and Canada more? It is disturbing to see that one of the solutions adopted by the government is to increase the tax burden of middle–income seniors and of middle–class taxpayers in general.

Consumers have lost confidence in the economy. The financial markets are skeptical about promises to balance future budgets. In fact, the government has not made the cuts needed to reduce tax rates in the medium term and to revive the confidence of Quebecers and Canadians.

It is glaringly obvious: unemployment has not come down from its high rate. In February, Statistics Canada reported a rate of 11.1 per cent for all of Canada, while Quebec recorded an average rate of 12.5 per cent. Young people employed full time and men employed part time accounted for most of the lost jobs. Statistics Canada estimates that the labour force declined by 15,000, a sign that many Canadians have given up looking for work.

The Minister of Finance is continuing the Conservative policy of lower benefits for most of the people. The measure concerning low–income people with dependent children only hides its desire to save. It is a Tory policy with a compassionate face.

Young people will once again be the victims of reform. These measures will limit access and push some of these people towards social assistance. Eastern Canada, including Quebec, will be hit especially hard by the elimination of regional unemployment scales above 13 per cent and by the reduced number of weeks of benefits.

The unemployment problem in Canada and Quebec is that there are not enough jobs for everyone and that people must go from one short–term job to the next. It is not with 45,000 temporary jobs that we will give renewed hope to the 1,590,000 unemployed in Canada, of whom 500,000 are in Quebec.

• (1630)

Has the time not come to reconsider work sharing for those who want it, to put all those people back to work and return to a full–employment policy? Furthermore, it is urgent that the government turn the situation around to favour the development of small and medium–sized businesses throughout Quebec and Canada. Small and medium–sized businesses create jobs and generate wealth. The government missed this goal it should have emphasized more.

Today, too many urban centres look like disaster areas. Social inequalities are getting worse at school and in the labour market, and we are shocked by the brutal return of physical and moral poverty. Everyone can see the homeless on the streets but few of us know that food banks are stretched to the limit. There is no more space. It is always the weakest who must pay when economic growth slows to a standstill, as you and I know.

According to the 1991 census data, the Montreal metropolitan area holds the Canadian record for the highest poverty level: 22 per cent of the population. Behind this figure is a social reality that Canadian federalism cannot be proud of. It is still possible to give Canadians the social programs they need if we see them as a right and a necessity rather than a luxury.

Instead of proposing measures for a healthy distribution of wealth throughout the country, the government is going after the middle class and attacking the universality of social programs, even though this policy promotes social cohesion. In this regard, the Bloc Quebecois supports investments to consolidate the existing infrastructure, create jobs and lower the unemployment rate, provided that Quebec be the main authority responsible.

[*English*]

Point (a) of the pending opposition motion presented by the Reform Party goes against these objectives of economic development for the regions. The moratorium on all new spending programs announced in the budget is not compatible with our objective of regional development.

[*Translation*]

Mr. Speaker, I will now turn my attention more specifically to the public spending cuts announced in the latest budget.

The Minister of Finance recently announced that program spending would be reduced by restructuring the social security system, reforming the unemployment insurance system and reducing transfers to individuals, for example, family allowance payments. However, the minister also announced that total budgetary spending would increase by $2.8 billion until 1996. This increase includes debt servicing charges. In fact, despite the cuts announced by the government, overall program spending will continue to increase. In essence, all the government is doing is reallocating expenditures without actually reducing government program spending. It is not tackling head–on cases of waste and mismanagement within the system. Instead, it is targeting social programs.

The government has not addressed the root of the problem. Instead, like its Conservative predecessors, it hopes that the anemic economic recovery—a recovery that it has failed to stimulate—will get state revenues back on track. The government's economic growth and inflation hypotheses are realistic. What is not realistic, however, given the growth of the underground economy, is the government's belief, as reflected in the budget, that government revenues will increase at a faster rate than the Gross Domestic Product. In short, the government is counting on the weak recovery to bring down the current deficit.

• (1635)

How, under the circumstances, can the government justify increasing its level of spending, all the more so when we know that it is currently seeking the authority to borrow $34.3 billion for 1994–95 in order to meet its financial commitments?

Mr. Speaker, I find it unconscionable that the budget provides for an increase in public spending up until 1996. It is absolutely essential for the government to eliminate waste before it can put public finances in order. The government must give the example; it must restore public confidence as well as its own respectability. There are a lot more savings to be made by eliminating waste than by making cuts to social programs. Freezing public servants' salaries, restructuring public services and increasing the middle class tax burden are last resort solutions. There are other options still.

For the last three years, the Auditor General has identified waste or unnecessary expenditures totalling no less than $5 billion annually. This year, the Auditor General has discovered $700 million more in squandering than in the previous fiscal year.

Merely implementing the Auditor's recommendations would bring enormous relief, without any tax increase or social programs cuts. The equation is a simple one.

Taxpayers are fed up because they feel that the government is wasting public money and is after the middle class, which is overburdened with taxes. Five years ago, governments were making the same frivolous expenditures and wasting just as much, but nobody said anything. Today, because of the pressures resulting from the appalling state of public finances, such mismanagement is strongly denounced.

Fiscal consolidation is a must be carried out at the federal level to restore confidence among Quebecers and Canadians.

The chronic weakness of our economy is not due to a bad performance of our foreign trade but, rather, to the stagnation of domestic demand. The deficit must also be reduced because interest on Canada's foreign debt is the highest among G–7 countries.

Deficit reduction is conditional upon reducing public spending and waste, as well as eliminating tax unfairness. This streamlining exercise could result in savings of $10 billion. Of that amount, five billion dollars could be invested to stimulate employment, including by building a high–speed train line, whereas the other five billion could be used to reduce the deficit. Such an initiative would do a lot to restore taxpayers' confidence.

The government must give the example and restore public confidence. A true social contract must be based on a sound and balanced tax system. Unfortunately, it is a fact that over the last two decades governments have only contributed to create an imbalance between taxes paid and services provided by the state to taxpayers.

In order to eliminate waste, unnecessary spending and mismanagement within the government administration, the Bloc Quebecois proposed that the government set up a parliamentary committee to review each budget spending item, and it is asking that such a committee be created.

• (1640)

Setting up such a committee is justified because the latest Auditor General's report showed that Quebecers and Canadians who believed that some public funds were wasted were right.

[*English*]

That is the reason we want to create an analytical and revision committee of the governmental spending programs formed by elected representatives and not by civil servants. We believe elected representatives are entitled to supervise and ensure that the objectives of the different spending programs comply and that the allocated public funds are spent with efficiency, effectiveness and equity.

We believe that Parliament does not receive the appropriate information pertaining to the results of the different ministries and crown corporations wasting thousands of millions of dollars of taxpayers' money.

Guided by the report of the Auditor General of Canada we believe that the wasted public funds and the different cases of mismanagement are drops in the ocean.

[*Translation*]

A parliamentary committee responsible for reviewing government expenditures, item by item, could ensure that Parliament and thus the public be better informed of the government's financial situation. So, we encourage the Reform Party to support the establishment of the parliamentary committee on the item–by–item review of government expenditures to enable us to keep a closer eye on how public funds are managed, which will greatly help bring the deficit down.

I do support point (C) of the motion, regarding the production of quarterly reports on the progress made on deficit reduction. With regular status reports, I think we will be able to set realistic deadlines to achieve our goals.

Mr. Peter Adams (Peterborough): Mr. Speaker, I thank the hon. member for his remarks.

[*English*]

I would like to ask his opinion about a particular part of the motion to which he was speaking. This, as he knows, is a Reform Party motion and it is an attack on various things, one of which is the government's attempts to help young people.

As has been suggested earlier, other parties in other countries which have had the Reform Party approach of cutting and burning have increased their deficits and debts. They have also produced very high levels of unemployment. That has happened in Canada.

One thing that has not happened yet in Canada is although we have high unemployment, particularly among young people, we do not yet have the chronic unemployment which exists in these other countries, for example Britain and the United States.

As bad and sad and tragic as high unemployment is, chronic unemployment for young people is worse. Chronic unemployment means that we have a generation which because during its formative years it has not worked is never really able to work. I believe that is a real tragedy.

In this motion the Reform Party is attacking our attempts to help young people now. I believe that it is already late to help our young people. They want to leave this to the forces of the economy. I believe that to avoid chronic unemployment among young people we must act now.

I would like to ask the member what he thinks of the Reform Party's attempts to cut down the efforts we are making to help the young people of Canada now.

• (1645)

[*Translation*]

Mr. Leroux: Mr. Speaker, as you know, I worked in education for many years and I would like to congratulate my colleague opposite on what he said about Canada's youth.

I fully agree with the hon. member that our young people in Canada have unfortunately been sacrificed and that at this stage there does not seem to be a policy in the budget to put our young people to work—I will not say back to work. I think it is catastrophic for Canada to have young people who want to earn their living one day preparing and studying very hard without even a chance of starting to work or else having to accept work that is far less than what they could do. I agree with the hon. member.

What we said and what we are saying is that the budget will not spur economic recovery. The budget that we debated only plugs the holes and I think that it is a very conservative budget, and possibly a Conservative budget as well.

Now I think, as the Bloc proposed—it is an attractive idea—we should form a committee of the House, not a joint committee of the House and the Senate, but a committee of the people's elected representatives to look at the government's spending item by item, so that we, the people's elected representatives—because when we go back to our ridings and when people talk about politicians in Canada, they are talking about us here in this House, and I think that we have a responsibility—should be able to review the budgets item by item and be able to make cuts where required to get the money and help create jobs.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is with great eagerness that I take part in this debate today and welcome the opportunity to present the true picture of the government's plans to help Canadian young people help themselves to a more promising and prosperous future.

Let me begin by setting the record straight. Contrary to the assumption put forward by the hon. member from Lethbridge, the budget for the youth service corps does not represent new spending. The youth service corps will, in fact, be implemented using departmental resources and money from cost saving initiatives announced in the February 22, 1994 federal budget, pursuant to commitments made in the red book. The youth service corps will not put any additional pressures on our national debt. I can assure the House we will still see a drop in the deficit, down to 3 per cent of GNP, over the next few years, in line with our budget projections.

I believe, however, that my colleague from Lethbridge and other members of his party are being very short–sighted if they are prepared to short–change our young people.

Investing in young people is more than just a matter of dollars and cents.

• (1650)

Common sense and fairness dictate that the government must act to respond to the very difficult reality facing young Canadians. Perhaps the hon. member does not appreciate just how grave the current situation is.

Let me remind the House that, for adolescents and young adults, the recession started sooner and is lasting much longer.

The most recent labour force survey shows that, while the number of unemployed in Canada is down, the youth unemployment rate is rising. It reached 18.1 per cent last month, its highest level since last June. These are the official figures on young unemployed and do not take into account many more young people who do not show up on UI lists.

Let me put that into context. The hon. member represents Lethbridge which, according to the latest census, has a population of roughly 54,000. Compare that to the number of young people currently outside the job market—at last count 428,000. That is almost eight times the population of the city of Lethbridge. Young people are searching for relevant work experience that will give them saleable skills to get their foot in the job market door. Are these the people the hon. member from Lethbridge would penalize? Is he prepared to tell them we do not think they are worth the money?

At this time, I want to digress to pay tribute to a colleague of mine, Senator Jacques Hébert, for his achievements and his tremendous dedication to young Canadians. Through Katimavik, our young learned to help each other. They learned how to become more confident, more enlightened and more tolerant. They learned to make sacrifices throughout the world to help enhance the standard of living of many of our friends in Southern countries, for whom life is sometimes a matter of survival.

It is obvious that it is in our collective best interests to nurture and support the very people who will be tomorrow's workers and taxpayers. On economic grounds alone, the arguments are clear. Canada simply cannot afford a lost generation. Demographic trends clearly demonstrate that Canada will soon suffer a worker shortage. As baby boomers leave the workforce in large numbers, as they tend to do more and more, we will increasingly count on our young.

We will count on our young people to take over from us. They are our hope and tomorrow's leaders.

[*English*]

To compete globally in the next century we will need a highly educated, highly skilled workforce. One needs not be a futurist to know that our continued growth and prosperity depend on the workers of tomorrow, the unemployed youth of today.

There is evidence to suggest that young people who do not form an economic attachment to the labour force today will have much more difficulty in finding and keeping employment in the future.

To suggest that we should not place a spending priority on our most precious resource, our young people, leaves me questioning the commitment of the Reform Party to Canadian youth.

Even more convincing than the economic case is the moral imperative to provide our children with a sense of security, fairness and hope for their future well–being which is also our collective future.

• (1655)

It is heartbreaking to see young people brimming with ideas and ambition, very often far better educated than their elders, unable to apply their skills, their talents and their knowledge.

How can any of us in the elder generation be indifferent to their frustration, to their hopelessness, to their despair of today? It is completely unacceptable that so many young Canadians today have no place to put their energy to constructive use. I believe that every member of the House has a duty to ensure that Canadian youth do not feel rejected or ignored.

We must assure them that we appreciate not only their years of hard work acquiring an education but also their proven willingness to work and contribute to the commonweal. We must clearly demonstrate that we are committed to helping them achieve their enormous potential and that we will work with them to accomplish their goals.

The government intends to do exactly that. We will bring the Liberal vision for youth to life. We are determined to implement the strategies laid out in the red book which describe our action plan for young Canadians.

The Youth Service Corps is a key part of the Liberal promise to create jobs, to restore hope and build a stronger Canada. The youth service corps will provide productive ways to help young people through the transition from school to the workplace.

[*Translation*]

The youth service corps has four main objectives: community service, understanding Canada, environmental awareness and personal development.

I hope no one will question how valuable the young are in our society. It is important to give our young people the tools they need to prepare a better future for themselves by contributing to the building of our nation. Significant measures will have to be taken, and I think the youth service corps is one of them. So, I would ask the hon. member from Lethbridge: Who would see anything wrong with the youth service corps?

[*English*]

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, I would like to thank the hon. member for his comments. Many of them I can agree with. Some of them are points that I have difficulty accepting.

I am in full agreement with the statement that it is completely unacceptable that young people have no place to put their energies. However there is a moral imperative for the youth to have a meaningful place in our society. I agree with those statements wholeheartedly. I do have difficulty accepting a statement regarding short term views concerning the rights of youth and ascribing that to the Reform Party and to the position that we take.

We are watching from a view of history which we have watched through the 1970s when the Liberal Party was governing, through the 1980s when the Conservatives took charge. We are at a place now where we are economically unable to continue with those types of policies. To suggest that the Reform Party at this point comes with this resolution with no view of history does not make sense to me.

With the statements that the hon. member has made, how does he square those statements and his condemnation of the Reform Party with the history of the performance of the Liberals and the Conservative governments in the past? We are looking for a means to hold the economy together so there will be hope, there will be promise, there will be a meaningful future for our children.

• (1700)

As I see it, where the government intrudes, where the government takes control, where the government creates pigeon holes and expects people to fit into those pigeon holes, it has never worked. Therefore we are suggesting that it is time to put the initiative in the hands of grassroots men and women, to leave them with the financial resources to do the job that government has never been able to do and to have the government step back and leave private industry, individuals, the entrepreneurial spirit to do the work that has not been done before, to build the nation.

Mr. Lincoln: Mr. Speaker, this is the fundamental difference that separates us from the Reform Party and the member laid it out very clearly.

There was an election in October, as I remember, and our party ran on a platform that said certain budgets were going to be transferred to key job creation programs. One of the key job creation programs which was much more than a job creation program, it was also a social program of great importance, was to say that if we look at the situation of our youth today the great majority of whom are leaving school do not know where to go for work. There is a shortage of hope. There is complete despair.

I do not know if the member feels the same as I do. When in my riding I meet all kinds of young people. I could send him a a pile of CVs from young people, highly qualified, with masters and doctorates who cannot find work today.

The government has started to say: "We have to transfer money, especially from the defence fund at a time when the cold war is over, into a youth services corps for young Canadians". The great majority of Canadians obviously back this theory because they elected us in large numbers as a majority party. They did not elect the Reform Party with their view that the marketplace, the economy, dollars and cents will cure every problem. If it had been so in the past we would not have had trade unions. We would not have had reforms of the social safety net. We would not have medicare. We would have left it to the marketplace to sort it out.

In all places where the marketplace is paramount and exclusive the social fabric of the country is in disarray. We do not say that government intervention is the only way to move, but surely there is a mix there in establishing constructive, social policies that can have government take a sense of direction, and give leadership. It seems to us that if we want to give leadership the first place to put the accent is on our youth. I am very proud that we have this program in place.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, I have a question for my hon. colleague concerning the general position of the Liberal government and how it compares to the position taken during the election campaign. As the months go by, I find that this government is getting better and better at half–measures. This is clear from the red book, long on theory, by the way, where it is stated that last fall, there were 1.6 million unemployed in Canada. And what is the government doing to solve the unemployment problem? Well, it has set up an infrastructure program that will create 45,000 short–term jobs—15,000 in Quebec—in response to a situation where 1.6 million Canadians and 428,000 Quebecers are unemployed.

With respect more specifically to youth unemployment, the government has come up with another half–measure, namely a youth service corps. This program will not solve anything or create jobs. However, on the eve of a referendum, one component of the program will, judging from what the government member said earlier, enable young Canadians to travel and to learn more about Canada. We all know what the implications of this can be, what a man such as Jacques Hébert can accomplish. We all know what the implications can be. I would like my hon. colleague to explain to us how this youth services corps is not

fundamentally a very political move by this government on the eve of the referendum?

• (1705)

Mr. Lincoln: Mr. Speaker, last October, we presented to the Canadian public a very comprehensive program. It did not focus solely on young people. I used them as an example. Our program covered the entire social structure in Canada. It outlined our agenda in such areas as research and development where we pledged our support to the tune of 25 per cent for environmental research and development; it announced a comprehensive apprenticeship program for the next four years, a youth service corps and an infrastructure program. I would remind my colleague who speaks of 45,000 jobs that Statistics Canada reports that last month, 66,000 new jobs were created. Therefore, his figures are not correct. They should be 50 per cent higher.

Mr. Plamondon: Not with that budget.

Mr. Lincoln: What I mean is that—

The Deputy Speaker: Order! The parliamentary secretary's time has expired. Resuming debate, the Chair recognizes the hon. secretary to the Minister of Finance.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is a pleasure to have an opportunity to speak with you today about the new Canadian Engineers and Scientists Program announced in the budget.

This government is committed to sharpening Canada's competitive edge and developing the kinds of technological capabilities that translate into new business and jobs. With as much as 85 per cent of new jobs being created by small and medium–sized businesses, we have placed a very high priority on support for these enterprises.

One of these measures is the creation of the Engineers and Scientists Program. As announced in the budget, $10 million a year have been earmarked to implement the program. To help Canadian businesses build up technological capabilities, when it begins early next year, the program will provide salary support to assist small and medium–sized manufacturing firms in meeting their needs for technical personnel.

[*English*]

One of these measures is the creation of the engineers and scientific program. When it begins the program will provide support all across the country. It is intended to help firms develop long term technological capabilities, not just short term project base needs.

It is designed to fill a gap in technological expertise that often hinders small enterprises from achieving their true potential whether in product development, productivity or both. Clearly a company that has no one with current technological skills or training has a difficult time introducing the level of innovation that can help the company to grow and create more jobs.

The federal government can facilitate growth through this type of national program. We can help set the stage for these firms to adjust to the significant development in manufacturing taking place around the world.

The program can provide an important focus for firms that have a potential to export. I think this is so important. We have to change the fact that over 90 per cent of Canadian firms do not export. Innovation and technological transfers are the keys to success to the kind of economy we need to have for the future. We have to look for new ways to solve old problems. We have to make sure Canadian manufacturers develop a high degree of technology based expertise. It is absolutely vital to any long term competitiveness and profitability in Canadian manufacturing.

While technology transfers are often difficult to define and measure we know that Canada has been weaker than most of its competitors. We need to work together to turn this around. We need to develop a program that is easy to use and is responsive to real need.

Statistics Canada just released a study entitled "Strategies for Success, a Profile of Growing Small and Medium Sized Enterprise in Canada". In this study it is confirmed that innovation is a key factor that separates successful small and medium sized businesses from the unsuccessful ones. To succeed firms need to be able to innovate.

• (1710)

However this is one of the problems we face in Canada. A recent survey of over 9,000 small and medium sized manufacturing firms in Quebec shows that slightly more than 10 per cent of the firms employ one or more engineers, with only 2,400 engineers in total being employed. This shows the need for investment in this area. We must invest so that our small and medium sized firms can prosper.

[*Translation*]

We all want to see Canadian companies establish a strong global competitive position. We want manufacturing jobs to stay in Canada. The federal government is committed to working with the provinces, business, labour and Canadian workers to help the process along.

The Canadian Engineers and Scientists Program will no doubt be a vital part of that success.

[*English*]

Mr. Ted White (North Vancouver): Mr. Speaker, I am pleased to be speaking today to the motion which addresses some of the problems of the recently announced budget.

Last Monday when I spoke to Bill C–14, the authority to borrow up to $37 billion more on the backs of the young people of Canada, I said I wished that government members would vote against the bill in order to avoid mortgaging the futures of their children and grandchildren.

Unfortunately my pleas were not heard or they were not understood or they were not convincing enough. For whatever reason absolutely not one government member voted against adding another $1,450 in mortgaged future to every man, woman and child in the country. Government members refused to acknowledge or are incapable of understanding the seriousness of the problem and they voted for Bill C–14.

As one person put it, because of the budget the light at the end of the tunnel has been turned out until further notice. No light at the end of the tunnel usually means there is a wall at the end of the tunnel. We do not have to keep speeding into a dark tunnel on this train of out of control debt. There is a chance for government members to help stop the train.

What is needed, among other things, is for them to support the motion before us today, a motion that would foster co–operation, to place caps on spending and to develop a spending contingency plan that will stop piling debt on to our children and grandchildren.

Of course government members are always worried that our real plan is to overthrow the government so that we can have another election. I would just like to say to them that this is simply not true. We believe in stability in government and we will support any government at this critical time that is prepared to address seriously the issues of deficit and debt.

Government members should be placing partisan politics in second place and start admitting that Reform MPs are telling the truth about the seriousness of the problem. If they do not believe there is a problem they should think about what has happened in Ontario. They should ask themselves: If government spending was the answer to the problems, how come the premier of the province of Ontario has had to abandon his program of $13 billion deficits? If it did not work for Ontario, how can it work for Canada?

The fact is that government deficits kill the economy. Government deficits lead to high taxation and excessive regulation. Government deficits suck the wealth out of the private sector and destroy hopes for the future. Government deficits turn out the light at the end of the tunnel.

I find it hard to believe that at least some of the government members have not realized that the government, like ones before it, has a spending problem, not a revenue problem. I find it hard to believe that at least some of them have not realized that we have reached tax saturation point, that it is time to abandon these possibilities of widening the tax base. It is time to realize that increasing taxes will only lead to a bigger underground economy. Prior to the 1993 election Reform was the underdog. If this government does not wake up, it will find that after the 1993 election Reform is the watchdog and after the next election we will be the top dog.

• (1715)

The best way for government members to retain their seats in the next election and to prevent Reform from winning is to support the motion before us today. That is another bit of the free advice I give occasionally to government members to help them with their re–election.

I know that government members like to say the policies of Reform are slash and burn. This is ridiculous rhetoric. It really does not contribute anything to solving the problems. The people who watch the proceedings of the House of Commons on television are intelligent, thoughtful people who can see through that rhetoric. They understand it for what it is.

We on this side of the House try to offer constructive alternatives. We offer alternatives that are workable and reasonable. It would not hurt for a government member to occasionally vote with us on something that we propose.

The evidence that we speak the truth is all around us. The National Citizens Coalition, which the government would dearly like to silence, has widely distributed a taxpayers' score card. If any government member filled it in honestly, they would have to admit that the government had failed in its budget plans.

More evidence came right from the horse's mouth, so to speak, when the deputy finance minister admitted to the public accounts committee on March 9 that the tax burden on individual Canadians and corporations is higher than in any other major industrial power except France and has climbed to almost 40 per cent of the gross domestic product.

Peter Cook in the *Globe and Mail* on the same date wrote:

> Mr. Martin may have convinced himself that economic growth and the spending cuts he announced will head off a debt crunch, and he has convinced his boss—

Do we know who that is, Mr. Speaker?

> —who is rather easily convinced on this subject. But at the great bar of public opinion he is not doing so well. Not only has he failed to convince most Canadian economists and the Canadian media, but he is facing an international audience that is getting rather peppery and impertinent.

Reports in the financial circles of Germany and the U.K. criticized the failure to act on the spending and predicted that the Canadian dollar would continue to slide. The proof is out there for us all to see; another third of a cent drop in the dollar last Friday, almost four cents since the election. Is the government proud of this wonderful achievement?

Can government members not see that this will lead to higher interest rates, higher inflation and no possibility of getting control of this deficit? Anyone with a calculator can see that we are already off the targets that were set in that budget. Even the government's infrastructure program, which was supposed to

kickstart the economy, has become a scandalous wish list of pork barrel politics and make work projects.

In a news release on February 18 by British Columbia–Canada infrastructure works it was revealed that short and long term job creation are no longer essential criteria. They have been reduced to only important criteria. The item at the top of the list is now incrementality and/or acceleration of investment, whatever that means. Let's face it, it is a mess and it is not going to get better as a result of the budget.

Our Reform motion today tries to address some of the problems and it promises co–operation. If I were a betting man I would bet that the government members will do the usual thing and vote against it without having any good reason to do so.

The *Globe and Mail* editorial on the morning after the budget said:

> The budget makes a mockery of Jean Chrétien's promise to return to the good old days. In the good old days the future was not mortgaged to the selfishness and cowardice of the current generation.

I am not a coward. I am prepared to tell it as it is, and I am not afraid to support decisive action.

I am also not selfish about it. I have taken a voluntary pay cut and refused to sign the form making me eligible for the gold–plated MPs' pension plan. I have proven that I am prepared to make sacrifices to avoid dumping more debt on to the next generation. I can sleep at night because I can say to the next generation that I tried to stop the debt train in that long dark tunnel while the government opened the throttle, hoping the light at the end of the tunnel would reappear only to discover there was a wall in front of it.

• (1720)

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I listened with interest to the member's statement and comments. I would like to ask the member a specific question about this motion, in particular that a moratorium be put on the court challenges program.

The motion states a new program. This court challenges program is not new. It was cancelled by the previous government but the current government, as I understand it, has agreed to reinstate it. It is a program that is absolutely essential to provide a way for disadvantaged groups and equality–seeking and language rights groups to pursue the rights guaranteed to them under the charter and the Constitution.

I know the member will agree with me that the rights of Canadians are sacred to this nation, but rights without the ability to implement them and to seek equality in those rights are in fact meaningless.

I would say to the member that I know his party's position, very often stated, is: Why can't all Canadians just be treated the same. I would agree, why can't all Canadians just be treated the same. However, in reality and in the real world women, disadvantaged groups, persons with disabilities and visible minorities are not treated all the same.

The intent of the Charter of Rights and Freedoms is to enshrine in our country the importance that we treat each citizen with equality.

I would ask the member how he can justify this program, a relatively small expenditure, being wiped off the map by the Reform Party? Do they not support the equality of all citizens in this country?

Mr. White (North Vancouver): Mr. Speaker, I thank the hon. member for her question.

We in the Reform Party made it very clear that we support equality of all people regardless of their race, religion and province of origin. In fact I gave a speech to that effect this morning.

Specifically the member asked about the court challenges program and, as she quite correctly stated, it has been reintroduced. It was a very expensive program and had been used widely by special interest groups to press their own agenda on the backs of the taxpayers who frankly are fed up with this type of government redistribution of wealth.

We would favour getting rid of that program again and taking some load off the backs of the taxpayers.

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, the motion deals with the infrastructure program. The member for North Vancouver has indicated nothing in constructive alternatives to that program.

I wonder what he wants me to tell the people in the town of Lindsay and the Lindsay police force which is planning to build a new building under this plan and the people in the town of Haliburton who I have met with who have plans to spend money under the infrastructure program. We have 30 per cent unemployment in the town of Haliburton. What does the member want me to tell those people who will not get a job because of that?

Mr. White (North Vancouver): Mr. Speaker, I thank the hon. member for the question.

Anywhere in this country the portion of funding that comes from the federal government will be borrowed because the federal government runs a deficit. The portion of the money used at the provincial level will be borrowed because all of the provinces are running a deficit. At the municipal level it will mean a taxation increase for homeowners to fund their portion.

Reform's answer to all of this is not to keep piling debt on to people and increasing taxation, but to get control of government debt so that we can reduce taxation which makes the economy prosper and everybody is better off.

The infrastructure program is not creating jobs. For the most part all it is doing is expanding a little bit the current functions of the municipalities without them employing a single additional person to their present staff.

• (1725)

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, if an analogy can be used to describe this year's federal budget, I would suggest the analogy of a rusted out pickup truck patched with Bondo and painted the same colour as the red ink book.

The budget is a patch–up job that seems to do very little to control the source of Canada's deficit problem. New programs have been introduced that require even more borrowed money. Each program represents an attempt to avoid the real problem, which is the government's lack of will to deal with a nation crippling deficit.

The infrastructure program is a large part of this problem avoidance. Jobs, jobs, jobs, we heard hon. members opposite cry on the campaign trail last fall. The promise of permanent jobs in this program is an illusion. The jobs created will last just as long as government money flows into this infrastructure program but not much longer.

By the same token, these jobs will not only cause the federal debt to rise, they will force the other two levels of government to increase their debts as well. The finance minister takes credit for not raising the tax rate. The visible tax rate may not have been raised but the various arms of government through which taxes are collected have been extended. The same taxpayer must now pay for more federally directed programs through the broader reach of government.

The additional debt to be incurred by all levels of government involved in the infrastructure program will result in about a $500 million annual increase in the deficits. This federal program is demanding that the provincial and municipal levels of government adopt its policy of increasing deficit spending.

Some provincial governments like Newfoundland may not fully participate in this program because they are already too heavily in debt. Other provinces have reluctantly conceded to the program only because of the pressure they receive from the municipalities.

Even the municipalities are reluctant to participate because of the enormous additional expense. These extra costs go far beyond what they can reasonably add to their budgeted expenses. However, because of the extra federal cash available politically both the provinces and their municipalities must enter this federally contrived competition for more transfer dollars.

The problem of paying for this program remains whether the money is accepted or not. Whether we take the cash or not we have to pay the taxman because the money will be spent. The money will be borrowed to spend and the burden of paying interest on that will be borne by the taxpayer.

Some of the largest cities may view this program from a completely different perspective. For them this may be a windfall. The federal government has taken on the role of Santa Claus, granting to them any project within reason that they can dream up. Some projects likely to receive funding can hardly be considered infrastructure types.

One project likely to gain approval is the Quebec City convention centre. Many would question this as infrastructure. While some communities are in desperate need of infrastructure upgrading, others will be using these tax dollars for projects that are ridiculous for financially broke governments to even consider.

Can we expect more projects as we saw from the previous government like the Museum of Humour in Montreal which is a joke of a project, approved and funded by all three levels of government?

Even if we could afford to undertake the Liberal infrastructure program, it is still flawed. Municipalities have been provided only two years to approve and implement projects which must be completed within just three years.

Any projects currently in place are not eligible and I fear the least infrastructure–like projects will get priority in the rush for approval. As well, the haste to completion will result in a lower quality end product with likely cost overruns to be fully borne by the municipalities.

• (1730)

I am concerned that this infrastructure program will end up yielding the same results as the Ataratiri Housing Project in central Toronto which was reported in the press. The description of this municipal housing project has similarities to the infrastructure program. On this Toronto housing project $265 million was spent and not a single residence was ever built.

I would like some assurance from the former Mayor of Toronto, now the hon. minister responsible for the infrastructure program, that the mistakes made in this Toronto project will not be repeated again on a $6 billion scale.

This infrastructure program serves as a reward to many municipalities that have neglected adequate maintenance. Rewarding negligence is found in another program adopted by the budget, the residential rehabilitation assistance program, or the

RRAP. This program is designed to assist individuals who own residences that do not meet adequate living standards.

The RRAP provides forgivable grants and loans. Forgivable grants are loans converted into grants after five years ownership has passed since the work was completed. The forgivable grant portion of the program cost the Canadian taxpayer $53.7 million in 1993. Additional fully repayable loans worth $10 million were also granted. However, in 1993 almost $1.5 million worth of previous loans were in default.

The residential rehabilitation assistance program as I understand it is intended to raise the standard of housing for those people with low incomes. This in itself is a worthy cause. As worthy as this may be the main problem with this program is the same problem we have with the infrastructure program. The RRAP will take another $100 million of borrowed money to finance it and this borrowed money will be added to the national debt and then we and our children can pay interest on that also.

However, there are some other reasons why I resist the RRAP. They are based upon some knowledge of some of the abuses that have taken place in the past. Homes have been renovated and upgraded with the result being an increased sale value which made selling the house an attractive option that was taken advantage of.

Another aspect I resist is the arrangement to provide loans which are simply not being repaid as agreed.

In the budget other costly programs were introduced. The cost of scientists and engineers program will be $10 million annually. It is designed to help businesses hire new technical staff with government subsidies. A similar program is the youth services corps which also acts as subsidies to businesses hiring youths.

As admirable as these programs seem they put businesses which are able to participate in the program at a competitive advantage over those that do not quality. Lowering the cost of research and production for a business which normally is not competitive or viable could force other self–sustaining and competitive business out of the market. Both these programs have admirable motives but have potentially dangerous consequences that could place Canada at a disadvantage in world markets.

It is always a disappointment for a person who has worked hard to see his or her business grow and then see a competitor come in and receive government money that instantaneously makes them 10 times larger than their years of work have accomplished and the business becomes unviable because of the artificial competition.

These programs will have little overall effect on employment but will force us to maintain current or higher levels of deficit spending and will not permit any overall lowering of business taxes which is the greatest stimulus to increased employment. These programs have the potential of working against the goal they were designed to achieve.

The court challenges program was reintroduced in last month's budget. Canadian Heritage estimates show a steady increase in the money to be provided to the court challenges program. The amount allocated for the next fiscal year, 1994–95, will be almost double what was provided in the last full fiscal year before its cancellation in 1992.

• (1735)

We must also take into consideration that the $35,000 available per case represents only a small portion of the entire cost that each case represents in the entire judicial system. As well, there are a growing number of people who resent taxpayers' money being spent to argue for the rights that satisfy agendas more personal than national.

The goal of the court challenges program was introduced to help minority groups challenge the sections of the Canadian Charter of Rights and Freedoms. It would be reasonable to expect that after 14 years of the existence of this charter the number of cases should be tapering off, not increasing.

Mr. Julian Reed (Halton—Peel): Mr. Speaker, I would like to ask the hon. member how he would respond to the people in the municipalities of my riding who have said to me very enthusiastically that because of the infrastructure program the municipalities were able to update projects that had to be delayed in the past because of the recession and that the benefits will accrue over the next 10 to 15 years, well beyond the time that the mechanics of the infrastructure program are under way.

I wonder how he would respond to that in making the statement that this is strictly a temporary thing with an end and once it is over it is over and gone.

He alluded to that early in his speech.

Mr. Mayfield: Mr. Speaker, the problem of money needed to rebuild and renovate infrastructure within the municipalities is not a new one. Municipalities have been short of money for this type of work for a long time.

However, the difficulty at this time with borrowing money for these projects is that this is money that will be added to the deficit and the debt and will increase the burden upon this generation and future generations to deal with the real problem of our economy, the number one economic problem of our nation, overtaxation. Every level of government suffers from that disease.

Mr. Peter Adams (Peterborough): Mr. Speaker, the member spoke about the infrastructure program.

As the frost comes out of the ground across Canada, hundreds and thousands of infrastructure projects are going to start creating jobs, improving our infrastructure and stimulating local economies. He spoke about the residential rehab program. Thousands of Canadians are going to improve their basic investments in their homes.

He spoke about the science and engineering program. Does he know that whereas in Japan virtually every manufacturing company with 100 employees has an engineer, virtually none of our equivalent corporations does.

My question to the member is can he assure us that no municipality in his riding is going to take advantage of the infrastructure program?

The Deputy Speaker: Order. I ask all hon. members that when they are asked to be brief they do not go on indefinitely.

Mr. Mayfield: Mr. Speaker, in a brief answer to the member's question concerning whether I will ask the municipalities to assure that they will not accept the money, of course I will not do that.

The reason for that is we are going to be taking part in paying for this project whether we use the money or not. Regardless of whether we are philosophically ready to approve this type of thing, which we are not, we must take advantage of it because we are going to be paying for it anyway. We are going to be there with our tax money like everybody else.

The Deputy Speaker: The time has expired. I would remind the hon. member for Cariboo—Chilcotin that he is not supposed to answer a question or put a question unless he is sitting in his seat.

I remind all hon. members of that.

• (1740)

Mr. Mayfield: I am ware of that, Mr. Speaker. I will try to contain myself in future.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, it is with pleasure that I rise today to applaud the government's decision to reinstate the court challenges program.

The original court challenges program began in 1978 when the Secretary of State and the Minister of Justice announced the establishment of a fund to provide financial assistance for legal expenses of litigants seeking clarification of the scope of protection afforded to official language minorities under either section 93 or 133 of the Constitution Act of 1867.

Following the proclamation of the Charter of Rights and Freedoms in 1982 the Secretary of State and the Minister of Justice reaffirmed and updated the court challenges program. The program was expanded to include sections 16 to 23 of the Charter of Rights and Freedoms. In 1985 section 15 of the charter came into effect and the court challenges program was expanded to include equality rights protected under that provision. At the same time, administration of the program was assigned to an arm's length organization, the Canadian Council on Social Development, which administered the program until 1990 when the responsibility was transferred to the Human Rights Research and Education Centre of the University of Ottawa.

The termination by the previous government of the court challenges program was severely criticized. It was seen by many as an attack on human rights. Former Supreme Court Justice Bertha Wilson wrote to the Minister of Justice at the time, expressing here dismay and distress over the cancellation of the program. She wrote, in part: "I have on numerous occasions publicly expressed the view that it is totally illusory to confer rights on people who do not have the means to enforce them".

The program has been commended for making the critical difference between access to charter rights and no access, and this government is committed to ensuring access for Canadians to a judicial system that would otherwise be beyond reach.

We agree with Madam Wilson that rights for people who do not have the means to enforce them are totally illusory.

[*Translation*]

The program funds precedent–making cases that are national in scope. While it subsidizes individuals and groups, it is concerned with issues that affect many Canadians. It is not a general legal aid program. To guarantee impartiality of decisions on cases with financial implications, the government has transferred responsibility for the program to independent organizations.

Since its founding, the program has been unique in Canada and has attracted praise from outside the country as well. It bears witness to the fact that enshrining rights in legislation has no impact if the people they are supposed to protect lack the means to enforce those rights.

In fact, people have been very critical of the Charter because it is not accessible to the average Canadian. In the past, the Court Challenges Program has ensured access to the courts for all individuals who want to defend their language or equality rights.

The program has made it possible for all Canadians to be full participants in the Constitution of our country. It has been instrumental in making charter rights accessible to francophone parents, aboriginal women and the disabled, to name only a few.

[*English*]

In addition to language and equality rights, the new court challenges program will fund test cases of national significance involving challenges to fundamental freedoms as outlined under section 2 of the charter.

[*Translation*]

These basic freedoms are as follows: freedom of conscience and religion, freedom of thought, belief, opinion and expression, including freedom of the press and other communications media, freedom of peaceful assembly and freedom of association.

• (1745)

I am also pleased to say that the program, as reinstated, will continue to provide financial support for legal tests that are national in scope and concern federal and provincial statutes covered by sections 93 and 133 of the Constitution Act, 1867, section 23 of the Manitoba Act, 1870, and sections 16 to 23 of the Canadian Charter of Rights and Freedoms.

The program will also continue to provide financial support for court challenges of federal statutes, practices and policies, under sections 15—equality—and 28—gender equality—of the Charter, or when an argument relating to section 27 of the Charter— multiculturalism—supports arguments based on section 15.

The new program will be administered independently by a non–profit agency, whose board of directors will include representatives of the Canadian Bar Association, non–governmental organizations and universities.

[*English*]

Proposals and discussion papers on the new program have been received from a number of groups. Officials are reviewing these carefully as they continue to work on the modalities of the program. A number of parties have expressed an interest in working with the department to ensure the expedient reinstatement of the program.

This government recognizes and values the experience of individuals and groups involved with the former court challenges program. It is committed to seeking their views prior to making a decision on the legal structure and operating principles of the new program.

As a result of the broad range of interest, experience and expertise which will be taken into account by the government, I am confident the program will be implemented as quickly as possible in a manner accountable to the government and the people of Canada.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I am pleased to rise once again on an opposition day.

The last time I stood on an opposition day was February 21. We were speaking on petitions. The Reform Party was advancing the notion it wanted this House to listen better. It wanted to show that we listen better to Canadians and to each other.

Interestingly enough when my time expired one of my colleagues on that side of the House moved a motion that the time be extended so I could answer some questions. Members of the Reform Party were the ones who voted against it. That is important for us to note.

In terms of dealing with this budget, one has to wonder whether the opposition perhaps is being a little sanctimonious. I say that because there was an election. We can talk all we want about petitions or referendums, but there was an election on October 25.

We went to the public with a plan. It was outlined in the red book. We said that we were going to follow that plan if we formed a government. Now that we are in government that is exactly what we are doing. We are following that plan. For members of a party that says it believes in petitions and referendums to turn around and tell us we should ignore our campaign promises to Canadians certainly is the height of cynicism and sanctimony.

Let us look at what was contained in the budget. We talked about what we would do in the fiscal framework of present day realities.

• (1750)

It is in the budget that there are $5 of spending cuts for every $1 of revenue increase. Over 80 per cent of the net fiscal improvements achieved by the government through 1996–97 comes through spending cuts. The net savings of $17 billion achieved in spending cuts come after paying for our new initiatives.

Some $6.7 billion in current federal program spending is being reallocated to encourage growth, create jobs and find new priorities. Those same programs are criticized in this motion.

We are talking about the infrastructure program that was the subject of such debate in the last election. In my riding of Waterloo the Reform candidate ran in the previous municipal election. When I won the seat to represent the Waterloo federal riding in this House, my seat on council became vacant. During the course of the campaign the Reform candidate was saying that the infrastructure program was pork barrelling. It was a make work project and had no redeeming value.

The Reform candidate now occupies my seat on Waterloo municipal council. And guess what? Last week they laid out the infrastructure program for the city of Waterloo. Waterloo is spending all its allocation. What happened with the Reform candidate who spoke so strongly against it? The Reform candidate voted in favour of the infrastructure program. It was unanimous.

I raise that because just like every other new Liberal member and I am sure most other members of this House I honestly and truly wanted to believe this Parliament was going to be different. We wanted to believe we would not be playing sanctimonious games, that we would be working together to improve the operation of this House.

That is not the reality. And it saddens me because every new member on my side of the House is a reformer and they are acting a lot different from the Reformers. We have to keep that in mind.

Staying with the infrastructure program, they say it is a make work project. One of the infrastructure programs deals with the inventory and repair of failing sewer lines throughout the city. Sewer lines are pretty important to any municipality. As a matter of fact, sewer lines make us a civilized country, along with water and other infrastructure. It is the elimination of inflow infiltration to the sewer lines.

Another program is to extend the Northland 4 industrial subdivision pumping station. There are sewers, water mains and road construction projects. They are doing that so they can have new industry locate. New industry will generate jobs and pay taxes.

Tell me the last time private enterprise built a sewage treatment plant. Clearly that is something government has to do. It is a responsibility belonging to government.

Infrastructure: Look around the world at countries that do not have infrastructure and you are looking at countries in the Third World. Look at the G–7 countries and the money they spend on infrastructure. They are spending it because they are investing in the future of their countries. We are investing in the future of our country. We as Liberals believe in that.

Prior to the tabling of the budget many Reform members and I had occasion to attend a workshop by the Fraser Institute. Do you know what was said? It was said that our proposal to get our goal of 3 per cent of the GDP in terms of reducing the debt within three years was a responsible approach. It was a rational approach.

• (1755)

We all knew that the deficit was going to be $32 billion this year. The previous regime told us that. The reality is we are looking at a much higher deficit this year.

The Reform Party in the last campaign said it was going to eliminate the deficit in three years. What Reform members say and how they act impacts on all of us and on the legitimacy of this Chamber. For the sake of their own credibility and that of this House I would love to see them stand in this House and present to us how they would eliminate the deficit. I put to this House that they could not do it. I challenge them to stand up—which they will not—and say they were wrong and they cannot do it.

One of this country's tragedies is what is happening to our youth. In 1992, 100,000 young people who graduated from high school were qualified to attend college or university but there was no place for them in our educational institutions. Reform Party members would chop out the youth services corps which is meant to address the drastically and shamefully high unemployment rate among our youth. To see their opposition to this corps has to sadden every member who cares about those neglected youth who are part of our constituencies.

My friend made a very able presentation on the court challenges program. Since I have been in this House I have listened to Reform members tell us they are in touch with the needs of minority groups. I can only say after listening to them for four months that I find them compassionately challenged when it comes to those issues.

What does the residential rehabilitation assistance program mean? It means those seniors who are unable to make repairs to their houses and move on to costlier institutions would be assisted so they could stay in their homes and thus maintain their dignity. How anyone could oppose that is incredible.

There is the engineering program. The University of Waterloo in my riding is the biggest supplier of workers to Microsoft in the United States. This has to be a brain drain. We want to keep our brightest graduates in whom we have invested so much in Canada. This will afford us an opportunity to do that.

In wrapping this up, I was looking forward to this motion today but I find it is very much challenged in terms of reality. I can only say I am very proud of the budget and the responsible plan we came down with in presenting that budget.

[*Translation*]

The Deputy Speaker: The hon. member for Richelieu has the floor, very briefly please.

Mr. Louis Plamondon (Richelieu): Very briefly as usual, Mr. Speaker. I always follow your precious advice.

I was very surprised to hear the previous speaker, a member of the Liberal Party, express astonishment that a member of the Reform Party may have changed his mind or acted differently after an election. It is a distinctive feature of the Liberal Party to say one thing during the election campaign and something different after the campaign. The most conclusive evidence is the budget tabled by the Minister of Finance, which is exactly the kind of budget tabled by former Tory ministers.

I was surprised to hear the hon. member talk about contradictions as, when the Liberals were in opposition and the Conservatives dealt with unemployment through Bill C–113, I was also in opposition as a member of the Bloc Quebecois and I heard Liberal members cry out against that change. The last budget is doing worse things to the unemployed but they have not said a word. In closing, I am very surprised to see that when they were in opposition, they attacked the changes to old age pensions proposed by the Tory government, but now that they are in office, they do not hesitate to assail old age pensions.

• (1800)

I was very surprised when I heard the hon. member say that sewers are the solution in Canada and the distinctive characteristic of civilized countries. I thought it was culture, respect for young people, the right to work, and a finance minister who made the right decisions.

[*English*]

Mr. Telegdi: Mr. Speaker, may I say that on Friday with a number of my colleagues I had the opportunity to look at the social programs in my riding. Everyone who participated came up with very good suggestions about our social programs and how we have to reform them as we head into the next decade.

Everyone who came from the baby–boom generation would have some concern about old age pensions. We are going to have the biggest revolution when the baby boomers become senior citizens. Demographically it is going to be like everything else. When the boomers got to university, the university education system exploded. Therefore, we have to plan for that.

I really regret that the Bloc Quebecois would not want to look at this to make sure that in the future we will have a pension system that is supportable, viable and will be there for people in need. There has been absolutely no talk about cutting pensions.

In terms of sewers and infrastructure, even this Chamber has to have sewage service, probably more than most other places. Any building, whether it is a university building or an industrial building has to have a sewage system and a water system. Those systems are very important in protecting our environment as well.

The Deputy Speaker: The debate is over at 6.23. I wonder if the two members from the Reform Party want to cut into the time of their own members, two of whom are the next speakers. Assuming not, the next speaker is the hon. member for Simcoe Centre.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, I rise today to speak against the budget and in support of our motion to do something about the current deficit and debt that we face as a country.

I do not know if members have ever heard a million dollar speech, but I am about to give one. Members may not agree it is worth that much, but the fact remains that by the time I conclude, with our current debt accumulating at $78,000 per minute, we will have slipped another million dollars into debt. This is the ticking time bomb we are sitting on.

Mr. O'Reilly: That is enough to make you lose your hair.

Mr. Harper (Simcoe Centre): I cannot afford to do that. I appreciate that this is a two part budget and nothing in the first part will correct the problem. Given the track record on promises for the future on the second stage I have no optimism.

We have been living beyond our means for over 20 years and over that same period each budget would acknowledge how serious the problem was, yet we still overspent and the debt continued to grow.

In spite of this history of year after year of failed budgets we continue to go down the same road. Apparently no one is asking the question: "What are we doing wrong? Why have our plans not worked"? The problem to me is the fact that we place all of our emphasis on those things that we have little control over; interest payments and growth in the economy.

The one area where we do have complete control is spending and yet we ignore it in the hope that we can grow our way out with optimistic growth projections and pray that interest rates will remain low. The government has a spending problem. There is no other variable available that we can control.

If we are serious about eliminating our deficit and then reducing our debt we must attack spending. Make no mistake about it, this is a war of Canada's survival. I am not talking about nibbling around the edges like this budget. I am talking about serious spending cuts, not next year or the year after but now.

• (1805)

From my background in small business I know how important the bottom line is. If you want to stay in business and employ people you must make a profit or at least break even. As a manager of that business if you fail to make a profit you fail the employees who lose their jobs. The bottom line is profit for people. Government is a business, not a business for profit but a break even business and the government is failing our people.

You cannot lose money year after year. You can borrow to a point. However, governments have gone far beyond the point of good business sense. Our lenders do us no favours by allowing us to go deeper and deeper into an abyss of debt. The pain and suffering that will come will not be any easier as we delay the inevitable as the budget does.

During the first few days of the 35th Parliament I heard the phrase "lean but not mean" many times. In some ways those are meaningless words of comfort. You cannot be lean but not mean. You are speaking with a forked tongue. To those who are going to be affected by your decisions to cut or reduce you are mean. To the 16,000 military personnel in the defence cuts plus the thousands of jobs lost in the cancellation of the EH–101 contract without debating the merits of those decisions, you were mean.

Unfortunately due to excessive spending by former governments there is no painless way out of the current mess. The budget has only delayed the day and continues to play a cruel hoax on Canadians by pretending there is an easy way out. There is not. We have 20 years of history to prove it.

It is ironic that on the first day of this Parliament the federal budget reached half a trillion dollars, a national disgrace for a country of 27 million people, a personal debt of $74,000 for each family of four living in the country, $18,000 of debt for every man, woman and child.

As shocking as these numbers are, the government is prepared to add almost $40 billion this year toward an additional $100 billion over the next three years to a total of $600 billion or $22,000 per person by 1996. It is madness. We cannot afford the programs we have and yet we are prepared to add more.

The 35th Parliament set three targets. The first is the largest deficit in our history, the largest number of new members, and the largest debt ever. What a great opportunity with so many new faces with fresh ideas to turn this place around and leave it in four years a better place than we found it, fiscally responsible and economically sound.

In 22 years of Liberal governments the debt soared from about $25 billion to $180 billion with an absolute freefall starting in 1975–1976. After losing to the Conservatives in 1984 the debt plunged to a record $500 billion in 1993, almost triple in nine short years. This in spite of the fact that each and every budget announced the intention of attacking the deficit and the debt.

Where is the credibility? We have had 20 years of failed budgets, 20 years of broken promises, 20 years of tax increases, and 20 years of declining services. Is there any wonder that Canadians have lost faith in their politicians?

There is a frightening similarity between overfishing and overspending. For years we were warned that our fish stocks were in danger and that continued fishing at current rates would deplete them, costing thousands of jobs. We ignored that advice at our peril. We have the same scenario today in out of control government spending. We have been warned it cannot continue yet we ignore the warnings.

• (1810)

With our situation deteriorating by the minute as it has done for the past 20 years no one is asking why. What are we doing wrong? How do we stop this addiction to spending? Like drugs or alcohol in many ways it is an addiction. Like an addiction the first step toward a cure is acknowledgement that we have a problem.

This budget fails that test. Much worse, it says very clearly that our finance minister does not understand.

Unless we face and solve these problems now nothing else matters, not health care, not education and not our ability to compete.

The headline on the cover of this week's *Maclean's* magazine asks the question: "Are we cheating our kids?" While the story deals with education, the same question applies to this generation's overspending and the terrible debt load we are leaving on their young shoulders.

The reason I am here today is my deep concern for my children and my grandchildren. I am ashamed of my part in this spending binge that has mortgaged their future. Sitting back was not good enough. I had to get involved and do what I could to save their future, and in saving their future we would be saving Canada from the terrible prospects of bankruptcy.

Some politicians will say that deficit and debt are a problem but not to worry. Those politicians are burying their heads in the sand. We have been told for 20 years that things are going to get better, yet our situation has never been worse.

In the next three years we will add $100 billion more debt and we will still be overspending by $25 billion.

For 20 years I ran a small business in Barrie providing employment for some 20 people. Each month and each year I worried that we would maintain a profit or at least break even so I could protect their jobs and mine. It is no different from any other business, large or small. It is no different than the taxpayers across this great country making ends meet, living within their means.

Why is it that governments think they can do otherwise? A big part of the answer is the fact that governments have been able to come back to us for more taxes, never cutting spending, just increasing taxes. The day of tax increases being productive is over.

My constituents told me very clearly they have no more to give. Any further attempts at a tax grab would ignite a tax revolt. Many of our citizens have expressed their disgust in past increases and broken promises by joining the underground economy which is costing honest taxpayers billions of dollars.

As part of our zero in three plan we outlined a savings of $500 million in subsidies to special interest groups that have been living off all taxpayers when they should have been getting funding from those they supposedly represent. We are doing a further study on this issue.

Governments do not create jobs. The private sector does. The $6 billion infrastructure program outlined in the budget to kick start our economy was described by Sir Roger Douglas, former finance minister of New Zealand, as taking a feather duster to the Eiffel Tower. Those few jobs will disappear after the funding runs out and we will be a further $6 billion in debt.

The private sector will create the long term jobs our children and grandchildren need. The private sector is not looking for government handouts. It is looking for governments to get off of its back and out of its pockets and out of the pockets of its customers.

The reduction in UI premiums is a step in the right direction and I applaud the government for that.

In closing, let me say that all of the problems we face are pale by comparison. If we fail to attack this overspending, this mortgaging our children's future, we will fail Canada. We are facing a battle that is greater than any our country has faced before. Working together we can make the tough decisions to bring back fiscal responsibility.

This budget is not the answer. We cannot delay. We can pay now or we can pay much more dearly later.

Mr. Sarkis Assadourian (Don Valley North): Mr. speaker, the speech was not worth a million dollars to me. He asked for $1 million.

On this motion paragraph (a) asks for a cut in the budget for the youth service corps, the court challenges program, the residential rehabilitation assistance plan, the engineers program and infrastructure program. That is one paragraph.

• (1815)

Paragraph (c) says that we should spend money to produce quarterly reports. We are going to spend money to produce reports but we will not spend money to create jobs. How does one explain this in the motion?

Mr. Harper (Simcoe Centre): Mr. Speaker, item (c) where we are asking that money be spent on quarterly reports on our progress ties in very nicely with a recommendation that was made in the Auditor General's report.

One problem we have faced over the years is that the Canadian public is not being kept aware of the magnitude of this program and our progress or lack of progress in solving it. Our reference to that is for information, to keep this Parliament and all Canadians aware of the progress that we are making toward attacking the deficit and the debt.

I do not think that is wasted money. It is money well spent. We will be keeping in touch with our progress in addressing this most serious concern that we face and indeed that all Canadians are going to be affected by.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I realize the time is short and I will not be able to give the entire load that I intended to deliver to the House on this occasion in speaking in support of our motion put forward by my colleague, the hon. member for Lethbridge.

I had intended to relate to this House the effect that I felt the federal government's budget would have on the agricultural industry. Perhaps when another day provides the opportunity I will be able to give this presentation in a little bit more detail.

I would like to make a few points in the short time that I have available, especially in light of the fact that the Minister of Agriculture is in the House. It would have been a great pleasure and a privilege to discuss agriculture at quite some length because agriculture has been an issue that has strangely been on the back burner. It has received very little attention in the House from the government side.

I know that my constituents in Kindersley—Lloydminster and Canadians in rural areas are quite concerned that the government does not have a handle on federal spending. Federal agriculture programs are not only in jeopardy but our very standard of living is in jeopardy and will affect all communities in this country as well as agriculture.

By not taking the necessary steps to deal with the deficit now the government is sacrificing the future of government services to all Canadians, including people in the agricultural field. Rather than taking these essential steps the government has decided to create more spending programs.

We would encourage the government to place a moratorium on new spending, including the new spending requirements announced in the budget namely, and we have talked about them today, the youth service corps, the court challenges program and the engineer's program but particularly the infrastructure program.

I was quite saddened to hear comments made by the Minister of Public Works mocking Reform's position that Canadians are not as excited about the infrastructure program as the government would have us believe.

The minister challenged members on this side of the House to have their constituencies refuse infrastructure funding. It seemed like a very unfair request to make in that constituents who are represented by Reform MPs are being raped and pillaged by high taxes and then are expected to give up the morsels that the government would offer by way of inadequate infrastructure programs.

More seriously, what is really the heart of the matter is that instead of having a few new programs, what is really going to happen is that we are not going to have security for the programs that Canadians rely upon including federal support for health care for those seniors that the government side seems to be so concerned about, if they have a few programs that have nice frills around the edges. However we lose the core of our health care program. What good are these programs?

If we have a youth corps program but we do not have quality education for our young people in this country, of what value is a youth corps program? Finally, if our seniors lose their old age security pensions and low income assistance, of what value are some of these frills that the government would put forward in the way of new programs?

Reformers have been talking about priorities. We have been talking about what is really important to keep this great country of ours together with a high standard of living that we can all be proud of. Whether we are people in the private sector who are small business people, farmers, whether we are seniors who have committed a great deal of effort and energy into making this a great country, or whether we are the youth of this country who would like to think they have a bright future where they can contribute to a great land and to a society that they can make better, I and many Canadians are concerned that this will not be the case in light of the fact that the government has not been able to control its spending. In fact, this debt may be a ticking time bomb that will explode on future generations and deny them the standard of living and the lifestyle that we have enjoyed as Canadians who have lived beyond our means. They will not have that same opportunity.

Mr. Speaker, I thank you for the short time you have allowed me to speak. As I mentioned, perhaps I will be able to unload the entire load at some future occasion.

[*Translation*]

The Deputy Speaker: It being 6.23 p.m., in accordance with the provisions of Standing Order 81(16), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

Is the House ready for the question?

Some hon. members: Question!

The Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the division bells having rung:

The Deputy Speaker: Pursuant to Standing Order 45(5)(a), I have been asked by the government whip to defer the division until a later time.

[*English*]

Accordingly, pursuant to Standing Order 45(5)(a), the division on the question now before the House stands deferred until tomorrow at 6.30 p.m. at which time the bells to call in the members will be sounded for not more than 15 minutes.

Colleagues, it being 6.25 p.m. the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.25 p.m.)

HOUSE OF COMMONS

Tuesday, March 15, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CANADIAN FOREIGN POLICY

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I would like to table, in both official languages, a guidance paper for the special joint parliamentary committee that will be reviewing Canadian foreign policy.

* * *

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments made by the government.

Pursuant to Standing Order 110(1), these orders in council stand referred to the appropriate standing committees, a list of which is attached.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions.

* * *

NON-PROFIT ORGANIZATION DIRECTOR REMUNERATION DISCLOSURE ACT

Mr. John Bryden (Hamilton—Wentworth) moved for leave to introduce Bill C-224, an act to require charitable and non-profit organizations that receive public funds to declare the remuneration of their directors and senior officers.

He said: Mr. Speaker, I rise in the House today to introduce a private member's bill entitled the charitable and non-profit organizations director remunerations disclosure act, the purpose of which is to bring public accountability to all organizations funded by the taxpayer in the matter of salaries and benefits of their directors and principal officers.

Once a group receives public money directly or indirectly it must be prepared to surrender its right to privacy. MPs declare their pay, and the same principle of salary disclosure should apply to all persons charged with the public trust. This bill addresses that principle.

(Motions deemed adopted, bill read the first time and printed.)

* * *

PETITIONS

LATVIA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36, it is my honour to present a petition signed by residents from British Columbia, Alberta, Quebec and Ontario, which I think highlights the importance of this petition.

The petitioners state that whereas Russian troops continue to occupy a large radar station in Latvia; whereas the maximum intensity of electromagnetic radiation from the station has had a profoundly negative effective on the health of the surrounding population; whereas Latvia as an independent state has repeatedly demanded the withdrawal of these Russian troops, the petitioners pray and call upon Parliament to urge the government to urge the Russians to promptly withdraw these troops from Latvia and further to remind the Russians that future Canadian aid and credits will be tied to the timely compliance with this request.

The petitioners will forever pray.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, Question No. 13 will be answered today.

[*Text*]

Question No. 13—**Mr. Grubel:**

Under the family reunification program, (a) what is the number of immigrants admitted to Canada during the last 12 months (b) what was the average age of the immigrants admitted to Canada (c) how many immigrants does the minister of immigration expect to admit annually during the next three years?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Under the family reunification program:

(a) Preliminary data for 1993 shows that 109,765 immigrants landed in Canada under the family reunification program.

(b) There are three major categories under the family reunification program: spouses, dependent children, and parents and grandparents. The principal applicant may bring with him/her dependents as specified in the regulation. Of the 109,765 immigrants, 50 per cent landed under the spouses category, 12 per cent under the dependent children category and 38 per cent as parents and grandparents.

The average age for principal applicants in the spouse category was 31 years. Ninety per cent of the dependents of spouses were under 19 years and nine per cent were between 19 and 30 years old.

The average age for immigrants in the dependent children category was 16 years.

The average age of principal applicants in the parents and grandparents category was 64 years. Fifty–three per cent of dependents in the parents and grandparents category were under 30 years, 20 per cent were between 31 and 50 years old, and 26 per cent were over 50 years old.

(c) The immigration plan for 1994, which was tabled on February 2, 1994, announced a level of 111,000 family class immigrants for the 1994 calendar year.

No immigration levels for 1995 or later have been identified. On February 2, 1994, the minister also announced that he was launching a new public consultation process that will help shape Canada's immigration policy for the next decade. The process will culminate this coming autumn in a new, 10–year strategic framework for immigration policy, within which new five–year immigration plans will be set.

Levels of immigration for 1995 and after, including family class immigration, will be announced after the consultation process is complete.

[*English*]

The Speaker: The question as enumerated by the parliamentary secretary has been answered.

Mr. Milliken: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1010)

[*Translation*]

CANADIAN FOREIGN POLICY

Hon. André Ouellet (Minister of Foreign Affairs) moved:

That a special joint committee of the House of Commons and the Senate be appointed to consider Canada's foreign policy including international trade and international assistance;

That the document entitled "Guidance Paper for the Special Joint Parliamentary Committee reviewing Canadian Foreign Policy" be referred to the committee;

That the committee be directed to consult broadly and to analyse the issues discussed in the above–mentioned document, and to make recommendations in their report concerning the objectives and conduct of Canada's foreign policy;

That the committee be composed of fifteen members of the House of Commons and seven members of the Senate;

That the members of the House of Commons Standing Committee on Foreign Affairs and International Trade be appointed on behalf of the House as members of the said committee;

That the committee have the power to sit during sittings and adjournments of the House;

That the committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the committee;

That the committee have the power to retain the services of expert, professional, technical and clerical staff;

That the committee have the power to adjourn from place to place inside Canada and abroad and that, when deemed necessary, the required staff accompany the committee;

That a quorum of the committee be twelve members whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six members are present, so long as both Houses are represented;

That the committee be empowered to appoint, from among its members, such subcommittees as may be deemed advisable, and to delegate to such subcommittees all or any of its power, except the power to report to the Senate and House of Commons;

That the committee or its representatives meet on occasions it deems fitting with the special joint committee or its representatives charged with reviewing Canada's defence policy;

That the committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That, notwithstanding the usual practices of this House, if either the Senate or the House are not sitting when an interim report of the committee is completed, the committee shall deposit its report with the Clerks of both Houses, and said report shall thereupon be deemed to have been presented to both Houses;

That the committee present its final report no later than October 31, 1994; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems advisable, members to act on the proposed special joint committee.

He said: Mr. Speaker, we believe it is time to review our foreign policy in light of the changes occurring in the world, our national interests, our capabilities and the new constraints that we now face.

Our red book outlined several initiatives a Liberal government intended to pursue. Since my appointment as Minister of Foreign Affairs on November 4, 1993, I have taken steps to implement these initiatives.

First, the government will soon be ratifying the law of the sea convention. We recognize that Canadians, especially those from the Atlantic region, want a more effective international regime for managing fish stocks on the high seas. To this end, my colleague the minister of fisheries went to New York yesterday to attend a special United Nations conference on this issue.

Furthermore, I have asked my officials to produce a working paper on UN reform issues in preparation for the 50th anniversary of the UN in 1995. I want to point out that Canada has always played a relatively prominent role at the UN. We have given an important grant to the United Nations Association in Canada to promote Canadians' awareness of UN reform in the context of the 50th anniversary.

Together with my colleague the Minister of the Environment, I am also pursuing means to make sustainable development a key component of our approach to international assistance.

In our red book, we also spoke of our desire to make Canada's foreign policy development more democratic. Our determination has not flagged.

• (1015)

This is why I am pleased to open the debate on Canada's foreign policy review in this House today.

We promised to develop an independent foreign policy for Canada. What does that mean? It means first and foremost to have the political courage to say what we think. To dare say what we think, sometimes in spite of others, to say it often before others, but also to always say it better than others. Our foreign policy must not only be independent but also more democratic. And the best way to make it more democratic is of course to listen to the concerns and interests of Canadians. This is why we want to broaden the public consultation process and enable Parliament to play a major role in this review.

We promised to allow Parliament to express its views on major international issues. Indeed, the members of this House have been able to debate our peacekeeping role in Bosnia and cruise missile testing in Canada. I believe that these new initiatives must be pursued. I also think that the parliamentary committee has a unique opportunity to debate the major issues which must be reviewed in the context of our foreign policy review.

I do hope that parliamentarians will hold public hearings across the country and will invite Canadians, not only to submit briefs and testify before the committee, but also to establish a dialogue with the government through the members of that joint committee of the House and the Senate.

We will also invite Canadians at large to play an active part in this review. On March 21 and 22, we will hold a national forum, here in Ottawa, on Canada's international relations. This forum will be sponsored by my colleagues, the Minister for International Trade and the Minister of Defence, and myself. The Prime Minister will preside at the opening of the forum.

More than 100 Canadian personalities from different walks of life will be invited to examine the major directions of our foreign policy in light of the overwhelming changes of recent years. Their comments will be extremely useful to us in assessing our foreign policy. We should be able to determine which policies continue to serve our interests and which should be redesigned.

After the forum, the government will ask the joint parliamentary committee to undertake its own review of Canada's foreign policy, taking into account what will have been said at the forum, and to make specific recommendations. I hope the committee will have the opportunity to hear the views and opinions of all Canadians across the country.

• (1020)

Meanwhile, together with my colleagues, the two secretaries of state and the parliamentary secretary will continue wide–ranging consultations with all those who are interested in international issues, especially the international development assistance program.

The recent annual human rights consultations with non–governmental organizations were very productive for us in preparing for this year's meeting of the Commission on Human Rights in Geneva. The recent International Development Week was more than a mere listening exercise for me; it enabled me to pursue and develop co–operative ties with our partners. We intend to continue in that spirit, because many people in non–governmental organizations follow Canadian foreign policy and contribute to Canada's good name throughout the world by serving Canadian interests abroad in a worthy and very substantial way.

I would like to emphasize in this House the importance that I attach to the consultation process. The forum and the work of the joint committee will certainly not be the last step in this consultative process. Indeed, the government intends to pursue these consultations, as I was saying, and we hope that it will

become a good precedent that will be followed throughout this government's mandate.

In the coming years, we want this forum to be used to examine some particular aspects of Canada's foreign policy. The government will seek to maintain an ongoing review of its foreign policy that will involve Canadians and their elected representatives, because in this world where rapid change and upheaval are the norm, we must establish and develop a flexible and effective mechanism. That is what we intend to do and that is what I promise in this House.

While we are engaged in our foreign policy review, we cannot ignore our international responsibilities. In this regard, we are to participate in five major multilateral meetings this year. At the start of the year, the Prime Minister took part in the recent NATO summit. This summer, he will go to Italy for the annual G–7 summit. In the fall, he will go to Asia for the summit of APEC, which stands for Asia–Pacific Economic Co–operation. Finally, he will attend the summit of the Organization of American States and of the Conference on Security and Co–operation in Europe.

We will therefore be very visible on the international scene this year and we must seize the opportunity to make our views and interests known at these gatherings.

[*English*]

This government was elected with the mandate for the renewal of our economy, our society, our political integrity and our confidence in the future. We have already begun the hard work and we know much more will have to be done. The obstacles are many but our duty to move forward is clear.

• (1025)

Many of our most difficult challenges and hardest choices must be faced here at home. As we said in the red book, finding jobs, protecting the environment, enhancing national unity, providing political security and enriching the cultural identity of Canada are all goals intrinsically linked to how Canada acts in the global arena.

The international community faces difficult problems. Answers will require a concerted effort by countries working together in common. Whether we talk of the economy, of international security, of respect for international law, no nation can stand alone. We face common burdens and share links that cannot be severed.

[*Translation*]

This government knows how hard the task of national renewal is, but we also know that our well–being as a country depends on a stable international environment in which we can prosper.

As the Prime Minister said in our red book: "Canada has always adapted to change and overcome adversity, and that will be the key to our future". We cannot dissociate change abroad from change at home. We must show determination, imagination and courage. We are confident of success in meeting the challenges of our times. However, we will need the support and confidence of all Canadians to meet these extraordinary challenges. We have shown in the past our desire to solve this country's problems in a shared, open and co–operative manner.

The foreign policy review process that I am launching today is intended to observe these same principles. But we do not seek to be iconoclasts. We do not seek to overturn all the values that have guided us in conducting our foreign policy until now. We must achieve a balance between continuity and change. Many sound elements of our foreign policy remain valuable and necessary today, objectives and characteristics that have helped to define us as an independent nation in the eyes of the international community.

I would say that the whole world expects something of us that it does not expect of others. We must keep in mind that Canada is a country which has something special that few countries in the world can pride themselves on having. We are in a sense universal. We have a universality that is unlike any other country in the world. We are Americans and because we are in America, we have forged special ties with our American and Mexican neighbours through NAFTA. But being Americans and members of the Organization of American States, we are also partners with countries in the Caribbean and Central and South America. But we are not only American; our geography also makes us an Atlantic people. Because of our past, our transatlantic past, we have forged very close ties with countries on the European continent. Within the North Atlantic Treaty Organization, we have developed ties of friendship and co–operation with European nations. However, we have also looked to the Pacific. Within APEC, Canada is developing increasingly important ties with Asian nations. We must not forget, however, that there are three oceans. There is also the Arctic. Given our geographic location, we must also develop relations and maintain important co–operative ties with northern nations.

• (1030)

We are fortunate to benefit from both the French and English cultures and languages and to belong to both the Commonwealth and la Francophonie. Canada plays a major role within these organizations. We have become a major trading partner of several African and Asian countries. As a former British colony, we maintain ongoing, friendly relations with Australia and New Zealand, as well as with a number of other African and Asian countries.

Canada acted as a negotiator and helped to bring India and Pakistan closer together with a view to achieving peace. We were involved in settling the Korean War conflict. Following World War II, our military was actively involved in establishing a new peace in Europe. More recently, with the UN peacekeeping missions, Canada has made its presence felt just about

everywhere in the world, but particularly in the Middle East, contributing in the process to making the world a better place.

When we look at what Canada has done and at the extent of its participation, we can see that few countries in the world can claim to have such tangible, important relations with countries on all continents.

We have to bear this fact in mind when we consider ways of improving and changing our foreign policy, while remaining faithful to those before us who helped to develop it.

Of course, we will have to make some difficult choices in some cases, but we cannot betray the hopes and trust that many countries around the world have placed in us. As I said earlier, they expect more from Canada than they do from other nations.

[*English*]

As we embark on this foreign policy review process, we must take heed of what has served us well, of what policies have gained us international respect and admiration, the positions we have taken and the progress we have achieved in critical areas such as peace and security, north–south relations and human rights.

We can be proud of Canada's historic leadership in the international struggle against apartheid in South Africa and of Canada's vision in creating peacekeeping. We have consistently pursued our international values and interests, not through force of arms or belligerent diplomacy but through force of reason and commitment. We have always willingly fulfilled our responsibilities as a global citizen seeking to build international understanding through co–operative multilateralism. We have welcomed international trade and investment rather than retrenching ourselves behind protectionism. Canada played a key role in the successful conclusion of the Uruguay round and toward the creation of the World Trade Organization.

• (1035)

We will continue to build on the strong foundations of our support for peace and security, international prosperity and development, respect for human rights, democracy and good governance, the rule of law and free trade.

[*Translation*]

These elements will continue to be basic objectives. While the dramatic events of recent years give us a sense of hope, modern times, unfortunately, are as dangerous as ever. The war in the Balkans is, sadly, an all too obvious example.

We must continue to move from security structures originally designed to contain the Soviet threat toward a new system designed to manage risk and unpredictability. Thus, we must consider the future of multilateral organizations such as NATO and the CSCE. We must also redefine, as I stated earlier, the role of the United Nations and we must also endeavour to make regional organizations such as the Organization of American States more relevant.

We must also nip possible new sources of conflict in the bud by continuing our assistance to programs aimed at dismantling nuclear weapons and by broadening and enforcing non–proliferation treaties, especially in North Korea, South Asia and the Middle East.

[*English*]

Chemical and biological weapons of mass destruction raise new fears. Recent treaties to halt and reverse their proliferation are steps in the right direction, but improved verification and universal accession are essential. International action is also needed to arrest and reverse an excessive stockpiling of conventional armaments.

Large scale movements of people, whether refugees displaced by persecution or persons seeking improved economic conditions, will continue. The scenes of displacement and despair we see every day unfortunately on our television screen are graphic reminders of how much remains to be done.

Countries will have to work together to address the root cause of migratory pressures. Stopgap measures to ease the pressure or stem the tide will fail.

[*Translation*]

The rise of ultranationalism as a political ideology puts progress toward democracy at the mercy of intolerance. We must act internationally to respond to problems related to the treatment of ethnic, religious and cultural minorities. Canada has much to offer the international community in this regard. The political, social and economic components of various environmental issues must be studied as parts of a whole. The solutions we must find to new environmental threats will not always be easy to accept. Sustainable development is the only way for both developing and industrialized countries.

• (1040)

[*English*]

Economically we are faced with explosive change. Dramatic developments in technology are driving changes in the organization of production, in investment patterns and in financial transfers which defy traditional frames of analysis and forms of control.

My colleague, the Minister for International Trade, will discuss these changes and their implications for Canada in greater depth.

I would like to note that economic, political and social changes cannot be separated. As we can see in eastern Europe, they intercept, overlap and occasionally conflict.

[*Translation*]

With this in mind, we wish to benefit from the knowledge and experience of Canadians. I know that our fellow citizens care about their country's foreign policy. We must therefore listen to Canadians. They can best tell us what values and interests this country must promote abroad, and how we can best contribute to the international community.

However, I think that we should take into account our important cultural contribution abroad in our review of Canada's foreign policy. We must recognize that our international contribution in this area is directly tied to our national actions to support creativity, innovation and human resources development.

Of course, our policies must be realistic. Unfortunately, we will not be able to do everything we want to do. So, difficult choices will have to be made. Our resources are limited, and we must focus our efforts where our contribution will have the greatest impact. No single issue will be off–limits in this debate on foreign policy. However, as a government, we must give the broad outline of this policy and we intend to pursue our action in the following areas: first, the pursuit of international peace and security. Second, defining Canada's place in a world where the role of regional associations is growing stronger. Third, linking Canada's values and interests, including our economic and trade interests.

Geoffrey Pearson aptly described in his book entitled *Seize the Day* how Lester B. Pearson and his ministerial colleagues shaped Canadian foreign policy to be independent, original, forward looking, based on truly Canadian values but requiring at the same time a sustained involvement in international organizations such as the United Nations and NATO.

In fact, Canada has always centred its security policy on two multilateral institutions: NATO, to contain the threat of communist expansion and to protect democracy; and the United Nations, to promote the values of dialogue and co–operation to resolve or prevent conflict. The end of communism has reduced NATO's importance as a military alliance. However, much can still be done by NATO.

In the unstable new Europe, NATO must transform itself into a collective security organization while welcoming into its orbit the countries of eastern Europe which want to join and become our friends instead of our enemies. This is an opportunity that the western world cannot ignore or refuse to see and take up, one that will have to be acted upon as soon as possible.

• (1045)

While NATO's role has changed, the UN has had to face a multitude of new demands and its role, instead of declining, has grown considerably. As you know, Canada has greatly contributed to the building of the United Nations, which reflects many values held dear by Canadians. After 40 years of near paralysis caused by the cold war, the UN is now being asked to play an increasingly active role in seeking and maintaining international peace and security.

Of course, this transition has not been an easy one. Far from yielding to the temptation of easy criticism, we must admit that the United Nations has been asked to assume almost overnight a role for which it was never prepared. Indeed, one wonders how it has been able to function in these trying times. I think that it is in order to thank the Secretary–General, Mr. Boutros Boutros–Ghali, and to hail his remarkable efforts. He needs the support and encouragement of all peace–loving nations and all representatives of UN nations.

Canada has led appeals for a sweeping reform of the United Nations, but we must show as much courage, innovation and determination today as in the aftermath of the second world war, when the nations of the world united to create major international institutions which, I would say, have served us very well over the years in spite of their little flaws.

[*English*]

Institutional inertia has frustrated creative thinking. We accept that the world is far more complex than it was five decades ago. We realize there are many more countries representing many more interests and perspectives. We understand we cannot tear up everything and start anew, ignoring the significant contributions made by international organizations, in particular by the United Nations. Lester B. Pearson said many years ago: "We cannot abandon the United Nations as the main structure of peace".

We do believe, however, that it is time once again to encourage fresh ideas about where we want to go as a world community. We could draw on our expertise and our experience to develop new ideas on peace making, peace keeping, peace building; on arms controls and disarmament; on forms of adjudication and redress for interstate conflicts; on reform of the UN's specialized economic, social and cultural agencies; on practical measures to strengthen co–operative security organizations; on improving multilateral development mechanisms to deal with chronic underdevelopment; on dealing with international ecological disasters; and on reacting to international population migrations.

Obviously this list is not exhaustive, but it is indicative of the areas where the government believes Canada can help make a difference for the better. Now that the cold war is over we must continue to bring the nations of the world together in the pursuit

of peace. We must continue to work on frameworks that will enable dialogue and co–operation between nations.

• (1050)

Lester Pearson said in accepting his Nobel peace prize in 1957:

> The best defence of peace is not power but the removal of the cause of war and international agreements which will put peace on a stronger foundation than the terror of destruction.

[*Translation*]

Canada must review its geographic priorities in this new international context. The end of a world divided into two camps and the emergence of new economic powers have contributed to the development of regional groups. Regional institutions can benefit the international system in many ways. They are sometimes the best tool for economic development and mediation.

We hope the growing power of certain countries will give them the necessary confidence and determination to promote co–operation between regions on a large number of international issues. We wish to establish strong ties that will enable us to initiate open and honest dialogue on our economic, social and political concerns, and on human rights in particular. However, these regions may form hostile and aggressive blocs. Canada has much to contribute in avoiding such a development.

We Canadians know the importance of dialogue and co–operation. The government is determined to help the countries of the world to adopt this course. To this end, we will have to review our priorities. We will maintain our relations with Europe because of our historical, cultural, political, economic and security ties with that part of the world, but we will also have to see how this new Europe will be affected by the growing development of the European union. This union will admittedly play an increasingly important role in Europe and lead North America, and Canada in particular, to reconsider its position in relation to the old world.

[*English*]

It is clear that North America will have to adjust its presence and influence in a Europe growing stronger and more united. Our political task in Europe today is building the economic and democratic structures and security of eastern and central Europe including Russia and Ukraine.

The past election in Russia has confronted us with new challenges. The results of the upcoming elections in Ukraine could also be critical in determining that nation's progress. We have already mentioned our interest in developing a special relationship with Ukraine. I have already announced specific measures toward that goal.

There is a great deal to be done. We will continue to work closely with our traditional allies and our new friends in Europe to promote security. However the respective roles of North America and Europe will gradually change. The transition will lead to a new relationship as rich and as harmonious as the one that saw us through the cold war, but it will be focused on new issues that reflect the new world environment.

Canada is by geography a nation of the north. Our relations with the United States are of paramount importance to us. We have already established a businesslike atmosphere in which to pursue our many bilateral interests. We intend to keep it that way.

The United States today is adapting to changed circumstances at home and abroad, and we share many of the same concerns. We believe Canadian experience, particularly our approach to multilateralism, can prove useful to the Americans as they develop new perspectives. We look forward to working constructively on the international scene with our neighbour.

• (1055)

This however does not imply that we will jeopardize our concern and our interest so as to avoid disagreement between our two countries at any cost. This is what I have indicated very candidly and very forthrightly to my American counterpart, Warren Christopher, during my recent visit to Washington last month. I made Canada's concerns about efforts by a certain group in the U.S. to reduce our agriculture and other exports quite clear and unequivocal to him.

I also indicated to Mr. Christopher that this government was determined to set its own independent course in foreign policy. By being independent I do not mean that we are opposed to the American policy but that we want to see action being taken with a Canadian point of view in mind. Our hope to see the end of the American commercial embargo against Cuba is a clear affirmation of our wish. This is a point I discussed recently with my Mexican counterpart, Secretary Tello, when I visited Mexico as the head of the Canadian delegation to the bilateral joint ministerial committee.

In the past Canada has been in the forefront of diplomatic initiatives. Canada recognized China before the Americans did and in a certain way paved the way to bring President Nixon to China and change substantially the relationship with this giant of Asia.

We Canadians believe that we could play a very important role to bring about democracy and respect of human rights throughout the entire hemisphere. Canada will pursue vigorously such a policy in every area of the Caribbean, Central America and South America in co–operation with other countries. Certainly it will not be against the wish or the will of the Americans but in co–operation as a partner within the Organization of American States.

[*Translation*]

It is obvious that we must further develop our ties with Latin America. We are very enthusiastic about the possibility of creating a community that will include the entire Western Hemisphere, from the Canadian Arctic to Tierra del Fuego. The potential for our trade and investment is enormous. The trilateral North American Free Trade Agreement shows us the way to go. Many steps must be taken, however, before we can achieve such a community.

We wish to encourage open and honest dialogue with our partners regarding our common and respective problems. Together, we must define the results we expect to achieve in order to clearly establish our priorities.

The Organization of American States can play a decisive role in our hemispheric relations, and Canada wishes to make this organization more effective and dynamic.

This government's creation of a position of Secretary of State responsible for Latin America is an indication of our interest in the region. My colleague, the hon. member for Northumberland, has already made two trips to Latin America to promote Canada's ties with its hemispheric partners. I will leave it to her to talk about our objectives in more detail. She is also responsible for Africa. It is in this latter capacity that she will lead the Canadian delegation to the election–monitoring mission in South Africa and visit some African countries to maintain our very close ties with that continent.

The Asia–Pacific region has become a major economic power.

• (1100)

As we stated in our red book, our economic prosperity partly depends on our determination to develop our trade relations with the Pacific rim countries. We will work continually with our private–sector partners to increase export opportunities for our businesses.

We also expect to see the region play an increasingly active role in politics and security as its economic power grows.

To show the importance we attach to this area, we have also appointed a Secretary of State for Asia–Pacific. I know that the hon. member for Richmond has already taken initiatives to improve Canada's ties and exchanges with the countries of the region, and that he intends to explain them to you later in today's debate.

With its west coast open to the Pacific, it is in Canada's interest to develop and diversify its economic and social ties with the countries of the region, as the Prime Minister demonstrated at the APEC summit in Seattle in November 1993.

Canada's interests are worldwide, and we will continue to have an active foreign policy that reflects our interests. Over the years, Canada has played an important role in the quest for peace. We are actively participating in the Middle East peace process, and we chair the refugee working group.

Last month, we chaired a meeting in Montebello to co–ordinate the work of all multilateral groups involved in the Middle East peace process.

We are actively participating in South Africa's transition to democracy. Elsewhere in Africa, either bilaterally or as part of the Commonwealth and la Francophonie, we are actively working with governments and NGOs to contribute to the economic and democratic development of these countries.

We will, of course, continue to be active around the world. In these days of budget constraints, however, we must restrict our scope of action. Changes in the world and in our own country are forcing us to make important choices.

If we want to have a coherent and effective foreign policy, these choices must be guided by our desire to build regional and inter–regional mechanisms that will serve us well in the fast–approaching 21st century.

[*English*]

We will remain globally active and committed but we cannot be everywhere in equal force any longer. That is very important. We could continue to be present but not everywhere with equal force. Change in the world and in our own capacity means that choices will be necessary. This parliamentary committee will have to help us make these choices and these priorities.

[*Translation*]

In closing, I would like to address the issue of human rights in our foreign policy. Some people would like to see a foreign policy aimed solely at promoting human rights and their values, while ignoring Canada's other interests. Others insist on a foreign policy that would serve only Canada's economic interests.

It is far too easy and dangerous to simplify the debate in this manner. In so doing, we would only compromise this country's foreign policy. We must recognize that such a cut–and–dried version of the world is wrong. Of course, our economic interests are important. Of course, we want to promote human rights. Nevertheless, we do not have the right to impose one at the expense of the other. Insecurity, instability and war are detrimental to international trade. Human rights, democracy and good governance are the best defences of peace and security.

• (1105)

History shows us that economic development and respect for human rights sometimes go hand in hand. Increased prosperity often triggers social change. When we talk about economic prosperity, we are also talking about international trade and investment. The development of international trade and investment is clearly vital to Canada. We depend on it for our own development, for job creation and for our economic recovery.

There is thus a complex interplay of values and interests, both in developing countries and here at home.

Is there no way to better reflect our values and interests in our foreign policy? Is there no way to combine them? Can we build economic and political mechanisms that will show that the way to universal prosperity lies through fundamental rights for all?

It is my profound belief that the concept of intervention as a right and a duty represents a turning point in the history of humankind. The world has only recently understood and accepted this concept which, to some, constitutes interfering in a country's domestic politics but to many others is a sign of hope.

I say this because I have seen the results. In Haiti I spoke to Canadian members of religious orders who work in that country, and these quite remarkable people taught me that intervention could be a duty. Considering Canada's intervention capability, we cannot afford not to use that capability to advance the cause of human rights. We cannot remain indifferent to the fact that throughout the world, millions of human beings are being denied their most basic rights.

Indifference is the modern barbarism, and we must therefore make every effort to advance the cause of democracy where we have an opportunity to do so as Canadians, because democracy remains the highest value, in the Northern snows and in the rice paddies, in the tall grasses of the savannas and the tropical rain forest, on the hot sand and in the desert. Everywhere, democracy remains the supreme value.

And if democracy is to be truly synonymous with peace, we must support it through our foreign policy. Where there are democratic governments, these governments support the cause of peace and promote peace in the world. In a democratic system, there is respect for minority rights and human rights are protected.

• (1110)

We must act as tireless promoters of democracy throughout the world, and in doing so, we will have an impact on world peace and security. This does not mean we must cut our political and economic ties with countries that do not respect democracy and human rights. If we isolate them, we will never be able to influence them. That is why I say, to those who insist that we make respect for human rights a pre–condition for our trading relations with certain countries, that they are on the wrong track.

We must persevere in our efforts to advance the cause of democracy in countries where it does not exist. We must do so carefully and with respect but we must persevere. I believe that if we do, if we are determined, Canadian values will be appreciated and indeed emulated by these countries which we must help, not for the sake of their leaders but for the sake of their people who are suffering and who deserve a better life.

[*English*]

This brings me to our development assistance program. Canadians are proud of our development assistance record, but they are concerned about program delivery and the long term effectiveness of aid.

The pressure for review of the aims and utility of the development assistance program is increasing as governments and societies struggle with deficit, debt and structural adjustment. The countries we assist are also coming under increasing pressures to provide proof that aid works and to show that the aid provides value. Developing countries will have to demonstrate they have or are prepared to adopt the social, political and economic policies that will maximize the impact of development assistance programs.

The government's earlier policy statements recognized the interdependent relationships between developed and developing countries. There are those who argue that we should abandon our commitment to the developing world because we cannot make a difference. My answer to that is that we must make a difference or we will see the level of global insecurity, instability and uncertainty increase to our peril.

We must work domestically and internationally with other donors to ensure that our assistance is applied coherently, consistently and to the maximum possible benefit.

[*Translation*]

We believe economic and social development in developing countries is a basic element of our own security. The consequences of underdevelopment, such as uncontrolled population growth, environmental damage and mass human migrations, have a long term effect on our security. Perhaps even more dangerous than the threat of nuclear war is the gap between rich and poor on this planet, a gap that is widening steadily. Unfortunately, the poor are very much aware of this situation.

With the communications media we have today, we can no longer hide this fact.

• (1115)

The people of the south who are suffering and destitute know that the people of the north live in wealth and opulence. If we cannot act to ensure that the people in the south benefit from the wealth of the north, we are going to have a very serious problem, because ultranationalist, extremist and fundamentalist movements will use this human misery to turn people against the richer countries and take advantage of this situation to become a

revolutionary force in the world. It is therefore imperative for us to collaborate with other partners and the world of poverty.

I believe that when formulating our foreign policy, we must ask ourselves the following question: What kind of world do we want to live in?

[*English*]

In formulating a foreign policy, questions of Canada's future should never be separated from the wider question: What kind of world do we want? This will be the question that the members of the parliamentary committee will have to answer in formulating suggestions for our foreign policy. I look forward to receiving their views and advice in this regard.

Let me indicate the kind of world I would like to live in. I dream of a world where there will be no more arms race, no more famine, and no more economic deprivation. I dream of a world where every child will go to school during the daytime in a safe environment and will go to bed at night well fed and in a decent home.

This is obviously a dream. But Canada should work hard to make this dream come true. After all, great events, unthinkable a few years ago, have given rise to a renewal, a new sense of hope, and must inspire all of us as parliamentarians engaged in this democratic decision making process for this country.

Nelson Mandela was released from his prison cell and now leads his party in South Africa's first democratic election. The Gdansk naval yard electrician and underground union leader, Lech Walesa, is now Poland's democratically elected president. A political prisoner and playwright, Vaclav Havel, is now the Czech republic president.

This was unthinkable just a few years ago. But dreams came true.

[*Translation*]

I believe we must work hard to give Canada a foreign policy that meets our foreign aspirations and this includes maintaining our presence on the international scene, in accordance with a tradition of excellence that we will maintain in the future.

• (1120)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I wish to thank the government for giving us this opportunity to address some very important issues that will most certainly generate some very interesting discussion in this House and in the committees that are formed to address the twenty–first century and determine the kind of relations we want to have with the rest of the world.

I would say that I found the minister's approach to the problems and the issues facing us today most interesting. I felt there was a certain vigour in the approach to the future taken by the minister and the government, and I believe this augurs well for the coming series of extremely important discussions.

We know that such discussions were long overdue and that it was very important to get this process under way. Tremendous changes have taken place within a very short period of time. In 1989, we saw the Berlin wall crumble, and subsequently, everything that happened in the Soviet empire.

These changes, and I assume we will have an opportunity to discuss them at length in committee so I will not describe them all today, are taking place as a result of two important facts. The first one is, of course, the end of the cold war, and as a result, the end of the polarized state of international relations which had lasted for several generations.

However, the situation that existed before the present changes took place had the advantage of a certain simplicity. At the time, there were the good guys and the bad guys, and it was relatively easy to define Canada's role, for instance, in the struggle between the oppressors and the other side that wanted to liberate the oppressed and acted in the name of democracy. We all knew where we stood, so there was no need to sit down and wonder whether or not we would support the forces of democracy against stalinism.

Today, things are not that simple. The fragmentation process had led to the emergence of many new players on the international scene, where conflicts have become far more diverse and complex. As far as Canada is concerned, the situation is a far cry from the problems that existed in the golden age of Canadian diplomacy, in the days of Lester B. Pearson, for instance. After World War II, in which Canada had fought on the side of the Allies and helped to win the war, Canada played a very important role and won the recognition of the whole world. The Canadian economy was in excellent shape.

It was a time when there was no deficit and Canada's public finances were not in the vulnerable state they are now. When people talk about changes on the international scene, there have been changes that affected everyone, and these I mentioned earlier: the end of the cold war, the advent of many different players on the international scene, and so forth.

However, for Canadians and Quebecers, there is a new dimension with respect to the international environment. We have a debt that exceeds $500 billion, 40 per cent of which is financed by foreign interests. When we speak of independence, we speak of a concept that is no longer the same. When one is grappling with $200 billion in debt financed abroad in the very short term, a new kind of vulnerability enters the picture and becomes one of a range of factors to be considered when the time comes to define our collective future in terms of our foreign relations.

Clearly, independence does not have the same connotation it had in Mr. Pearson's day. Mr. Pearson did not have to concern himself with the reaction of Canadian lenders. He did not have to worry about the reaction of those abroad who finance Canada's debt. He could, with full knowledge of the facts, define with his government and with Parliament the country's foreign policy directions which depended very little on the reaction of others, in any case, but certainly on the reaction of financial markets. Therefore, many questions arise and it is not my intention, or was it the intention of the minister, to suggest a set course for our foreign policy in the future. What we are beginning here is a process of reflection.

• (1125)

This debate must fuel this process and provide an opportunity to formulate the major questions that we need to ask ourselves. Thus, we must devise a framework for action for the committees that will be sitting. The parameters must be more or less defined so that more specific proposals can be put forward.

With your permission, I would like to identify a number of questions and problems that need to be resolved, new problems stemming from the changes that have taken place.

The geopolitical changes alluded to carry enormous implications. For example, the end of the cold war has also signalled an end to ideology clashes. Today, few people in the world are arguing about who was right, Marx or Henry Ford. I am not saying that the issue is settled and that theorists now believe that Ford was right, but I will say that fewer and fewer people are interested in engaging in this kind of intellectual debate which, what is more, affected the political life of nations.

In Europe, it was extraordinary; some societies were torn by these debates, even at the political level. We were not affected to the same extent but our American neighbours lived through the excesses of McCarthyism. That a great democracy like theirs could be sidetracked by the fears born out of the cold war shows the impact ideology had on the world scene.

We ourselves witnessed the impact of Marxist–Leninist schools of thought and the emergence of various political movements on the evolution of life in Canada and particularly in Quebec. But it is now over in the sense that there is no longer any ideological war. We will not see a Canadian Parliament or a Quebec or other provincial legislature divided between Marxists on one side and capitalists on the other. It is over. This ideological war has been replaced by—

Mr. Gagnon (Bonaventure—Îles-de-la-Madeleine): Oh, Oh.

Mr. Bouchard: Mr. Speaker, I would like to continue my speech and deal with these issues at the appropriate level instead of responding to sarcastic comments from the other side. I am sorry, Mr. Speaker, but I would like the hon. member to be called to order.

The Speaker: We all want to listen to what all hon. members have to say and we hope that we will be able to listen attentively to what the Leader of the Opposition is telling us.

Mr. Bouchard: Mr. Speaker, I do not want to sound presumptuous but the ideological war has been replaced throughout the world by a trade war. Competition is now at the centre of international concerns and has given birth to a very widespread anti-protectionist movement. We saw that the GATT has been reopened, that free-trade movements are gaining momentum and that we, in North America, are at the cutting edge of this trend, having taken concrete action and signed with our great American neighbour and now with Mexico a free-trade agreement that will be extended, we hope, to other countries of this hemisphere. Chile may be the next country to apply; the last treaty that was signed contains an admission clause. Some very important changes have taken place.

All these changes have created new problems. For instance, since international economic development erases borders, economic boundaries will become the fundamental criteria on which international movements will be based. There are dangers on the horizon. For example, it is not a coincidence that concern for the environment surfaced at the same time as the trend towards global economic development. People saw another threat to the environment. We saw that if economic development becomes the rule, we must find ways to subject it, for example, to the constraints of sustainable development. Develop the economy, sure. Create a huge area transcending political boundaries for the movement of goods and services and capital, sure. But not at the price of increasing the pressure on this planet and our environmental heritage to meet such demands. Economic development should not mean killing our forests with clear-cutting, allowing our rivers and lakes to be polluted with toxic substances for the sake of market globalization or clearing our rivers and the oceans of fish. When you see what is happening on the coasts of Newfoundland for instance, it is obvious that economic development is not a cure-all and that such factors will have to be taken into account as we consider and develop our foreign policy.

• (1130)

There are other risks as well. Who will benefit from this economic development? If we are not careful, is there not a risk that only the mighty will gain? Is it not to assert the "survival of the fittest" principle in a new way to allow unrestricted, unrestrained economic development and trade? We must therefore look for ways of making all of this work. We are in favour of free trade. We know this is the way of the future, but we must make sure large, powerful nations are not the only ones to gain. So, we have to ensure that we too, in Canada and in Quebec, can

benefit from this arrangement and that the mighty, such as Japan and the USA are not the only ones that stand to gain from this.

We must look for solutions. What can be done? I will come back to this in a minute. But there is a risk. If commercial interest becomes the golden rule, what will become of the third world? The minister mentioned earlier the widening gap between developing countries and ours. That is a fact we are aware of, but mentioning it does not solve the problem, especially since the Western economy, the have nations are largely responsible for this problem. Take our international development programs for example. We did spend a lot of money on supporting development efforts abroad. Yet, the gap widened. On the whole, we can see that what we have given third world, developing countries in terms of assistance is less than what we have gained from that investment in terms of commercial interest.

So, if market globalization means allowing free trade without taking any of that into consideration, there is a risk. A new economic order is required. So we must think about it here in our country and take concrete action to provide a minimum structure not only for making speeches deploring the widening gap between south and north but also for ensuring ways to remedy the deficiencies which we have observed.

Another very obvious problem also arises. Since international relations are no longer governed by two superpowers confronting each other, we have witnessed a great increase in the number of players on the international stage. I believe that the UN now recognizes 175 sovereign countries. Some claim that there may be nearly 200 or 275 by the end of the millennium in a few years. And it goes on. It goes on because the small and middle powers who had little say now have the opportunity to act themselves—it is no longer just a monologue between the Soviet empire and the Americans. It is growing because the natural lines of force have resurfaced. As the imperial structures break up like the Soviet Union, we see nationalism coming to the surface again, this old nationalist feeling which sets political boundaries. So there will be more participants in international life.

• (1135)

What should we do about it? Obviously the situation is more complex than it was. It has become more difficult than it was in Mr. Pearson's time, for example. It is no longer a question only of managing a relationship with two players confronting each other; now it is a matter of establishing a certain order in relations among nearly 200 actors. Imagine all the permutations of bilateral relations.

There are two dangers there. First is the danger of disorder and disorder leads to threats to peace. We finally realize now that in this tense face–off that we lived with during the cold war, there was a sort of stability, the stability of deterrence; we know how we learned to live with it and it worked in a way that prevented direct confrontation between the two superpowers.

Now we are hundreds and it is not so easy, especially since there are many more sources of conflict and I would say in a way, paradoxically, that the conflicts are somewhat less rational since they involve religious, territorial or ethnic conflicts. Sometimes the irrational takes the upper hand so that the sources of tension and threats to peace are increased. They may be less serious because those countries are not armed with the destructive capacity that the nuclear powers confronting each other had, but there is still a danger.

The other danger is standardization. As you lower economic barriers and have one large area where all kinds of goods can move around, cultures also circulate, but which cultures? The issue has been raised and I think that we will have to discuss it thoroughly in committee. Cultural and identity issues will become more important than ever, because it is dangerous to have a standardized culture take over national identities. The one thing everyone needs when confronted with an intrusive culture is to have familiar anchor points.

It is here that the debate will have to take place regarding the concept of nationalism. I know that this concept has often been debated in this House. It has also been the subject of a recent debate in the Senate. Not long ago, I read a speech on the word nationalism made by a senator from the other place, and I think such a debate will have to take place because there are all kinds of nationalisms.

I was pleased to see earlier the minister allude in his speech to the emergence of this element in international relations and refer to ultranationalism. The minister talked about the bad consequences of ultranationalism, including the resulting intolerance, while in the copies distributed a little earlier the word nationalism and not ultranationalism was used. There is a big difference, because those two concepts are opposite.

I want to remind the House that not everybody thinks the same about nationalism. In fact, there are all kinds of nationalisms. It is somewhat like the comment made by the Greek poet Aesop when, referring to the human language, he said that it was the source of all evil but also the source of all good. It all depends on how you use it.

I want to refer to a speech made by Mr. Boutros Boutros–Ghali, the current UN Secretary–General, in Montreal, on May 24, 1992. If you will allow me, I would like to quote two excerpts of this speech made by the UN Secretary General, in which he wonders about the different connotations of what we call nationalism. He begins with this quote: "The best contribution one can make to the world is oneself", which is from the French writer Paul Claudel.

Mr. Boutros–Ghali goes on to say: "To enter into a relation with someone else, you must first be yourself. This is why a sound globalization of modern life is based on strong identities, since the globalization of a standardized culture could crush other cultures and melt them together, something from which the world has nothing to gain".

• (1140)

In order to communicate you must have something to communicate: To have a dialogue, you must have something to say. So, when you are present on the international scene and you want to transmit your culture to others, as the minister mentioned earlier when he said that he intends to spread our cultural values abroad, you have to know that culture. You have to preserve it, because it must exist. In other words, our identity must be affirmed at some level in our rapport with others abroad.

Mr. Boutros–Ghali also said this: "Each individual needs an intermediary between the universe which is greater than he is and his solitary condition, if only because he needs a source language to understand and decipher the outside world. An individual needs practical interdependences as well as a set of cultural references; in short, he needs an access code to the world. It is in the context of those needs that nation–states operate, in the sense that they go beyond the immediate interdependences of family, clan and village. A nation is a common will to live together which is the first step towards universal civilization. In today's world, if you destroy nations, you will not have a vast universal solidarity; rather, you will have tribes and primary links, whether ethnic or religious, such as in Somalia or in Yugoslavia. You will also have super states to exploit or dominate the former".

There is such a thing as chauvinistic nationalism, the ghetto–building kind, which is turned inwards. There is also the kind that produces great nations, like the United States, France, Great Britain, Germany, Spain and Russia, people who live their identity through political structures adapted to their needs and concerns and their relation with the rest of the world, and who in the process become assets to civilization. Nationalism, if properly understood, is a link to the universal. It is the bridge between the individual and the universal, between the individual and others.

No one will ever say anything against nations as such. Canada can hardly criticize nations because it is one. There is in English Canada a nation which to me consists of people who have a culture and language in common, people who speak English and have an anglophone culture, and the majority of whom occupy the rest of Canada.

In Quebec, there is a nation, predominantly francophone with a francophone culture, which has a francophone vision of the world but at the same time is linked through its language to a universal language, French, just as anglophones are connected by English. That is what culture is about. Culture is a way to reach the universal from what one happens to be, and we are not all the same. We are not all the same as individuals, and we are not all the same as communities.

In Canada, the problem is we have two communities. We have two groups that define themselves according to different elements. The basic elements in this case are language and culture. As long as we have not resolved this problem, we will have to live with the political consequences.

To support what I just said, I would like to refer to a passage from a report on UN activities, covering the forty–seventh session of the UN General Assembly and dated September 1993. I am not quoting a pathological nationalist but people who live at the apex of the pyramid of world diplomacy and know everything about relations between nations and countries. I will quote two short passages: "Individuals find their identity in a nation. Nations find their identity in universality. There can be no international communities without nations. Hence, the so–called incompatibility between the nationalist and the internationalist perspective is merely an illusion". A second and last passage from the same page: "Sovereignty is the art of making unequal powers equal".

I think that in the course of the discussions we will have in these committees, which should be held at the appropriate level, we will have to examine these issues, because the Canadian problem, the problem of relations between Quebec and Canada, the problem of our two nations, is, in my opinion, not unique. It is a universal problem. It can be found at the centre of all international relations, and if we are to define a new international policy without taking this into consideration, it will not be long before we have to start the review process all over again.

• (1145)

Earlier on, I spoke of the international disorder to which we become vulnerable when fragmentation occurs among players. We cannot oppose or prevent this phenomenon because there is some good to it, namely that it reflects reality and the will of the people. To this extent, we must respect it.

However, it increases the need for international relations which are more multilateral in nature. Fewer relations will be of the bilateral kind. Major international organizations will be called upon to play an increasingly important role. This is especially true of the UN which will become increasingly important, even essential.

Within this community of several hundred sovereign nations, there will have to be forum in which discussion can take place, general policies formulated, ideas on common values shared and

peacekeeping operations conducted. I believe that the UN will increasingly be called upon to serve as this forum.

Here in Canada, we are facing a dilemma, as the minister alluded to a while ago in his speech. Our dilemma stems from Canada's geographic location as described by the minister. Our country borders on three oceans and is open to the Atlantic and to the Pacific. We also have the United States as our neighbour. And, although it is true that we must participate more and more in multilateral relations, that is relations where everyone speaks within a common international organization such as the UN, we cannot overlook the United States.

We are fortunate to have the United States as a neighbour. We have to recognize that this country is a considerable asset to Canada. We also enjoy one of the highest standards of living in the world and this is due, at least in part, to the fact that we are part of the vast North American continent which has an extremely prosperous economy. We should not lose sight of the fact that the United States are on the receiving end of 80 per cent of our exports.

Let us not forget that Ontario's economic development is closely tied to the Auto Pact. Let us not forget that the United States are vitally important to us. Most of our large companies that succeed are based on US capital. We must not forget this. In some ways, it will be impossible for us to avoid having bilateral relations with the United States. In our committees, we will have to find a balance.

So, I say yes to the UN and yes to multi–faceted relations with all international players. Obviously. There must be a more open relationship with Asia and Europe, too often forgotten in discussions at the Lester B. Pearson Building. But our relationship with the United States calls for a very delicate balancing act. I think there is a lot of work to do in this area.

I do not want to take too long, as my colleagues will speak after me. I think we can draw a few conclusions anyway. The first one is that we have the nation and we have the individual and that the individual now has a place in international life. In the past, we did not talk much about the individual in international relations but that has changed. We are now talking about it to the point of invoking the duty to intervene, as the minister was saying, in sovereign foreign countries that violate human rights.

I think that our policy should be centred on promoting individual rights. We must also realize that there can be no valid policy on individual rights without a national policy. Individuals form communities. It is very difficult to separate one from the other. Communities bring us to the subject of democracy. Democracy and human rights are, of course, the foundations of the international policies we must define together.

If we are looking for a role that Canada can play, it is to continue to promote democracy in concrete terms at the international level. To travel, for example, to the site of an election so that foreigners can benefit from the expertise of Elections Canada in this field. The Director General of Elections in Quebec also provides expertise and advice abroad. We must actively participate in operations like that in Eritrea, where we have to ensure that the referendum on access to sovereignty is held in a democratic fashion.

• (1150)

The second conclusion is that we must respect democratic rights everywhere. We must recognize the democratic decisions made by others in an appropriate framework under criteria we deem compatible with democratic principles.

Third, we must define methods of intervention. This is not easy because the concept of security has changed, too. For a very long time, security was seen as the need to protect ourselves against foreign military attacks or invasions. I would venture to say that the whole Canadian defense system is directed at the North where the threat has almost disappeared. So we must rethink all this and look at the new, very insidious threats to security, in particular social inequities.

The problems of overpopulation, illiteracy and poverty throughout the world will exert very strong pressure on immigration and create a gap so large that it could lead to all kinds of disasters. There is also the issue of the environment. In a way, the environmental issue is a matter of territorial integrity or should I say ecological integrity. In that context, the enemy is not only others but ourselves mainly. We are the first ones to pollute our lakes and rivers and to clearcut our forests. We are. So, a totally new concept of environmental safety and environmental threat is required.

As for the extremely important but sensitive issue raised by the minister, namely the right or duty to interfere, I think that refinements will nonetheless be required, absolutely, in certain cases. Which ones? Not everybody should have the right to interfere and arbitrariness should not be the rule. The nation exercising the right to interfere should not be the one setting the conditions under which it can be exercised. I think there should be an international process. It is imperative, in my opinion, that some screening be done, by the United Nations say, to determine when, how and by whom this right can be exercised. I would not want superpowers to decide for themselves where and when they can use it.

Of course it is understood that the intent is to promote human rights, but as we have seen, selective use can be made of this right. We all saw how quick we were to intervene in Kuwait against Iraq. Why was that? Because there was oil under the desert. In other cases, we were not so quick, in Yugoslavia for example. We had to be reminded often of the horrors happening in Sarajevo before we took slightly more drastic actions. Much remains to be done. That is what we see happening in Sarajevo,

but similar things are happening elsewhere in Bosnia, in other enclaves, where there are no TV cameras, and perhaps because there are no cameras.

So, yes to the right to interfere, but let us beware of facile enthusiasm where the obligations and conditions involved would be overlooked.

Finally, about the conclusions to be drawn, I would say that some targeting will have to be done because the minister was quite ambitious in his speech. He gave a very broad outline of what Canada should do, what its role should be in this world. That is all very fine, but there is a need to target our action to be more efficient. I think that very delicate and important work has to be done in that area too and that it should be done in committee.

• (1155)

[*English*]

In conclusion, we should be aware of the fact that one of the radical changes in the international environment is that foreign affairs are no longer foreign affairs. Foreign affairs are very much internal affairs.

When we speak about the creation of jobs in Canada, and we badly need to create jobs, we should know that we will never be able to create the jobs we need if we do not have the kind of international trade activity we need. More than 25 per cent of Canada's standard of living is earned through our exports. It is much less in Japan where it is about 12 per cent. It means that we have to be very active abroad. We have to be innovative. We have to implement a very positive relationship with the rest of the world in order to be competitive so we have a very intimate blend of domestic and international issues.

It would be the same when we talk about the question of identity. The identity question, which we thought was a domestic issue, is a very strong one all over the world right now. We believed it was only a question in Quebec but it is not. It is also a question for Canada because Canada will be a big player in the globalization of the economy. As such, Canada will be threatened by invading cultures. English Canadians will have to be very vigilant to protect their own identity. Quebec will have to do the same thing.

There is quite a rapprochement of issues, whether international or domestic. The fact that we have such a huge deficit should be in our minds when we address those questions. We might have great ambitions as far as Canada's role, visibility, presence, prestige and involvement in peacekeeping missions in the world are concerned but do we have the means? We should take a hard look at that. Until we redress the mess we have in our public finances we will not be able to play any real role in the world.

The government should be very vigilant and realistic and clean up our domestic mess before thinking we can be present all over the world. We cannot do that. We cannot sustain an army. We cannot fight the environmental threats with the finances we have. The government is now trying to sweep it under the carpet but we all know that the deficit is a terrible one. It is a cancer eating up the country. If we do not address it, all those exercises and features are useless.

[*Translation*]

I would like to conclude with two reservations that we in the Bloc Quebecois have about the process, not about the content.

The first reservation is that we are concerned that two processes are going on in parallel, the defence committee and the foreign affairs committee, to review fundamental government policies.

However, the two are closely related. I would say that they belong together. We cannot define one without defining the other. The ties are so close that we are worried about having two different operations going on parallel tracks, especially since the deadline for producing reports is not the same in both cases. The left hand does not seem to know what the right hand is doing and it is impossible to define a foreign policy without including the basic elements of a defence policy; similarly, it is impossible to define a sensible defence policy without harmonizing it with a foreign policy.

It all goes together. In reality, there is only one policy. We will have four groups working: a group from the House on defence, a group for foreign policy, and two joint committees that overlap the previous two and will consider the same things, without co–ordination and without having to present their reports at the same time. I find that very disturbing. I wonder where we are going with that. We risk scattering our efforts and fragmenting our thinking, which will not lead to as logical and coherent a conclusion as we might wish.

• (1200)

My second concern is the creation of joint committees. First, two committees of the House already exist. I think that is quite enough, in terms of cost and consistency and efficiency, and now we add joint committees with representatives from the Senate.

The Bloc will vote against the resolution. We want to form a committee where we can work, an effective committee of elected members who democratically represent Canada, Quebec and the various provinces, not unelected senators who are appointed for life by an order in council, a stroke of the pen, and do not represent the people.

By their presence, the senators will make the committees more cumbersome, increase expenses and drag out the discussions, because they are not so in tune with the contemporary

everyday reality of electoral democracy; it is not really worth knowing what the senators think. We can do anything and not bother about what the senators think.

I am convinced that it is a very serious mistake to involve senators in these committees. Elected people should do the job. We are mandated to do so and I am sorry that the government decided to include them. I would like the government to rethink this matter, because then we could vote with it on forming a committee of people who should really deal with these important issues.

[*English*]

The Acting Speaker (Mr. Kilger): I would advise members in the House and particularly those following in the gallery or elsewhere that while the first two speakers, the hon. minister and the hon. Leader of the Official Opposition, had unlimited time and no question or comment period, we will now enter the next stage of the debate pursuant to Standing Order 43.

I will recognize the member for Red Deer who will now proceed with a 20–minute intervention followed by 10 minutes questions and comments.

Mr. Bob Mills (Red Deer): Mr. Speaker, initially I would like to say that we are very strongly in favour of this proposed review of foreign affairs and international trade.

Canada needs a new foreign affairs policy that is more flexible and able to meet current issues quickly and effectively. The review must bring us to a foreign affairs position which allows us to leap into the 21st century.

If Canada wants to regain its middle power role in international relations in the post–war period, it must a choose particular global issue and then diligently follow that issue to its end, utilizing our solid skills and resources. This will make Canada's influence felt. There are simply too many current issues for Canada to be involved in each.

Before getting into some of the details of what I feel this review should incorporate, let me outline how I intend to deal with this issue today. First, I would like to evaluate the process itself. I would like to look at the forces that I see operating in the world. Then I would like to look at the specific areas that this review should cover and, finally, what the goals should be of this whole process.

Regarding the process itself, while agreeing with the need for review and modernization I would like to make several comments about the process itself. First of all, there is the involvement of the Senate. I was very pleased to hear the last speaker agree with our position on involvement of the Senate. We feel this will greatly weaken our ability to present a policy that is truly representative of the people and one that will be accepted by the people.

The Senate is not accepted by the grassroots of Canada and I would defy any member here to disagree with that. The public view is one of being a bunch of members overpaid, big spenders, political appointments, no credibility, no accountability and no constituents to represent.

The international view is much the same. It is a position that cannot even be explained. They are not elected. They have no credentials other than political. They are out of touch and they have no constituents. Their only role is as consultants and advisers but not as equal participants. This will immediately affect the credibility of this review. It may be seen as just another unrepresentative political study to be put on the shelf.

• (1205)

The argument given by the minister as to why we should include them was simply that they may duplicate the effort and the cost. My answer to that would be let them do that. Let them carry out their own study. I submit that it would be like the $6,000 Senator raise. The public would hold them accountable.

In the area of travel, I believe it is justified for the subcommittee to travel. I believe it is a very strong point to go out and get the views of the grassroots and let them speak on this very important matter.

Canadian policy should not be defined by diplomatic relations. It should not mirror what the consultants and what the political people want. It should be from the people. Direct democracy methods need to be instituted and this is a good way to do it. Consult Canadians directly. If you do not do that, at least go to the elected members.

On public hearings, while the need for consultation is vital in developing a credible Canadian foreign policy, there must be a constant vigilance by the committee to avoid being over influenced by the many very efficient and sophisticated lobby groups which have been catered to in the past by previous governments. These hearings could easily become a honey pot, attracting a disproportionate number of special interest groups to the exclusion of many grassroots Canadians. A special effort should be made to hear the concerns and desires of the majority of Canadians.

The timeframe I think also has to be dealt with. While all of us would deplore a study which might drag on, it is important to note that this foreign affairs policy document must be open to change. This policy must be designed to take into account the constantly changing world in which we now find ourselves. I ask members to think back just a few years: Who would have forecast such major changes as the end of the cold war, the

collapse of the Soviet Union, the fall of the Berlin wall and so many other economic changes that have occurred all around us?

What are the major factors that are operating in the world that must be considered? The department of foreign affairs and international trade needs to be able to explain its relevance to the Canadian public. The Canadian people must think of foreign affairs and international trade as a way for us to enter the new era and play an important middle power role.

There have been an enormous number of changes on the world scene. Let us examine just a few of them. Let us start off with some of the political ones. Of course the most notable is the end of the cold war. Predictability is gone and now we have a rise of international, religious and ethnic wars which have plagued us in the past but were suppressed by the cold war. Of course we could talk about examples such as Iran, Iraq, Israel, Ireland, the Baltics, the former Soviet Union and many parts of Africa.

We have as well on the scene Zhirinovsky, the wild card, the possible threat to eastern Europe. That must be considered in all of our deliberations, the growing gap between north and south, between rich and poor, and the lack of a real solid superpower or are there other superpowers which are going to rise and become a problem to world peace.

Second, we have to look at globalization. This is possibly one of the most important phenomena occurring in the world today. Globalization is moving Canada toward an alignment with the western hemisphere and away from the alignment with Europe. It is clear that our military presence in Europe is not essential to Canada–Europe economic ties. Canada will succeed in the European market on the strength of its diplomats and entrepreneurs, not its soldiers.

It is likely therefore that Canadian–European defence policy will now be one that integrates its European interest into a more global co–operation and security force, possibly using the United Nations.

Having said this we should re–evaluate our policy commitment to NATO and NORAD to determine if these alignments are in the best interest of Canada in 1994 and beyond. Globalization is also moving Canada away from the European trade links and toward the western hemisphere and the Pacific rim. Furthermore, with the European Economic Community coming into place, Canada needs to secure its trade position within North America. The Canadian–American position is without a doubt the most important bilateral relationship in Canadian foreign policy. This is especially true with regard to the FTA, NAFTA and a possible future strengthening of the OAS to a level comparable to the EEC.

• (1210)

While the western hemisphere is of utmost importance to Canadian trade, we must carefully evaluate our future trade in light of all the alternatives. We must look to the assortment of possible trade alignments, especially in the Pacific where we will have to work hard to overcome our reputation as a small player.

While this is a highly competitive market, it is one in which we can successfully expand and do well. Some of our Canadian entrepreneurs are already leading the way.

Third, we have environmental concerns. The environment must also be addressed at the national and international levels. The continuing dangers of ozone depletion, loss of species, accumulation of hazardous waste, loss of arable land all become serious potential international crises. This will be a particularly difficult issue for Canada.

On issues such as the forests in Brazil, Canada has asked that other countries begin a process of sustainable development in a way that mirrors our national plan. Unfortunately for some countries, this becomes an issue of environment versus development. Likewise, these countries look for financial assistance from the north to offset their development losses. Currently Canada cannot afford to provide this assistance in light of our present domestic economic situation.

Failure to address these environmental concerns will greatly handicap our ability as a country and, more significantly, the world in total to move ahead with normal sustainable development.

Fourth, we have to look at the world population. With shrinking fiscal resources our ability to help in the ongoing problem of overpopulation only worsens. However, it is essential that efforts continue to try and control this overriding world problem.

The International Monetary Fund must also be considered. Putting our domestic affairs in order is of obvious importance to our international affairs. We must remember that our public and private international indebtedness is the highest of any G–7 country. If the IMF is forced to become involved in our domestic policy, we would suffer a major setback in our international reputation. This threat remains as long as we fail to deal with our rising debt and deficit.

Next I would like to talk about the areas that I and we as a party feel should be reviewed and covered in this overall look at foreign affairs policy.

First, what is the role of Canada in the world? In response to the new challenges of global competition, environmental problems, emerging nation states, in a time of shrinking fiscal resources and greater political uncertainty, what role should we

play in the world? We must target effectively those areas in which we can be leaders and target areas in which we can build a domestic pride inside Canada and a reputation as leaders internationally.

Canada can play a leadership role as a major middle power, not by big spending and glitzy, showy consulates, not by being me too U.S. followers but by being ourselves; hard working, reliable, good managers of money and people. This is one area of government where we really can recreate a national pride which has been tarnished by recent governments.

What about our foreign affairs and international trade department? The operation of this department must be part of our evaluation. We must be sure that some basic criteria are followed. The group must be efficiently managed. Emphasis on Canadian strong points are of most importance.

• (1215)

A lean mean group of dedicated, highly motivated individuals is critical. The group must be flexible in this rapidly changing environment. Cost must always be uppermost. Overexpenditures and waste will not be tolerated by the public any longer.

We also have to ask if privatization is feasible. Another speaker will discuss this further. We must get more for less from this department.

Two of my colleagues will be discussing the area of peacekeeping further. Conflict resolution must be seen as an international growth industry with new hotspots continually emerging. We must enhance our reputation as international peacekeepers.

Furthermore I advocate using our conflict management experience to create international peacekeeping centres to train other countries in effective peacekeeping. International training would not only bring in funds but it would also present us as a world power and would allow us to use some of our abandoned military bases.

In the area of trade, Canada is a trading nation. One of my colleagues will be developing this topic further a little later. We must remember however that only by developing our position in international trade will we truly be leading into the 21st century.

The role of the United Nations has been discussed. There is reason to question the current ability of the financial and political capabilities of this whole organization. The UN's administration and guidelines that shaped international reaction must be reviewed. Therefore we support the call for a United Nations charter review conference in 1995.

With respect to the issue of Quebec in the short term we must review the ramifications to Canada internationally should the Bloc Quebecois and Party Quebecois realize their goal of separation.

Specifically we must look at trade and trade agreements as well as the international treaties. Quebec would have to renegotiate some 170 treaties with the U.S. alone, including the FTA. Also to be considered would be Canada's international position with the absence of Quebec.

There are many other areas that should be examined. Some of our future speakers will be discussing such things as CIDA and the whole foreign aid situation and certainly the area of human rights. I will leave those issues to them.

Finally, what should be the goals of our review and of our subsequent foreign policy that we will be developing?

This review should cover all of Canada's affairs outside our borders such that all other related reviews and agencies can focus their policies and concerns solely on Canada's domestic situation. The last speaker mentioned there are many studies going on. We must focus these studies and this one particularly. Conflicting points of view in this area will do nothing but send the wrong signals to our international partners.

The goals can be summarized simply: First, to raise the profile of Canada as a truly influential middle power player on the world scene. Second, a policy which will allow us to move our human and capital resources on to the world scene quickly to take full advantage of opportunities presented by new technologies or new demands. Third, send a message to government, business and labour that we are open for business and that co–operation will be the only way to open and enlarge our status on the international scene. Finally, a policy of aid based on respecting human rights and basic democratic principles and on our ability to help those who want to help themselves.

We in the Reform Party look forward to working with other members to achieve a truly representative foreign affairs policy to serve Canada well into the 21st century.

Given my comments, I move the following amendment to the motion:

That the motion be amended by:

a) Deleting in paragraph one the word "joint" and the words "and the Senate";

b) Deleting in paragraph four the words "and seven members of the Senate";

c) Deleting in paragraph five "on behalf of the House";

d) Deleting in paragraph ten (i) the word "twelve" and substituting the word "eight", (ii) deleting the words "so long as both Houses are represented", (iii) deleting the words "joint Chairpersons" and substituting the word "Chairperson", (iv) deleting the word "six" and substituting the word "three";

(e) Deleting in paragraph eleven the words "Senate and";

(f) Deleting in paragraph fourteen, (i) the words "either the Senate or the House are" and substituting the words "the House is", (ii) deleting the words "Clerks of both Houses" and substituting the words "Clerk of the House", (iii) deleting the words "both Houses" and substituting the words "the House"; and

Deleting paragraph sixteen.

• (1220)

We do this to complete the review and allow it to be more effective, more cost effective and more meaningful as a Canadian foreign affairs policy.

The Acting Speaker (Mr. Kilger): The amendment is deemed acceptable.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I will just speak briefly, mostly on the amendment proposed by the Reform Party. I will say that we, Quebecers, have the same concerns about the involvement of the Senate, that we should call the other place, I believe, when we refer to it in the House. I am totally in agreement with the amendment which would remove any mention of that other place.

I think that the government—as the leader of the opposition was saying a moment ago—is putting two trains on different tracks, and we do not know where they are heading. There is already a committee on defence, and then a joint committee on defence policy was agreed to a few weeks ago. There is a House Standing Committee on Foreign Affairs and International Trade and now we want to set up a joint committee. I agree that the other chamber does not need to sit on the committee, does not have to be part of our reflection, because it does not have a democratic mandate. The leader of our party said so in his speech. We certainly are in favour of a review of our foreign policy, as it is necessary, but it should be done by a committee of the House only.

• (1225)

In that sense, the amendment of the Reform Party is certainly desirable. I hope we will do without this relic of colonialism that we call the other place and that is made up of people without a democratic mandate, people who sit there as a political favour, former fund raisers for the two main parties, the Liberals and the Conservatives. There is no reason why these people should be involved in defining our foreign policy. There are enough elected members, including 205 newly elected ones, who have something to say. I could say too that expanding a committee or creating a parallel one is a waste of money.

I wish to congratulate the hon. member for introducing this amendment. I share his views on the relevance of senators in this committee and also on cost, since increasing the number of members would increase the cost should the committee be called upon to travel. This, in my opinion, is a shameful waste of money and, as far as we are concerned, we would rather see the Senate abolished that have it participate to committees.

[*English*]

Mr. Mills (Red Deer): Mr. Speaker, certainly I appreciate that support. As I mentioned in my speech we feel very strongly about it. I trust many of the members on the other side will agree that the other place does not need to be represented. We certainly look forward to the vote on that item.

Mr. John Cannis (Scarborough Centre): Mr. Speaker, I also enjoyed the presentation of the member for Red Deer.

One thing that made me very happy was his indication that Canada should identify its role by being what we are. We are good money managers and I thank him for that recognition.

He also made reference to Mr. Zhirinovsky. About a month back I read an article in one of the papers about how Mr. Zhirinovsky was carving out his own version of Europe, chopping borders here and there. Today as we are dealing with a global economy we need to bring rest within our trading partners and throughout.

How do we deal with those issues when we have comments such as those where at the utterance of one word we could create stability or instability? How do we address those types of outbursts from people such as Zhirinovsky?

How do we force new players in this world which is unfolding before us almost daily? How do we recognize newly formed countries? Do we set preconditions? Do we ask them to come to the table and before handing out any blank cheques say that we should resolve those differences before recognizing them? How would we address those types of comments?

Mr. Mills (Red Deer): Mr. Speaker, this points out what we have pointed out a number of times in the past. That is we must have a little bit of a go slow attitude when it comes to reacting to certain individuals and what has happened in those unstable places like the Soviet Union.

I heard an interesting comment from a speaker yesterday. It was that in Russia the Reagan poodle has died and we are now waiting to find out whether a Rottweiler or a Labrador retriever will take over the country. I particularly like that interesting analogy.

I agree that the poodle is dead. I wonder whether Mr. Zhirinovsky is the Rottweiler. His answer was that for a number of reasons he is not. There are other people to fear in that area. In particular to the Soviet Union, there is a rise of nationalism. The change in the economy has not been good when we look back to the good old days. We must be conscious of all that. It is to our folly—and the last government fell into it—to jump in too quickly and so on.

• (1230)

I suppose NATO recognizing places like Poland should be looked at very seriously. We should take our time. We would

agree with the government and certainly those people on the foreign affairs committee in that whole area. I would say go slowly and intelligently, not with knee–jerk reactions.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, I too want to congratulate the hon. member for the amendment that he moved and say that we intend to vote for it because it relates to an area where Canadians and Quebecers really want to be represented by those whom they elected. I think this would show respect for the opinion of the people who just voted last fall, in the general election, on the way they see the future of the foreign policy, that is that it be made by the people who were elected in the general election.

By the same token, it would be for us an indication of our willingness to do things at a lower cost and to take into consideration all the criticisms that we may have received on the unnecessary spending there may be in the Canadian federal system as well as in all bureaucratic systems. However, we do not intend this morning to put the federal system on trial. In that sense, the amendment from the Reform Party suits us very well and we hope that the government will also see fit to vote for it.

[*English*]

Mr. Mills (Red Deer): Mr. Speaker, I thank the member for his comments. They reiterate a very strong point and we appreciate the support.

The Acting Speaker (Mr. Kilger): I do not want to confuse members, but there was mention made in the intervention of the hon. member for Richelieu that we commonly refer to the Senate as the other place.

Today, with the word Senate being in the motion, I would deem it acceptable for members in replying to questions or comments to use the same term as in the motion. Ultimately we must be vigilant and remain respectful of all members in the House as well as senators in the other chamber.

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, I am pleased to participate in the discussions today of Canada's foreign policy initiated by my colleague, the Minister of Foreign Affairs.

I want to share with members today some thoughts on the role of trade in our total foreign affairs policies, sketch out possible policy directions, and encourage discussions on how we can best proceed in the future.

I am also very pleased to co–sponsor the foreign policy forum which will involve people across Canada from the private sector on March 21 and March 22. It will seek their views on public policy. I look forward to the subsequent work the parliamentary committee will undertake under the initiative of my colleague, the Minister of Foreign Affairs.

The importance of trade to the making and implementation of Canadian foreign policy has long been a central principle of our vision of international relations. Lester Pearson entitled his 1957 Nobel peace prize address "Four Faces of Peace". Significantly his first face of peace and the one about which he spoke most eloquently was trade. Mr. Pearson noted:

> The higher man sets his economic goals in this age of mass democracy, the more essential it is to political stability and peace that we trade as freely as possible.

He spoke of the high political purpose of civilizing the commercial policies of governments through the reduction of trade and investment barriers.

• (1235)

Mr. Pearson understood that trading agreements can underpin human development, including greater respect of basic human rights, by expanding the scope of international law, by generating the growth required to sustain social development, and by making governments that have opened their markets more sensitive to the reactions of international business and other governments. An autarkic, inward looking society that depends little on trade and international investment is less likely to respond positively to concerns raised by others.

The construction of an international system of binding rights, obligations and effective enforcement in which Canada takes its place as one of the more active and creative architects helps to ensure that the rule of law prevails over the rule of unrestrained power and discriminatory fixes. The making of trade rules fits this objective very well.

Despite the disputes that arise and the range of barriers that continue to impede people everywhere from reaching their true economic and social potential, internationally agreed rules governing trade relations can be the cement that binds together the international community.

[*Translation*]

Our government has focused mainly on economic recovery and job creation. Trade directly impacts on that area.

A large part of Canada's prosperity is due to the fact that we have access to foreign markets. Our exports of goods and services account for more than a quarter of our gross domestic product.

At the beginning of the nineties that proportion was slightly less than the one recorded in Germany, about the same as the one recorded in France and in Great Britain and more than double the one existing in the United States and in Japan. Directly and indirectly, exports sustain more than 2 million jobs in Canada, and international trade will become more significant for the conservation and the creation of jobs.

[*English*]

Against the background of Canada's trade record and the importance to Canada of exports as well as imports, the conduct of Canada's trade relations must rest on two pillars: first, the quest for greater international security through agreed rule

making and enforcement and, second, the creation of competitively sustained jobs for Canadians, whatever the product, wherever the market.

It is now generally acknowledged that the world economy has experienced fundamental changes over the last three decades and that these changes have been primarily structural in nature. The globalization of production, the growth of knowledge based industries and the shift in wealth and power to the Asia–Pacific region all point to the rise of a new international economic order.

It is also commonly accepted that attempts on the part of national governments to shield themselves from these changes are not only illusory but fraught with danger. Admittedly this has not stopped certain governments from attempting to do just that. In the United States in some quarters the current political obsession is Japan, which enjoys a sizeable trade surplus despite or perhaps because of its current recession. Behind such cryptic phrases as fairer trade and levelling the playing field often lurk notions of replacing open rules based competition with managed trade, restrictive quotas and regulated trade balances. Likewise in Europe there are some who support the idea of a closed, self–reliant bloc. Regional liberalization and policy harmonization are certainly laudable goals when aimed at deepening Europe's commitment to freer trade. However these objectives become rather less admirable when one additional goal is to shut out global competition, especially from low cost producers in Asia or Latin America.

• (1240)

Fortunately or unfortunately there is no turning back the clock on globalization. Like the industrial revolution of the previous century, the kinds of changes produced by rapid technological change and by the liberalized trading system have permanently altered the economic landscape. As we saw with the former communist bloc, efforts to shut out these forces eventually collapsed, with the collapse of the Berlin wall itself, largely because these countries were being left behind in an accelerating, footloose technological race. Countries must either move rapidly to adapt to change or watch their productive capacities deteriorate and their living standards decline.

The central lesson of globalization for Canada is that we can only achieve economic growth through an open, outward looking trade policy. In the current domestic economic climate characterized by accumulating private and public sector debt, high rates of taxation and anaemic consumption, there is no wellspring of demand waiting to be unleashed by the right macroeconomic fix. Any meaningful domestic growth strategy must almost by definition be export led. Only by targeting new and additional markets, by assisting our firms to be competitive in those markets and by creating an open, outward oriented economic base both for domestic and foreign businesses, will the government have any realistic hope of securing long term growth and job creation.

At the same time we must focus not just on how much Canada exports but on what Canada exports, the type of markets we pursue, the delivery systems were provide and, perhaps most important, the productive climate we foster at home will in many ways shape the kind of Canadian economy which evolves in the years ahead.

We must also recognize that in a world of rapid and complex change where international institutions are struggling to keep up, where other countries are employing a wide range of instruments to gain advantage in the global marketplace and where Canada is but a middle power, we need to be more focused, more single minded in the pursuit of our policy objectives.

It has been suggested that political diplomacy is giving way to economic diplomacy. If Canada is to remain a significant player in an international arena characterized primarily by the interplay of economic forces, we must define a more strategic, less universal niche in the affairs of the international community. More than ever trade policy is about positioning Canada in the global economy so that we attract the high value added, high technology industries and jobs of the future.

The key to developing an effective trade strategy for Canada is to begin to identify more precisely our national priorities, both regionally and sectorally, based on a much clearer assessment of where our economic interests lie. In practical terms this means working directly with our key export sectors to develop a more focused, more agile policy agenda which is concerned less with trade instruments or the institutional frameworks than with trade objectives. It means using all the policy tools at our disposal, multilateral, regional and bilateral, to achieve clearly set out national priorities. In an ideal world, trade liberalization would occur multilaterally on the broadest possible range of fronts. Unfortunately we are dealing with an imperfect, changing world and we must be prepared to wield a whole array of trade policy instruments if we want to reach our market access goals.

• (1245)

Although time does not allow me today to examine in detail the policy directions in the trade area for Canada in the decades ahead, I want to set forth what should be our three objectives.

First, we must define our priorities more clearly based on a rigorous assessment of where Canada's competitive advantages lie. It remains true that Europe is still central for many Canadian exports and an important source of investment capital.

We shall continue to attend to the trans–Atlantic market very carefully.

The United States market and the successful management of our trade relations with our neighbour remain fundamental to Canada's economic prosperity.

Nonetheless, the highest growth rate, the most exciting new market opportunities are in the western hemisphere, in Latin America and more especially westward across the Pacific to Asia.

Moreover, it is with many of these emerging markets that Canadian exports will enjoy a strong comparative advantage and major growth opportunities in the years ahead, much stronger than we enjoy in the markets of Europe or even in the United States.

How can we secure further access to traditional markets while actively expanding our economic links with high growth markets overseas? The central focus remains the multilateral trade framework which provides the foundation upon which our trade policy is constructed. For this reason we are committed to promoting an early start to the work of the new world trade organization. Called into being by the recent Uruguay round of the GATT, it is largely a Canadian proposal that completes the post war trade and payment system in the best traditions of Canadian foreign policy.

We shall actively encourage the international community to elaborate more fully a forward looking work program that reflects Canadian interests as well as the new trade issues, especially trade in the environment and the possibility of replacing anti–dumping regimes with competition policy, that have arisen through greater global integration.

We will also actively encourage means by which the new world trade organization, the World Bank and the IMF can co–ordinate their efforts to reach mutually reinforcing policy objectives. We shall actively encourage the prompt accession of China, Taiwan and Russia to the new world trade organization with all its rights and obligations.

The fact remains that Canada's most critical economic relationship is with the United States, the destination of over 70 per cent of our exports, and indeed with North America as a whole.

To manage this relationship Canada has a more comprehensive rules based framework in the recently proclaimed North American Free Trade Agreement.

The government's commitment to strengthening this framework is underscored by our successful efforts to establish NAFTA working groups that will strive to reform practices related to the inappropriate use of anti–dumping and countervailing duties.

NAFTA can provide a complementary tool for expanding opportunities for Canadian exports only if it remains fundamentally open to the world economy. What we do not want to see is a NAFTA which turns inward on itself, devolving into a form of continentalist, protectionist block.

For this reason we must focus our attention on the accession issue and underscore its importance as a means of strengthening trade and investment relations not only within our hemisphere but indeed across the Pacific for those Asian countries ready for a comprehensive economic partnership.

The new world trade organization and NAFTA are not the only tools available to Canada to expand our trade relations beyond North America.

• (1250)

Another approach can be to explore the prospects for negotiating a range of bilateral trade arrangements with selected high growth economies overseas. Such a policy would in no way compromise our existing and vital relationship with the United States. The goal is not to increase Canada's independence through a rekindled third option. Such independence even if it were economically desirable is largely illusory in an increasingly interdependent world.

On the contrary, Canada's role in the FTA and now in NAFTA should be translated into a competitive advantage by encouraging greater economies of scale, by facilitating mutual beneficial sourcing and networks and by helping Canadians to build globally competitive industries. It is essential that we view our North American base not as a buffer against international competition but as a springboard to a rapidly expanding global economy.

Trade agreements open doors. Our trade development activities help companies walk through them. In the emerging economies of the Asia–Pacific region or Latin America the goal of establishing an institutional foothold in those markets and constructing strong business links or alliances is at least as important as formalizing market access agreements.

As the second part of our strategic approach to trade policy we must also devise ways to target government programs and resources more effectively to assist Canadian companies to reach into key markets.

Of particular concern to the government is the role of small and medium sized enterprises which have the potential to be the growth engines of the future but often lack the critical mass, the financial resources or the technical expertise to penetrate foreign markets. Building stronger linkages with the private sector, improving the delivery of market information, better co–ordinating government programs, both federal and provincial and further leveraging domestic financial resources are issues now on the table.

The main objective is not to encourage government to be better at exporting but to encourage the business sector to be more aggressive, more outward looking global traders.

Are there ways of redesigning our trade development institutions and activities so that we bring a more co–ordinated approach to the design, the allocation and implementation of our limited resources? Should we consider working with the provinces and industry to be the linchpins of effective export strategies by adopting a more market driven approach to trade development, one which sees government as an export facilitator rather than an export leader? We can use market signals to set our real trade priorities.

Last, we must foster a domestic economic environment conducive to export led growth. It has become commonplace to observe that the boundary between national issues and international issues is becoming blurred in the same way the distinction between domestic policy instruments and trade policy instruments is in many instances meaningless. Regulatory and tax policies that unnecessarily inhibit export sectors must be revisited. Regimes and restrictions that block constructive international investment must also be re–examined. As the world economy becomes increasingly open, Canada will inevitably be exposed to greater and more fluid investments.

We need to ensure that Canada can attract the kind of high quality foreign investment that will allow us to take advantage of technology transfers to sources from global markets and to remain at the hub of international linkages and alliances. The basic objective of our policy is to further Canada's national economic interests at a time when these interests show a far greater constancy than the increasingly complex and competitive world with which we grapple. We can do a much better job of ensuring that these interests are translated into bold policy objectives and clear priorities.

• (1255)

To that end we intend to ensure that the government's own house is in order with regard to international business development support. Upon entering office we found duplication, overlap and sometimes confused mandates that hindered the efforts of our exporters to compete abroad. We intend to correct this and to build a single integrated program that addresses issues such as the timeliness and dissemination of market intelligence, the need to reform the mechanisms now in place that provide export financing, and the promotion of mutually beneficial science and technology co–operation between Canadian and foreign companies.

We have to find ways of doing things better, both because good fiscal accountability demands it and because budgetary realities oblige us all to act responsibly as well as creatively.

Moreover, we intend to develop this program through a much closer and more active partnership with the provincial governments and with the private sector.

This process and the foreign policy consultations now launched will assist us in identifying the appropriate tools and strengthening program delivery. During the course of 1994 I shall announce the concrete results emerging from the consultations in which we are now engaged.

We must ensure that the greater co–ordination of all Canadian foreign policy tools to underpin our interests abroad are respecting the fact that these interests will always be varied. I want to reassure this House that the government will vigorously defend the market access achieved through negotiations and realized in practise through the efforts of our export community. We shall not hesitate to challenge other nations when they do not live up to their international trade and economic obligations, threatening Canadian interests and Canadian jobs as a result.

This is, after all, the whole point of international rule making. We shall be active bilaterally and we shall use the dispute settlement provisions in our international trade agreements to defend the interests of all Canadians.

Today's debate marks early in our mandate a period of reflection and discussion about the direction of Canada's foreign policy in a new and more competitive world in which trade and economic issues will be at the centre of the stage as never before. I am convinced that by working through these issues together we shall emerge with a clearer sense of purpose and a direction abroad that can only benefit the prosperity of all regions of Canada.

[*Translation*]

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, when we look at Canada's external relations in terms of development assistance and international trade with a somewhat critical eye, we have to recognize that by providing assistance, Canada is doing business and seeking business.

Does the minister believe it would be possible, without creating a gap, to make a better distinction between those two Canadian types of action in order to make it clear that business is business and assistance is assistance if we are going to try to eliminate the somewhat undue influences which clearly exist in that area?

[*English*]

Mr. MacLaren: Mr. Speaker, the member brings forward a valuable question in terms of the intended purposes of foreign aid. I am sure that others during the course of this debate will want to comment on that broad question as well.

With regard to the specific question the hon. member raises, the commercial relations of our aid program, commercial involvement in our CIDA program can often bring real benefit. I think in particular of how in a number of instances in which a sale of Canadian goods or services is envisaged in a recipient country, a Third World country, quite often CIDA can provide

the training element that can make a greater reality of the investment. I have in mind the instances where Canadian companies have entered into joint ventures or even direct investment in a Third World country where quite obviously a short term problem is going to be the absence of local people capable of working in that factory or industry. In those instances CIDA has often been able to provide the financing for the training which enables the local people to participate in the new industries involved.

• (1300)

Mr. Charlie Penson (Peace River): Mr. Speaker, I have a question for the minister. I will preface it.

One of the criticisms in the past of our trade department is it has not had really strong links with the private investment community, private business, and it felt a little bit left out. I think I hear the minister saying that is something that is going to be corrected in this review that is taking place.

Could he just assure me that in fact that is actually what he said?

Mr. MacLaren: Mr. Speaker, I do not for one moment want to suggest that I have had misgivings about the abilities of officials in the department to develop and maintain close working relations with the Canadian private sector.

I think all of us would recognize, and I am sure the hon. member would do so, that the world is a rapidly changing place. Technology is evolving very rapidly in a way that suggests that new approaches to the relationship between the trade commissioner service on the one hand and the Ottawa based staff on the other with the business community needs to be under constant review.

One way in which we are giving current expression to that is to examine the ways in which financing is provided to Canadian companies for their export sales. Quite obviously there are limited total resources within the country, whether they come from government or the private sector, to bring about that support.

We are talking with the banks at the moment about how we might better co–operate together on export financing. We are looking in particular, as I noted in passing in my statement, at the possibility of more financing being available to small and medium sized businesses that are interested in getting into the export world, a world that often is bewildering to them and where they need some assistance from either federal or provincial governments and from the banks to participate actively in the export world.

Therein is an example of an area where we are actively looking at some initiatives to see whether we can tie the work of the department and of the Export Development Corporation yet more closely to the private sector interests.

[*Translation*]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, last February 17, the government invited this House to a third debate on national defence launching the process that would lead to the review of Canada's defence policy.

At that time, I mentioned the contradiction in the fact that the government was entering into such a debate before declaring what its own directions, its own intentions were on the subject of defence. Meanwhile, the government had already decided to authorise the United States to resume testing of cruise missiles over Canadian territory and, a few days later, it announced some drastic cuts in the defence budget, the closing of several bases and two military colleges, and the six–month extension of the Canadian peacekeepers' mission in Bosnia–Hercegovina. All those decisions have a direct impact on Canada's defence policy and they were made without the slightest announcement of the government's intentions and before the joint committee responsible for the review of the defence policy had even begun its proceedings.

• (1305)

At the time of that debate, I said: "Moreover, the government assumes that a defence policy can be considered independently from foreign policy, which is not the case. There again, the government carefully avoided unveiling its intentions regarding the direction it will give to this new foreign policy".

That statement is still very valid today, some four weeks later. Today, the government is inviting us to participate in the launching of Canada's foreign policy review process, while once more keeping its own intentions rather vague and unclear. However, today, we had the opportunity to hear the Minister of Foreign Affairs and the Minister for International Trade outline the foreign policy guidelines the government intends to follow.

I must say that I find it totally deplorable that it is only this morning that we were given the working paper which is supposed to be the basis for the debate on Canada's foreign policy. Moreover, the government persists in seeing the foreign policy review process as totally separate from the defence policy review process, an approach which, in many respects, does not make any sense.

Foreign policy is closely connected to security and defence. It is particularly true in Canada where post–war foreign policy has been geared to the collective security system set up under the UN, NATO and NORAD.

The foreign policy review we are embarking upon follows two major reviews of this kind undertaken by the Canadian government during the last 25 years. The first one took place in 1969–70 under the Trudeau government and the second one was conducted in 1984 by the Mulroney government. Since then,

there has a been a lot of water under the bridge and a lot of events caused much ink to flow; cases in point are the fall of the Berlin wall and German unification, as well as the breaking up the Soviet Union and the collapse of communism.

There is an urgent need to review defence and foreign policies in view of drastic changes in world order. Today, the notion of security takes on a meaning very different than was the case not that long ago.

However, several other major changes have also contributed to making the federal government feel the need to review Canada's foreign policy. I can think of the development of communications, the emergence of environmental concerns, as well as the globalization of markets.

It is important to point out that this globalization is an inescapable phenomenon. It is a tendency which affects the economy of all countries, whether they are G–7 members or developing nations. To try to escape this reality would be like ignoring the emergence of new means of communication and production; in other words, it would be tantamount to ignoring the changes which have occurred in our economic environment.

In a previous speech made in this House, I mentioned that the economies of Quebec and Canada are largely dependent on exports of goods and services, which account for close to 16 per cent of the country's gross domestic product. Obviously, the economic prosperity of a nation of seven million people or, for that matter, of a country with a population of 28 million, is contingent upon having access to major markets. This is why I wonder about the reluctance of English Canada to recognize the existence of a potentially beneficial pattern, assuming it is well managed.

However, even though market globalization implies a certain degree of integration in an economic structure which transcends national boundaries, it does not mean that small countries have to yield to the powerful economies of the world.

By standing up for themselves, these small nations ensure that their interests will be protected, since they will have been enshrined in duly negotiated agreements implemented by neutral international organizations. Moreover, they can enjoy the same benefits as their trading partners and competitors.

• (1310)

Many smaller states, like Denmark and the Benelux countries, have done well against great economic powers such as Germany, France and the United Kingdom and have recognized the need to open up to the world.

To protect ourselves against the almost unlimited high–handedness of the great powers, we need to embark upon some serious negotiations and to establish dispute settlement mechanisms capable of withstanding political pressure. Of course, laxness and obscure definitions would under no circumstances whatsoever be deemed acceptable.

There is much more to the benefits of free trade and market globalization. In fact, it is our hope that foreign companies gaining access to the United States and North America will increasingly choose Canada and Quebec as their entrance point to these markets.

As you may have guessed, the Bloc Quebecois is not against reopening NAFTA to include new partners. Quite the opposite, it would welcome them. However, it greatly hopes that the government projects will include significant measures to help Quebec and Canadian businesses and workers to adjust to this new reality.

Various groups were opposed to the signing and implementation of the Free Trade Agreement and NAFTA, because these treaties did not include any adjustment measure.

Finally, I have one last word of advice about market globalization that comes from the Canadian Chamber of Commerce. At a round table on international trade, one of its officials said, and I quote: "GATT, NAFTA and other regional agreements help to create a more dynamic, foreseeable and stable trade environment. However, our members believe that globalization represents bigger and bigger challenges for Canada. They think that the capacity of Canadian businesses to take advantage of the opportunities provided by GATT and NAFTA and to keep their share of the domestic market directly depends on the capacity of Canada to put its finances on a healthy footing".

In fact, the leader of the opposition himself raised this issue earlier today, during his speech.

I have also mentioned that the Chamber of Commerce advocates improved co–operation between the private and the public sectors. As I have mentioned before in this House, this means, among other things, that the government must give access to all the information and expertise it has and create an environment conducive to investments in Quebec and in Canada.

Although Canada and Quebec are irremediably committed to freer trade with the free trade agreement, the North American Free Trade Agreement and GATT negotiated agreements, we must be careful and watchful of arbitrary decisions on the part of our trade partners, in particular the United States, to which our industries could fall victim.

The process leading to the gradual elimination of trade barriers between Canada and the United States is undoubtedly well under way and on schedule, but this does not prevent the

Americans from applying against some of our products and some of our industries protectionist measures which appear to be anachronisms given the current trend towards market globalization.

This total disregard for the international rules of the game on the part of the United States when it comes to trade is evident in a number of areas of economic activity in Canada. Take for example the conflicts between Canada and the United States on steel, softwood, beer, some farm products and uranium.

In those areas, the American authorities are systematically trying to deny Canadian products access to their market by using all kinds of cunning and harassing tactics such as constant red tape, countervailing duties, repeated use of the various dispute settlement mechanisms, etc.

The latest weapon the United States added to their arsenal of trade impediments is their super 301. This rather exceptional measure allows the American administration to penalize the countries deemed guilty of unfair trade practices against the United States.

Super 301, which is in total contradiction with the rules and the spirit of GATT and NAFTA, was strongly denounced all over the world, in particular by the Secretary General of GATT and by the European Commissioner for International Trade.

● (1315)

Fortunately, Canada is not directly threatened, at least for now, with possible application of super 301. The United States are now threatening Japan with trade retaliation measures if it does not open its market wider to some American products. However, there are reasons for Canada to fear the potentially negative impact of the application of super 301 to Japan. The Prime Minister of Australia and some French parliamentarians already expressed their fear.

This strong hint of protectionism from another era shows the need to establish strong international institutions that can guarantee the continuation of the free trade movement and help countries to protect themselves against arbitrary and unilateral decisions by the great economic powers.

In this regard, the creation of the world trade organization as of January 1, 1995 seems to be a step in the right direction. Also, we will have to ensure that clear and functional dispute settlement mechanisms are included in NAFTA and that the discussions requested by the federal government regarding the definition of dumping and subsidies are successful.

As I said earlier, trade liberalization and market globalization seem to be a trend, an irreversible phenomenon. The prosperity of nations will depend more and more on international trade. It is a fact that will be part of Canada's economic reality from now on. So, as I mentioned in this House on February 1, the warm reception given by both federalists and sovereignists in Quebec first to the free trade agreement with the United States and later to the North American Free Trade Agreement should surprise no one.

In the context of market globalization, it appears essential to me that the provinces be able to ensure the development of their economy, their culture and their society. This position, inspired by the Gérin–Lajoie doctrine, implies that provincial government institutions abroad deal with areas under exclusive provincial jurisdiction at the international level.

It is with that in mind that Quebec started, in the early 1960s, to establish a network ensuring its presence abroad. Today it has 27 offices abroad to promote Quebec exports, to seek out investment, to implement immigration agreements and to encourage exchanges in education, language and culture.

Other provinces also, including New Brunswick, Alberta, British Columbia and Ontario, have established a number of offices abroad. However, Ontario recently decided to close its offices outside Canada.

When a provincial government chooses to maintain a mission abroad in order to promote its interests and its culture, it should not expect the federal government to undertake obstructive action against it. If we want provinces to be able to attract investors and to help our businesses break into foreign markets, we should avoid these centralist offensives or pressures on provinces by the federal government.

I would like to take this opportunity to add a few words on the government project called Team Canada. This should not be confused of course with the hockey team of the same name. This project aims to encourage and develop a synergy, a co–operation between the various Canadian stakeholders in the area of exports. Team Canada, it is to be hoped, must remain a flexible organization promoting co–operation and collaboration between these various Canadian stakeholders in the area of exports.

Too often we have seen such initiatives become exercises in centralization which look like bureaucratic monsters. Moreover, consultation with the provinces is imperative if we are to avoid duplication, draw upon their expertise, and define their real needs.

At any rate, the whole process of reviewing our foreign policy, more particularly as it applies to international trade, should obviously take into consideration the views, expectations, and concerns of all interested parties.

At the very beginning of my remarks, I took great care to state my reservations and concerns about a foreign policy review that is totally divorced from the national defence policy review, a rather illogical decision. I would now like to deal with my concern about the process itself.

• (1320)

The government's motion provides for the appointment of a joint committee of the House of Commons and Senate. I think that such a committee is utterly useless and inappropriate. Having a certain number of senators join the members who sit on the Standing Committee on Foreign Affairs and International Trade will only make for a heavier structure and lead to an inefficient and unproductive committee. It will also drive up the costs, since more people will be travelling with the committee.

In my opinion, the creation of working subcommittees that some see as a solution to the problems of effectiveness and cost related to the joint committee's size is in reality a proposal which will ultimately undermine the coherence and unity of all committee members in their work.

Some will say that creating a joint committee will help us avoid duplication between the House standing committee and Senate Standing Committee on Foreign Affairs and International Trade, thus avoiding expenditures made by two committees working simultaneously on the same issue. This argument is pointless since both committees, like all committees of the House which have an equivalent in the Senate, are constantly overlapping anyway.

We agree with the principle which prompts the government to propose the creation of a joint committee of the House and the Senate, that is to eliminate costly and useless duplication between the two committees responsible for foreign affairs and international trade.

Obviously, we disagree on the means. While the Liberals propose a temporary solution to a real problem, which is due to the existence of the Senate itself, we respectfully suggest to our colleagues that the sole purpose of creating such a joint committee is to maintain this ancient and antiquated institution which is completely out of touch with Canadian reality. That is why we oppose the creation of this joint committee.

[*English*]

Mr. Bob Mills (Red Deer): Mr. Speaker, I have a short question. We certainly agree with the mention of the Senate item. I look at the difficulty that Canada has in becoming known in the international community.

The hon. member mentioned something about the efficiency that some smaller countries can have. He made reference to several countries. I would take a look at Norway which has a huge tax burden and a high debt level and point out that maybe it is not being as successful.

My question concerns the economy of size. Some of the hon. member's comments made reference to the fact that smaller units can be successful in the international community. I wonder if he could elaborate on that a bit, please.

[*Translation*]

Mr. Bergeron: Mr. Speaker, I find interesting the specific reference made by my colleague from Red Deer to a Scandinavian country which, everyone knows, has experienced over the last few years a growth in public spending for which it now has to bear the consequences.

I think he has deliberately targetted a Scandinavian country to illustrate his point. He could just as well have chosen a country other than a Scandinavian one, such as Austria, Denmark or Switzerland. He preferred to choose Norway to argue that a small state is not necessarily more efficient than a large one.

In answer to that, I will only point out that while Canada is a large country, it is not really in a better financial shape than Norway.

[*English*]

Hon. Christine Stewart (Secretary of State (Latin America and Africa)): Mr. Speaker, I am very pleased to have this opportunity to address the House on the opening of our foreign policy review.

My remarks today are made in the context of our government's commitment to a foreign policy review. A foreign policy review commences with this opportunity in the House of Commons for elected members of Parliament to speak to issues which, although they may not seem as urgent as their constituents' well–being, are in fact just as relevant to our well–being as health, welfare and a social safety net. Many factors outside of Canada threaten the security of our daily lives and those of our children and grandchildren just as surely as unemployment, health and education programs and difficulties resulting from our debt and deficits at home.

• (1325)

If world population growth rates continue and poverty world–wide is allowed to continue to ravage our global environment, if consumption levels continue without consideration of whether that consumption is sustainable, if women world–wide are not recognized as the critical determiners of health and education standards and economic well–being and yet are not supported adequately in these roles, then our very survival is threatened, not just our economic and social well–being.

Members of Parliament are elected to represent more than the immediate interests of their constituents, important as these interests are. Members of Parliament are obliged to balance the interests of their constituents with the broad and often conflicting interests of the regions of Canada and of our country as a whole. Federally elected members of Parliament must broaden the balance of all these interests to include a global perspective,

the best interests of humanity as a whole, our global family. Our vision cannot be blinkered by narrow interests. We must not be blind to critical issues in a rapidly changing world.

As I am sure all members have noticed since the commencement of the 35th Parliament, determining the future directions of our nation is a complex and often difficult balancing act. Canada has a longstanding reputation for leadership in addressing international problems and we intend to further strengthen this reputation over the years. However, no government has all the answers.

In the post cold war era, we are continually presented with rapidly changing situations, new challenges and many opportunities. That is the reason the government is launching today a broad consultative process with the Canadian people.

[*Translation*]

In the end, the government will have to make decisions based on principles, but we admit that Canadians, because of their culture, education, as well as their many travels and professional experience, are more than ever able to contribute to policy formulation. Such a combination of culture, education and international experience is unequalled in any other country.

The Liberal government is not starting from scratch in this foreign policy evaluation. Over the last four years, we consulted Canadians on a whole series of issues such as UN reform, foreign aid, human rights and sustainable development. Our principles were stated clearly and we want them to be the grounds for our review.

At the end of the process, I sincerely hope that we will be able to establish a more consistent foreign policy whose various components—assistance, trade, defence, environment, health, agriculture, immigration and politics—will be complementary.

[*English*]

In the past, elements of Canadian foreign policy have often operated without consideration of their effects on other policy areas. This resulted in policies which often worked at cross–purposes and which ran the risk of cancelling out each other's benefits. Our fragile planet cannot withstand the continuation of this short–sighted approach. Scarce resources, public and private, must be harmonized to maximize our limited capabilities. We need a full foreign policy review to help us better understand how to achieve coherent results.

My specific purpose in addressing this debate today is to highlight the relevant issues from the perspective of my areas of responsibility, Latin America, which includes the Caribbean and Africa.

I would like to begin with some reflection first on Africa. As a continent which is rich in culture, human and natural resources, I believe it cannot be marginalized. Africa currently has a population of 650 million people, a figure that could double by the year 2010.

• (1330)

With such enormous population pressures, what can we do when the people of Africa are forced to eradicate their own natural resources for the purposes of survival? It is in those situations that environmental concerns become as much a security issue for Canada as terrorism.

The nature of Canadian aid to Africa has changed in recent years. More and more our dollars are spent in providing relief, not development assistance. This relief is augmented by peacekeeping and defence dollars dispensed in response to social, economic and political upheaval.

Ultimately Canada is forced to make huge contributions to refugee programs at home and abroad. We must recognize the immense costs of social, political and economic crises and their effect on our own well–being at home here in Canada.

The cost to Canada of emergency assistance, peacekeeping and refugee care and processing in war zones far outweighs the cost of building secure and stable societies through long term development. In recent years it has become clearly evident that we cannot afford not to promote international peace and security.

Aid or development assistance alone in whatever volume is insufficient to the task. Dollars spent by Canada for development should complement policies and programs of recipient country governments with the same ends in mind.

Sustainable development, good governance, respect for human rights, adherence to democratic principles, economic transparency and acceptable accountability standards are requisite. We cannot afford to squander too many development assistance dollars in countries that do not respect the principles and goals of our initiatives.

For that purpose, Canada has already started to relate our assistance to such principles as respect for human rights and competent economic management. This will surely be examined as part of the foreign policy review.

This is obviously an approach of utmost importance. Yet even a policy of providing development dollars to countries practising good governance policies will not alone achieve sustainable development in those countries. Economic opportunity must also be possible.

For many African countries debt burdens threaten to prevent the emergence of a viable economy. There is an additional need in developing countries for policies to encourage foreign investment and international policies which permit free and fair trade to occur with poorer nations.

Political will on all sides to bring about necessary reform is paramount. I am sure our foreign policy review process will assist the Canadian government in developing proactive, effective methods to achieve this goal.

[*Translation*]

Africa is going through a period of profound changes. The people of many African countries proved their determination to rid themselves of cyclical problems of corruption and abuse associated with their governments. Africans want governments that will be able to fulfil their basic needs, namely as regards health, education, peace, sustainable development and economic stability.

Africa is facing a tough challenge. The changes needed will not be possible without tremendous work and the commitment of its people. Canada is aware that the road to democracy will not be an easy one. Any political change inevitably comes with problems and unexpected detours. Nevertheless, it is important that the democratization process be anchored in the respect of African customs, traditions and values in order to take root deeply and provide hope for future generations of Africans.

In countries that are on their way to democracy, it is not enough to support the democratization process and principles of good public administration up to election day. Although decisive elections are but a first step. Canada must go on supporting the principle of good administration of public affairs.

[*English*]

We also should not underestimate the economic ties Canada has established with Africa. Our African trade involves every Canadian region and has allowed many companies to make more effective use of their knowledge in technology.

• (1335)

This is of significant benefit to Canadians who not only gain market access but jobs and greater economic security for themselves. By applying our knowledge and supplying our products where the demand emerges, Canada maintains and increases its competitiveness.

It is worth recalling that the United Nations, the Commonwealth and la Francophonie are major multilateral organizations through which Canadians and Africans have been closely associated. Many hon. members may not be aware that African countries comprise 30 per cent of the United Nations membership, 27 per cent of the Commonwealth and 52 per cent of the countries in la Francophonie.

The linguistic, cultural and historical ties between our nations have existed far longer than our relationships through aid programs. Canada's bilingual and multicultural nature has been an important factor in building those long term relationships. That is the foundation upon which we can take the opportunity to build a long fruitful partnership well into the future. We only need the political will to do so. In my opinion, we cannot afford not to.

Within our development assistance programs Canada has traditionally attached the highest priority to activities which attempt to reduce global poverty. It has been recognized that crime, violence and large scale conflict often result in situations where poverty is most prevalent.

The government has stated that its goal is to provide 25 per cent of official development assistance. This is to meet basic human needs and human resource development, to provide basic health and education, to work more closely to assist women who are the principal providers of health, nutrition and education, and to provide sustainable development so that future generations may also know peace and security.

The government was elected on the promise of fiscal responsibility. While we are not in a position at this time to increase funding to our development assistance program, our goal remains the same: to achieve a 0.7 per cent official development assistance to GNP ratio.

Despite this need for fiscal restraint I do not believe that limited financial resources necessitate a reduction in effectiveness. Through creative, proactive and well–managed programs our impact can even increase. Initiatives in terms of human rights for example often administered on a small scale can have a widespread impact. Our challenge is to administer all our programs more effectively.

We recognize the impact of necessary change can be felt unequally by different groups in society. Canada is trying to respond to this reality by working with international financial institutions and through local governments to protect existing adjustment programs, but mitigate the negative impacts by launching new social programs to benefit those most directly affected by adjustment. We hope the foreign policy review will address this issue.

Still, Africa's continuing debt burden severely handicaps its efforts at sustainable development. As a development partner we need to consider how best to alleviate this burden. Success will assist in the creation of healthier African economies.

[*Translation*]

Mr. Speaker, allow me to speak now about Latin America. Canada is part of the Americas. With globalization, Latin America and the Caribbean are more and more the focus of Canada's foreign policy. That region has already got involved in a process of fundamental change and modernization on the economic, political and social levels. With its positive co–operation, Canada has a unique opportunity to be able to take part in that development and help shaping it. In this hemisphere, we are considered as a responsible and increasingly involved partner, and I think we have a lot to gain from that partnership.

While recognizing the potential of that partnership, we must also admit that Canada has a lot to learn if it wants to avoid being marginalized in the development of its relationships with the other countries of the hemisphere. These countries have a very

different history, language and culture than ours, and our understanding of their circumstances will affect the scope and success of our relationships.

• (1340)

Canada's foreign policy regarding that region is faced with many difficulties. Our attitudes towards Latin America and the Caribbean must be in tune with the general objectives of our foreign policy, that is the relief of poverty, the promotion of sound public management, of human rights, of social stability, of gender and racial equality, of a sustainable environment and of international peace and stability.

While that population is quite educated compared with other developing regions, they have serious social problems which must be addressed at the grass roots. It is essential that we solve these problems if we want to ensure their well–being in the future.

These last few years, there have been positive political tendencies in Latin America. In the early eighties, many countries had military regimes. Now, almost all governments in that region have been democratically elected in accordance with free constitutional procedures. As these countries get familiar with the democratic process, they bring their policies up to international standards.

[*English*]

Work is being done by Latin American and Caribbean citizens to consolidate and strengthen democratic judicial and human rights institutions. Canadian assistance has been and remains important in reinforcing these trends. The military in most countries now shows a greater respect for civilian authority and has retreated to a more limited proper role in society.

Canada supports and is encouraged by this process of democratization. Similar to our work in Africa it is imperative to remember that elections in themselves do not create democracy. It is incumbent on the donor countries to continue their support until a true democratic society is achieved. In fact we anticipate the day when we learn from each other in this regard.

In the Commonwealth Caribbean, Canada has longstanding strong ties with both governments and people. These ties have been based on shared parliamentary and democratic traditions, common values, close personal contact with government leaders, extensive tourism and major involvement by Canada's chartered banks. We expect these ties to endure and strengthen in the years ahead.

How should our relationship with the region be modified to reflect future and global interests? There has also been significant progress in the area of economic renewal in Latin America and the Caribbean. This provides the foundation for sustainable growth and development.

Many countries in this region are making considerable progress in implementing market oriented economic reforms, privatization, deregulation, emphasis on export oriented production and are integrating into regional and global markets. Investor confidence is improving.

As a result this is a region which is expanding economically and in which Canada has an increasingly important trade and investment stake that can contribute to economic recovery and renewal in Canada. We must seize these opportunities in the most effective manner possible.

Canada's official development assistance plays an important role in our partnership throughout Latin America and the Caribbean. In this instance there are certain existing similarities to our relationship to Africa.

By supporting the economic reform process and encouraging governments to do more now to mitigate the associated social costs, Canada's aid program has promoted sustainable development, particularly in the management of natural resources. It has contributed to a reduction in poverty and has promoted respect for human rights, democratic development and good economic governance.

I know from firsthand experience with grassroots projects throughout Central America the good that can result from human scale community development initiatives supported by Canadians. Our larger scale official programs of development assistance have also had a positive impact in vital areas ranging from food production to human rights, from the development of clean water sources to economic reform. They have contributed to encouraging the economic and social improvements that are taking place.

• (1345)

[*Translation*]

Since it became a member of the Organization of American States in 1989, Canada actively supported the OAS in its efforts to promote democracy and constitutional rule, as well as judicial reform and human rights protection. Its missions have given Canada an opportunity to strengthen human development in all regions.

I believe that Canada should continue to support regional initiatives in favour of human rights, environmental protection and trade development.

In this process, we should also make sure that poor countries are not marginalized. Marginalization of less developed countries can result in instability and massive movements of populations away from poor countries and into rich ones, and could also jeopardize emerging economies. Such situations have re-

percussions all over the world. Therefore, there may be merit in trying to prevent them.

Recently, Canada launched a partnership with a country of this hemisphere, Haiti. As one of four friendly countries—with the United States, France and Venezuela—Canada will play a role in the OAS and the UN in the restoration of democratic and constitutional rule in Haiti. It will support President Aristide and protection of human rights.

[*English*]

Cuba poses another challenge. The Cuban economy has undergone serious deterioration. Economic reforms have been limited as have human rights improvements. However I believe we cannot afford to marginalize any country in this hemisphere. Careful evaluation is necessary to encourage the full reintegration of Cuba into the hemispheric family, a process that will require significant change.

Canada's relationship with the countries of Latin America and the Caribbean cannot be classified in general terms as each country of the region is so vastly different. For those in the initial stages of development simply providing education and poverty alleviation is not enough. We must also assist them in developing fairer trading relations with their trading partners throughout the world.

Latin America is on the brink of having a more significant impact in international policy areas, as it now has a chance to pursue its vision of becoming an important international player. The challenge for Canada will be the flexibility of our approach and the way in which we accept benefits which are offered through the maintenance and continuance of relationships with both Latin America and the Caribbean.

In closing, it is the vision of the future of Canadians that the Liberal Party is trying to capture in this review process. The result of the process should permit policies which not only respond to the domestic needs of Canadians but also project the international image which Canadians want their government and government initiatives to pursue.

In all of this we are working toward a better future, a future with considerably less poverty, positive sustainable development, social and political equity not only for ourselves but for all women, men and children throughout the world and for our partners in Latin America, the Caribbean and Africa. I hope everyone present will assist us in achieving that goal.

Mr. Charlie Penson (Peace River): Mr. Speaker, I commend the hon. minister on her comments this afternoon that add to the very important debate taking place with regard to our foreign policy.

I heard the minister speak about the need for aid in the areas that she represents, Latin America and Africa. Would the minister agree with the Auditor General and his comments that there is a need to downsize and reduce the number of countries we give aid to in order to better target our resources? Could the minister comment on that?

Mrs. Stewart (Northumberland): Mr. Speaker, I am pleased to comment. Earlier today the Minister of Foreign Affairs said that we have to try to be more focused in our foreign aid policies. Being more focused in foreign aid policy does not refer only to aid. There has been an ongoing debate about whether or not we can concentrate on fewer countries having fewer bilateral relations with countries around the world. Through that debate we have produced a greater concentration of development assistance to regions of the world.

• (1350)

The government and I support the development of regional initiatives in the world, but I personally believe that should not preclude our bilateral relations with any country in the world. There are many other instruments of foreign policy besides aid which we can use to enhance and promote bilateral relations with nations around the world.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I thank the minister for her comments. As we all enjoy the debate about foreign policy, hopefully we will come to the start of the process in which we are going to be involved to set policy going into the next century.

I would like a comment from the minister or at least her opinion on whether we should have enabling legislation for CIDA. I was surprised to find no legislation in place at this time that gives CIDA its legislative authority; it is just a creation of cabinet.

Would the minister comment on both the advisability of that because I realize it restricts CIDA's activities somewhat and, in view of that, whether or not it would help to control some of the costs the Auditor General mentioned that have been permanent sores in many Auditor Generals' reports over the past few years?

Mrs. Stewart (Northumberland): Mr. Speaker, I am sure development assistance, foreign aid, and in particular the role of CIDA in providing development assistance and aid around the world, will be very large subjects in the foreign policy review process in general.

The government in its history has kept CIDA closer to its day to day operations of foreign policy. Through the instrument of CIDA and foreign aid there was the desire to supplement other political foreign policy initiatives by keeping them close to the government rather than legislating CIDA at arm's length from the government, as we have done for various other institutions such as the International Development Research Council and the International Institute on Democratic Development and Human Rights.

At this point I would not like to conjecture on how CIDA should progress into the future. I know I want to see these issues discussed very fully in our foreign policy review so that we hear from Canadians how they feel the aid development assistance instrument can be best used in our whole foreign policy package.

The Acting Speaker (Mr. Kilger): I have taken notice of the member standing. Unless there has been a reassignment of seats he might seek to return to his seat while I am on my feet and I might recognize him.

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I thank the hon. member for her excellent speech. I would ask for her opinion on whether or not she sees any role for Canada utilizing the United Nations and bringing together the international community to employ economic levers against countries that may be abusing the foreign aid they get, or even in the context of gross human rights abuses within their countries.

Mrs. Stewart (Northumberland): Mr. Speaker, the government is committed to working very closely with the United Nations in trying to strengthen it, in order that the United Nations can be better able to meet all complex situations that exist in our global world. Right now the United Nations is dominated by a security council with a very limited membership which reflects in many ways a cold war era rather than the era we now exist in.

• (1355)

It is very difficult for the United Nations because of its current structure to respond, as the member suggests, to some of the difficulties existing in the world today. As I said, Canada is very interested in not only continuing to support the United Nations but to help it to reform itself in many ways so that it better reflects the global needs of the world.

Certainly Canada as a nation in its bilateral relations with other countries of the world is very concerned about issues of corruption and misuse of funds provided for development purposes to other nations. We do everything we can. We use every bilateral instrument we have at hand to try to encourage governments that may be practising corrupt activities to stop.

I can say from my own experiences as a minister travelling throughout Latin America and Africa that our own country's initiatives in that regard have had some good effect. Countries are now coming forward voluntarily to tell me about measures they are taking to overcome problems. Many countries through regional approaches are beginning to police each other.

There is great hope about what we can do to face the difficulties the member raised which are serious for us. There are things we can do bilaterally as a nation, but there is more we can do through helping the United Nations to reform itself and reform its institutions so that it can help in the process of addressing these issues.

The Speaker: There being no further questions and it being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*Translation*]

WORLD JUNIOR ALPINE CHAMPIONSHIPS

Mrs. Eleni Bakopanos (Saint–Denis): Mr. Speaker, I would be remiss if I did not mention Mélanie Turgeon's incredible performance at the World Junior Alpine Championships in Lake Placid, New York. This Canadian athlete, who is only 17 years old, dazzled the crowd of onlookers and journalists when she won her fifth medal yesterday.

[*English*]

During the entire week of competition Melanie has shown the world what extraordinary talent she possesses. She won a gold medal in the giant slalom, another in the combination, a silver medal in the Super G, a bronze medal in downhill, and another in the slalom.

This remarkable young athlete is the first skier to have won five medals at the World Junior Alpine Championships, a feat which no doubt foreshadows a brilliant career.

[*Translation*]

Mr. Speaker, I join all Canadians in congratulating Mélanie Turgeon and telling her how proud we are of her and how much we admire her. She is truly a credit to our country. Well done, Mélanie!

* * *

REVENUE CANADA

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, recently a constituent in my riding wrote to inform me that it was impossible to get through to a federal telephone service, Revenue Canada's 800 information number on child tax benefits.

Nearly three million people are affected by the failure of this service. These are the same people who are asked to pay their taxes without delay, while being deprived of a quality information service that could allow them to claim a deduction to which they are entitled.

This situation is intolerable and shows a total lack of respect for taxpayers. I do hope that corrective measures will be taken as soon as possible so that our fellow Canadians do not have to put up with such a frustrating situation any longer.

[*English*]

EUTHANASIA

Mr. Randy White (Fraser Valley West): Mr. Speaker, media seekers have recently jumped on the euthanasia issue with little regard for the risks down the road.

In my riding the non–partisan public advisory group which has a direct say through me in all issues has overwhelmingly said no to legalizing euthanasia. The same response was expressed by a vast majority of people attending our recent town hall meeting in Aldergrove, British Columbia.

However sometimes we need to listen to children to bring us back to reality.

• (1400)

In the words of nine–year old Dustin Chadsey of Clearbrook, B.C.: "I don't think people should be able to kill each other or themselves. Only God can decide if we live or die".

Before the media seekers do more damage, I urge all members to ask all their constituents their opinions on this important issue.

* * *

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Gilles Bernier (Beauce): Mr. Speaker, National Defence is making cuts. The government has no choice, and I support the difficult decisions it has to make. I sympathize with the communities in Saint–Jean, Victoria, Cornwall and Nova Scotia, but we sometimes have to sacrifice symbols and monuments in order to put our finances back on track.

It is possible to reach a compromise on the future of the Royal Military College in Saint–Jean. The Canadian government, in collaboration with the Government of Quebec, has offered to find another use for the college so that the local community will not suffer undue economic hardship. The present debate is emotional and almost irrational at times. It is being turned into a language war.

In the budget, none of our regions has been spared. We are here to make decisions, and I hope the government continues to act firmly. By the way, how about marching to Victoria in British Columbia with Her Majesty's Loyal Opposition, to try and save the Royal Roads Military College?

[*English*]

HUMAN RIGHTS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, human rights violations continue to plague the modern world.

Media reports of atrocities in Bosnia, Punjab, the Sudan, South Africa and elsewhere should shock every citizen around the world.

It is too simple to dismiss these atrocities because they take place so far away, but these horrific events do touch Canadians.

A crime committed against an individual is a crime against all of humanity.

For this reason I would like to voice my support of the recent appointment of a High Commissioner for Human Rights to the United Nations.

It is up to those of us who thrive on freedom to protest human rights violations wherever they occur.

THE LATE DAVE MCCOMB

Mr. Ovid L. Jackson (Bruce—Grey): Mr. Speaker, I rise today on a very sad note on the passing of one of my councillors, Dave McComb.

I still call him my councillor even after being away from the mayor's chair for four months in this House.

Perhaps I can best sum up Dave's accomplishments and his contributions to my community by saying that he gave to politics, as he gave to play and to any other purpose he pursued, a warm integrity, a graciousness of spirit, a kindling touch which enriched all things he did for the lives of the people in our community.

He proved, and that proof is much needed, that all communities need vital individuals and all individuals are most vital when they serve their communities.

I am sure that members will join with me in offering his wife, Nancy, and his family our heartfelt condolences as they are bereaved by his death.

* * *

[*Translation*]

LINGUISTIC MINORITIES

Mr. Jean Leroux (Shefford): Mr. Speaker, as you know, Quebec anglophones enjoy rights they are guaranteed under the British North America Act. Quebec has always respected the rights of its minorities.

For the benefit of the members of this House and Canadians who are watching, I would like to name some of the benefits

enjoyed by the anglophone community in Quebec. First of all, Montreal, where most of the anglophone population lives, has a complete network of hospitals that function in English. They also have two major universities in Montreal—McGill and Concordia—and Bishop's University in the Eastern Townships. They have their own school system at the primary, secondary and college level, entirely subsidized by Quebec.

Quebec has always treated its minorities well, because we know what it means to be a minority, Mr. Speaker. I invite all members from the other provinces to come and visit Quebec to see for themselves.

* * *

[*English*]

BREAST CANCER

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, it has come to light that a Montreal researcher fabricated information that has been used to shape treatment of breast cancer for the past decade. The same researcher also used patients who had not consented to participate in the study. We hear today that the Quebec Medical Association may have known about this for as much as three years.

• (1405)

The research determined that lumpectomies save just as many lives as the removal of the entire breast, and that the drug Tamoxifen can in some cases prevent the return of breast cancer.

Can women be certain that the conclusions from this study are valid?

How could such a thing happen? Last November the government received the final report of the Royal Commission on New Reproductive Technologies. The report emphatically stated that the unethical use of knowledge is not permitted. This applies equally to all areas of medicine.

I strongly urge the government to investigate this serious incident to ensure the medical safety of women all across this country.

* * *

PORT OF HALIFAX

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I wish to draw the attention of the House to the situation at the port of Halifax.

Atlantic Container Lines was ready to guarantee 8,000 new containers per year of cargo bound for Chicago, simply because the port of Halifax provides the most competitive entry location for midwestern U.S. cargo.

The Halifax Port Corporation and the longshoremen's union both agreed on major cuts in handling fees and surcharges to attract this business and keep it there. However, last week the Maritime Employers Association, a board dominated by interests competing with Halifax, voted to reject the union's offer to lower benefits. Only after public outcry did the board decide to accept a revised offer.

However, I remain astounded that any supposedly responsible employer's group could have considered rejecting an offer of concessions from its union, an offer of lowering operating costs and increased competitiveness.

For now, the port of Halifax may have escaped permanent damage, but this incident forces me to question the system through which the port of Halifax can be hampered in its drive for success by a board made up of its competitors.

* * *

WORLD CONSUMER RIGHTS DAY

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, today is World Consumer Rights Day, declared by the International Organization of Consumer Unions.

Throughout the world consumers are marking this event by taking part in activities stressing their contributions to the marketplace in our society. Consumers have a vital role to play in maintaining the wealth and competitiveness of this country: over 60 per cent of Canada's GDP is attributed to consumer demand.

Consumers' voices should be heard and their rights recognized. The IOCU defines eight basic rights of consumers as given in the UN guidelines: the right to satisfaction of basic needs, the right to safety, the right to be informed, the right to choose, the right to be heard, the right to redress, the right to consumer education, and the right to a healthy environment.

We Canadians are fortunate that many of our basic rights as consumers are already acknowledged. We have good consumer protection legislation in place and businesses that for the most part are concerned with producing high quality goods and services using fair marketing practices.

Consumers in prosperous countries such as Canada are lucky to be able to choose from a wide variety of goods and services.

* * *

IMMIGRATION

Mr. Tony Ianno (Trinity—Spadina): Mr. Speaker, in the *Toronto Star* of Monday, March 14 I read about a visit by two members of the Reform Party to my riding of Trinity—Spadina. In their travels they visited Chinatown and Kensington Market where they felt they would encounter Canadians of origins other than English and French who would share with them their opinions of slashing immigration to Canada.

In the process they discovered that the majority of those with whom they spoke looked favourably on the government's immigration policy. One respondent business person, Mr. Danny Tran, a recent immigrant who creates jobs himself, said that more immigrants meant more jobs.

Because of these responses the title of the article was "Reformers Get An Education". To no one's surprise, least of all my own, they discovered that the multicultural mix of Trinity—Spadina positively contributes to the dynamic nature of Toronto.

If the hon. members had ventured around the corner to the Alexander Park Community Housing complex, they would have also learned of how three years ago a determined group of residents, multicultural in character, led by Mr. Sonny Atkinson, banded together and drove out the drug problem.

In conclusion, I would like to extend an invitation to all Canadians to visit Trinity—Spadina to discover these well kept secrets of the success of multiculturalism. In particular, however, I would like to extend an invitation to more of the members of the Reform Party so that they too may benefit from these lessons.

* * *

[*Translation*]

FORUM DE LA SOLIDARITÉ SOCIALE DU QUÉBEC

Mrs. Francine Lalonde (Mercier): Mr. Speaker, an unprecedented event took place Saturday in Montreal, namely the Forum de la solidarité sociale du Québec. For the first time ever, over one thousand representatives of citizen and community groups as diverse as the Assemblée des évêques and unions from all regions gathered together to embrace a common goal and to wage war on unemployment and poverty through joint social action.

After painting an alarming picture of poverty in Quebec, the forum levelled the blame squarely at the federal government's anti-inflation policy which has led to a 50 per cent increase in the federal debt, prompting governments to slash social programs every further.

Above all, forum participants agreed on the need to take action so that Quebec stands solidly behind a job creation policy that encompasses job sharing, a reaffirmation of the role of the state, taxation reform, maintenance of social programs and a broadening of democracy.

This approach represents hope for Quebec.

• (1410)

[*English*]

CANADIAN CURLING CHAMPIONSHIP

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, it is my pleasure to congratulate Rick Folk and his B.C. rink for capturing Canada's highest prize in men's curling.

After a week of stiff competition from other provincial rinks, Folk duelled Ontario's Russ Howard to an eight to five win in the Briar in Red Deer, Alberta on Sunday. Not since Lyall Dagg 30 years ago in 1964 has British Columbia captured the Canadian Curling Championship.

I am sure that all of my colleagues from British Columbia will join with me in congratulating B.C. skip Rick Folk and his rink of Gerry Richard, Bert Gretzinger and Pat Ryan.

We wish them the best as they will now represent Canada at the World Curling Championships in Oberstdorf, Germany.

* * *

CANADIAN MEDICAL HALL OF FAME

Mrs. Sue Barnes (London West): Mr. Speaker, I rise today to applaud the establishment of the Canadian Medical Hall of Fame.

The Canadian Medical Hall of Fame was announced in November 1993 in London, Ontario and the induction of the first laureates will take place May 27, 1994 in London.

Housed in London's new convention centre and sponsored by the Medical Research Council of Canada, the Canadian Medical Hall of Fame will provide an enduring tribute that will publicize the accomplishments of Canadian men and women who have made important contributions to the understanding of disease and the advancement of health everywhere.

Laureates inducted into the Canadian Medical Hall of Fame will be selected annually in the categories of clinical medicine, basic medical research and applied medical research.

Canadians should be proud of the establishment of the Canadian Medical Hall of Fame, an important national initiative celebrating discovery and innovation in medical science.

* * *

HUMAN RIGHTS

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, a number of Vancouver East constituents have written to ask for the Canadian government's intervention in a very serious infringement of human rights.

Twelve Buddhist nuns in Tibet have recently been sentenced to prison terms for participating in a demonstration to which there are no witnesses. A 15–year old girl is among those arrested. Those women are going to prison without proper trial and are in grave danger of torture and possibly death.

My constituents appeal to the Canadian government to use its authority and ask for the immediate and unconditional release of these women and for international monitoring of the situation in Tibet.

The situation is urgent and for the sake of such people human rights must be protected.

ORAL QUESTION PERIOD

[*Translation*]

JOB CREATION

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Yesterday in this House, the Prime Minister denied the possibility that his Minister of Finance would propose at the Detroit summit a tax credit for businesses that create jobs, and I quote:

> I do not think that the Minister of Finance will present in Detroit a proposal on Canadian taxation.

As soon as the G–7 summit opened yesterday in Detroit, about the same time that the Prime Minister said what I just quoted, the Minister of Finance made such a proposal to his G–7 partners.

How can the Prime Minister reconcile his statement with the proposal that his Minister of Finance presented to his G–7 partners at the same time yesterday?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the Minister of Finance is meeting with his counterparts from the other G–7 countries. They are looking at some mechanisms that could be used to create jobs.

Stimulating job creation through tax credits is an option that was discussed here but it was not specifically included in the budget. During discussions, the minister put the proposal before the assembly. He certainly heard the reaction of the other ministers and will take it into account in preparing his next budget. They are there to exchange ideas and to have intergovernmental discussions. Knowing the Minister of Finance, he is not afraid of exploring new avenues.

[*English*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, it gives a measure of the kind of co–ordination that exists in this cabinet.

Could the Prime Minister tell the House whether his Minister of Finance was authorized by cabinet to make such a proposal at the G–7 Detroit summit? Was he speaking on his own behalf or on behalf of the government?

• (1415)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the Minister of Finance discussed an idea. When the Minister of Finance or other of my colleagues have new ideas, they do not call me to ask if they can have new ideas.

I encourage my ministers to explore new ideas and make proposals to cabinet. At that time I will decide whether we can incorporate them into the budget, yes or no.

I certainly would not blame any of my ministers for going to a summit to discuss new ways of creating jobs. I would applaud that.

Hon. Lucien Bouchard (Leader of the Opposition): The point is not to forbid the minister to have new ideas. Anyway, we know he does not have new ideas. He is only copying old Tory ideas.

The point is that yesterday in the House the Prime Minister told us in a very firm and clear way that his minister would not raise the idea of a tax credit in Detroit. Here he was at the same time doing the one thing he should not have been doing, if we rely on what the Prime Minister said yesterday.

Does the Prime Minister intend to support the proposal made by his minister yesterday? Also, when the minister comes back from Detroit, can we expect a statement announcing a tax credit in favour of businesses that create jobs?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have voted on the budget. I do not expect the Minister of Finance to come with a new budget next week. He is there to explore new ideas. We on this side of the House can have new ideas.

In the case of the Leader of the Opposition, he changed parties five times in order to have new ideas. We can have them in one party.

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, last Friday, the Minister of National Defence refused to confirm that negotiations were taking place with the Quebec government regarding the future of the Collège militaire royal de Saint–Jean. Also, yesterday the Prime Minister alluded to discussions with the Quebec government, while the Minister of Intergovernmental Affairs said that an agreement was imminent, this in the presence of his colleague the Minister of National Defence, who visibly disagreed.

My question is for the Minister of Intergovernmental Affairs. Can the minister tell us if, according to the agreement which he saw, some military activities will be maintained, as requested by the Quebec government?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, we are negotiating with officials from the Quebec government to determine the best possible use for the facilities in Saint–Jean.

When you are negotiating, it is somewhat like a poker game. It would be too easy to put all your cards on the table. What I indicated yesterday was that the federal government was prepared to negotiate on the basis of renting for $1 per year the buildings and the property, which are valued at about $42 million. This is the basis of our negotiating position. The details will be known later.

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, my supplementary is for the Prime Minister. Given the very contradictory statements made by officials of his government, could the Prime Minister tell us exactly what the situation is regarding negotiations with the Quebec government on the future of the Collège militaire royal de Saint–Jean?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, as I just said, we do not negotiate in public. We indicated to Quebec government officials what our terms are, and they, in turn, informed us of their preferences. There is no disagreement between ministers of this government, including the Prime Minister, because we looked at this issue together. It will take a few days or weeks before the outcome of the process is known.

* * *

• (1420)

[*English*]

JOB CREATION

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

Senior ministers of the government continue to send out contradictory signals on an old idea, namely the government's promise of job creation. The Minister of Human Resources Development says that this government will initiate job creation directly by spending more tax dollars. The Minister of Finance now refers to high taxes as a cancer on job creation and told Don Newman on *Capital Report*: "We are going to cut government spending and we are going to cut it severely".

These statements do not represent a balanced approach. They represent a contradictory approach to job creation. Can the Prime Minister tell us which of these senior ministers is accurately representing the position of the government on job creation?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I say to the leader of the Reform Party that our program on job creation was tabled in the House of Commons a few weeks ago in the budget. He has only to read the budget and he will know the position of this government.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I do not know how to put it more plainly. The government cannot spend more tax dollars and cut spending at the same time. We cannot have one minister with his foot on the gas, one with his foot on the brake and nobody with their hand on the wheel, even if they are driving around Detroit.

There is a deep, inherent, systemic contradiction in the government's job creation strategy. Will the Prime Minister tell Canadians how and when he proposes to resolve this contradiction?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have cut expenditures and we are spending money on job creation with the municipalities and the provincial governments. It is a program that was approved by all first ministers and all mayors, including the mayor of Calgary. I have said that many, many times.

We have a very dimensional approach to this problem. It is the same situation as yesterday when two of his colleagues stood up to ask us to spend more money. Every time the leader of that party stands up, he tells us not to spend money. When will he put order in his little house and we can run our big house?

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the statements made by members on this side are not in support of spending money.

Yesterday the Prime Minister acknowledged that public works spending only creates temporary jobs. His own Minister of Finance has said that debt and increased taxes kill long term private sector job creation.

Why does the Prime Minister not commit his government to long term private sector job creation? Why does he not resolve this difference by coming down hard and unequivocally on the side of deficit reduction and tax relief?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we did it when we reduced the level of contribution for unemployment benefits. We have cut $300 million in this program which will permit small and medium sized businesses to create jobs. At the same time we said that we have to invest money in research and development. Just yesterday one of his colleagues was asking for even more money to be invested in that field.

Our approach is that we want jobs created by the private sector. In fact, there is no plan for increasing the public sector. Building roads and bridges is not wasting money. It is important and is adding to the productivity of the nation. Any nation that

has a very good infrastructure can compete better than other nations that have to move around in a horse and buggy.

* * *

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Michel Gauthier (Roberval): Mr. Speaker, we have learned with dismay that the Minister of Intergovernmental Affairs is playing with the future of the Collège militaire de Saint–Jean as if he were playing poker. He will certainly come out a loser. In any case, his partner, the Minister of National Defence is clearly not in agreement with him. The Minister of Intergovernmental Affairs said: "According to the agreement I saw with my own eyes, all operating costs, including taxes, would be paid by the province since it would have access to the installations free of charge and would have the possibility of using the Collège for educational purposes." He further said: "The property is worth $41 million, we are offering it for $1 a year".

• (1425)

Given this declaration of the Minister of Intergovernmental Affairs, should we understand that the government is preparing not to give, but to lease the Collège militaire to the province and wants to keep a tight control over its installations while transferring all the costs to the government of Quebec?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, at this time, the government intends to lease the facilities and the land of the Collège militaire royal de Saint–Jean for the amount of $1 a year. That in itself constitutes an important contribution.

The provincial government will have the possibility of transforming the buildings in order to create a university or a post–graduate school of some kind. In such a case, evidently the provincial government will be the one using the facilities for activities of its choice and it will therefore have to pay the operating costs for the courses given there.

The federal government's contribution will be the facilities' value, the provincial government's contribution will be the operating costs for the courses that will be given there.

Mr. Michel Gauthier (Roberval): Mr. Speaker, would the Prime Minister agree that the compromise made by the Minister of Intergovernmental Affairs serves only one purpose, to help the government get rid of parts of its commitments to bilingualism just for one dollar?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, I am pleased to see that the opposition is so concerned about bilingualism. I want to congratulate them. It is about time they address this issue.

We, on this side, are concerned with the whole situation. The only problem I have to deal with is an agreement with the province about the future use of the facilities at the Collège militaire royal de Saint–Jean.

Bilingualism and the use of French in the armed forces are commitments we fulfilled in the past and which we will continue to discharge, according to my colleague, the minister of National Defence.

* * *

[*English*]

SMALL BUSINESS

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Prime Minister.

As we heard earlier, the government is considering a human resources tax credit to subsidize hiring. As a small businessman I can assure the Prime Minister that business people do not want more government subsidies to stimulate employment and do not want to be told how to run their businesses.

The Prime Minister has stated repeatedly that he is counting on small business to create the majority of jobs so desperately needed by 1.5 million unemployed Canadians.

Why then does he not listen to what small business people are telling him about job creation: "Get out of our pockets, get off our backs and get out of our way so we can create the real jobs in the new economy".

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if the hon. member would look at the budget papers he would see that we have taken a lot of initiatives to help small and medium sized businesses. We talked not only about the reduction of unemployment insurance premiums, but about helping them to get more credit from the banks, to get credit for innovations to help them in exports, and they all welcomed that.

I say to everybody that the government is here to help, not to hurt. That is exactly what this government is trying to do with small and medium sized business at this time.

• (1430)

Mr. Jim Silye (Calgary Centre): Mr. Speaker, while the Prime Minister has been a politician for 25 years, I have been a businessman. While I can take lessons from him on how the MP pension plan works, perhaps he might listen to a word or two about people who have worked in the real world for 25 years.

Government programs to help small business are more likely to impede rather than to help private sector job creation. Why then is the government considering another such impediment, a subsidy that will interfere with the business decisions, ultimately raise taxes and further impede private sector job creation?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I do not understand why the member is taking that line. We have not announced anything like that. We are discussing better ways to help small and medium size businesses in Canada.

The president of the Canadian Federation of Independent Business said it was a good budget and that he liked our approach. Therefore, you should listen to what John Bulloch had to say about the budget.

The Speaker: Of course all the questions and all the answers should be directed to your Speaker.

* * *

[*Translation*]

INDIAN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Minister of Indian Affairs.

Yesterday, we learned that the Kahnawake band council had issued an eviction notice to about 143 families that had been living on that reserve for several years. Among the arguments used to justify that decision, there is the lack of space and even genetic purity.

As a trustee of aboriginal rights, does the federal government support this eviction notice, which is unacceptable and which totally contravenes the Canadian Charter of Rights and Freedoms?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I was advised about this problem early this morning. It is causing me a lot of concern.

The information I have is that in 1973 the Kahnawake band council used section 81(1)(h) of the Indian Act which governs the use of buildings on reserves to establish bylaws regarding the residency of band members and other persons on a reserve.

My understanding is there is a case before the courts relating to this matter and it would be inappropriate to comment further. Through this legal process I hope what the hon. member is concerned about can be defined exactly. That is whether or not this contravenes the charter of rights.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, is the minister telling us that he cannot give us an opinion on such a shameful decision that was taken yesterday? And does he intend to intervene, as the minister responsible and also personally, to put an end to this disgraceful and discriminatory operation, instead of hiding behind legalistic rhetoric which in no way reflects the reality that some men and women are faced with on the Kahnawake territory, several of them being aboriginal people expelled by their peers?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, in spite of the rhetoric and the volume I would be severely criticized if I commented on a case that is before the courts.

I have a certain faith in the jurisprudence of this country notwithstanding my friend's feeling and I am prepared to wait until the court has dealt with it.

* * *

INTEREST RATES

Mr. Stephen Harper (Calgary West): Mr. Speaker, my question is for the Prime Minister in the absence of the Minister of Finance.

The Speaker: I am sure the hon. member will remember that we do not mention when anyone is here or is not here. Perhaps he could just put his question.

Mr. Harper (Calgary West): Mr. Speaker, I would like to hear from the Prime Minister regardless of who is in the House.

Last week the Minister of Finance said on page 2042 of *Hansard* that the interest rate assumptions in the budget are interest rates which at the present time are higher than those in existence. That statement was completely false. We know for example that long term rates today are over a point above what they were predicted to be in the budget.

The Prime Minister today has professed a great interest in private sector job creation. Will he admit that these errors in arithmetic will mean the loss of hundreds of thousands of private sector jobs and private sector job creation funds?

• (1435)

[*Translation*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I can tell the hon. member that the Minister of Finance has presented a budget which was well received by the Canadian people and by the financial community. There are always variations in interest rates and neither the Prime Minister nor the Minister of Finance are in the habit of commenting on the financial market fluctuations.

Mr. Stephen Harper (Calgary West): Mr. Speaker, we observed a very negative response to this budget in the private sector.

[*English*]

For example, let us look at interest rates. Since the tabling of the budget, in the last six weeks interest rates have risen 35 basis points. The bank rate went up 9 points today. We have had a three–quarter per cent raise in six–month government bond rates and over a full percentage point in long term rates.

Will the Prime Minister admit that not only will this cost the country in terms of job creation it will also endanger the public debt charge cost to taxpayers. It is also important to note that already it is costing Canadians millions of dollars in higher mortgage payments.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): The hon. member knows this was discussed with officials last week in committee. The outlines in the budget were done very conservatively. These types of considerations were taken into account to ensure that our budget would in fact be a very successful document.

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PUBLISHING INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Prime Minister.

Despite our repeated questions over the past week concerning Ginn Publishing the government refuses to cast any light on its reason for selling the Canadian interest in the publishing company to the American giant Paramount.

Why does the Prime Minister refuse to reveal the identity of that person who by a simple, verbal agreement consented to the takeover of Ginn Publishing by American interests?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, there is no refusal to acknowledge who was responsible for that. It was a decision of the previous government. It was a legally binding decision that we were forced to finish up. It was left on our platter when we took over as the government.

There is no secret as to who is responsible. It is the previous government.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, once again the Liberals, the so–called great defenders of the Canadian identity—

Some hon. members: Hear, hear.

Mrs. Tremblay: Mr. Speaker, they applaud to be called so. That is their problem. They are showing their true colours.

Could the Prime Minister not find the courage to act as he did in the case of Pearson International Airport in order to ensure that our cultural industries remain Canadian owned? Simply cancel the deal.

[*Translation*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the situation is as described by the Secretary of State for International Financial Institutions. There was an agreement with the previous Conservative government, and it is our tradition and obligation as a government to respect agreements of this nature signed by our predecessors. At this time, there is nothing we can do.

If a similar document was submitted to us today, without the obligations we inherited from the other government, we might make a different decision. However, this is a private contract and because the previous government changed its mind, the American company took advantage of the situation, as provided by the contract, and as the government, we had to respect our obligations.

* * *

● (1440)

[*English*]

UNEMPLOYMENT INSURANCE

Mrs. Carolyn Parrish (Mississauga West): Mr. Speaker, it is becoming a common practice for school boards with up to 15 per cent of their employees voluntarily working 10 months per year to issue severance letters on June 30 and to rehire the same employees in September. They counsel those employees to use school breaks as qualifying time for UIC.

My question for the Minister of Human Resources Development is: Can the UIC rules be altered to make such abuse of the overburdened UIC system impossible by those who are gainfully and securely employed?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, as the hon. member may know during difficult fiscal times and changing economies we have witnessed an increased use of contracting in many industries. This is creating some pressure on the UI system.

However I do want to make it perfectly clear in cases such as this one where people are using the UI system, the member can rest assured that in most cases they are the victims rather than the abusers.

We have already initiated measures in the federal budget to rectify this problem. For example it has been suggested that to foreshadow the treatment of repeat users we may want to consider means of more effectively regulating on and off workers.

Of course this is a complex issue and I look to members of Parliament to give us their input.

MINISTERIAL REGIONAL OFFICES

Mr. Ted White (North Vancouver): Mr. Speaker, my question is for the Deputy Prime Minister.

This government is in the process of opening three new lavishly furnished regional ministers offices. One of them is in Quebec City, even though there are no ministers from that area and there is an office already in Montreal.

Will the Deputy Prime Minister please tell this House why the government is not closing regional ministers offices instead of wasting another $1.5 million on their proliferation?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, there has been a review and as a result there had been offices closed.

The office in Quebec City was opened. That is the capital of the province. It is an important part of relations with provincial ministers in terms of dialogue with our own ministers when they are in that city.

However the entire group of ministerial regional offices is constantly under review both in terms of cutting costs and also determining if there are any offices we could do without. We have conducted a review. We will continue to conduct a review because we are concerned about the efficiency and effectiveness of the use of taxpayers' dollars.

Mr. Ted White (North Vancouver): Mr. Speaker, I am pleased to hear these offices are currently under review.

I am a little bit surprised at the answer because in this House on April 25, 1986 the Deputy Prime Minister asked in a question to the PC government why it was turning its back on pensioned workers and opening six ministerial regional offices. This government is now doing the same thing.

The people of Canada would like to know. Does this mean the Deputy Prime Minister has become a PC in Liberal clothing? Is this government following a PC agenda?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for his question. Simply put, the response is no.

Before the hon. member makes interventions on the floor of the House of Commons he should check his facts. Over nine ministerial regional offices have been closed by this government since it has taken power.

As the minister responsible for Treasury Board has indicated a constant review is being taken with regard to ministerial regional offices as well as all expenditures ministers make with regard to their exempt staff and offices across the country.

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[*Translation*]

THE ENVIRONMENT

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, last Saturday, we learned that only 56 per cent of the amount approved for phase 1 of the St. Lawrence action plan had actually been spent.

• (1445)

Moreover, only 11 of the 23 projects accepted were directly related to the St. Lawrence River. Of the $20 million initially budgeted, less than $5 million was used to clean up the St. Lawrence.

How can the Minister of the Environment justify that so little of the money was actually invested in cleaning up the St. Lawrence River?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is very simple. Under the former government, when the Minister of the Environment was his colleague, the Leader of the Opposition, the Conservatives signed an agreement that did not respect the standards for cleaning up the St. Lawrence River.

I can assure the hon. member that Mr. Paradis, my counterpart in the province of Quebec, and I are about to sign an agreement on the second phase of the St. Lawrence Action Plan, which will ensure that all the funds are spent on cleaning up the St. Lawrence River, unlike what was done by my colleague, the former Minister of the Environment.

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, is the Minister of the Environment prepared today, in this House, to make a formal commitment that 100 per cent of the funds will be spent on the St. Lawrence River?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I absolutely and unequivocally give that 100 per cent guarantee.

I am happy the government is prepared to make a stronger commitment to cleaning up the environment than the current Leader of the Opposition when he was Minister of Environment.

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IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Recent polls indicate that the vast majority of Canadians are compassionate to immigrants but retain the belief that immigration levels must be reduced.

The minister has repeatedly defended his immigration quotas with references to the red book and the outdated Economic Council of Canada report. In this case it is clear that the red book is not consistent with the wishes of the Canadian people.

Could the minister explain why he continues to pursue this policy when it is clear Canadians do not support it?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I welcome the hon. member back from his educational journey through metropolitan Toronto. I find his statement today at variance with something he told residents of metropolitan Toronto. The *Toronto Star* quoted the hon. critic as saying: "I don't see our immigration policy as out of line with the opinions that I have heard in the last few days".

I caution the member to take one snapshot of a public opinion survey and therefore deduce that we ought to make policy on the fly. If he were to look at how Gallup has tracked unemployment and Canadians' feelings on immigration in the last 25 years, he would find that in 1982 almost the same kinds of levels were reported by Ekos Research. At the same time in 1988 and 1990 there was a record 65 to 70 per cent support for more immigration.

We cannot ask people about immigration like we ask them about their favourite flavour of ice cream. It is more complex than that.

Mr. Art Hanger (Calgary Northeast): There is no question, Mr. Speaker, that there is an education process involved here.

The Reform Party is not opposed to immigration. What we oppose is the idea of increasing immigration levels at this time. It would appear that a majority of Canadians support our position and would like to see the minister's policy reversed.

• (1450)

In light of these facts, would the minister care to retract the statement he made to the press that anyone who disagrees with his policy is ignorant and uninformed?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I will not retract because that is exactly what I did not say. If any member ought to go around retracting statements it ought to be that member for the things he said in metropolitan Toronto.

Some hon. members: Hear, hear.

Mr. Marchi: Although the member did say that education ought to continue, in another quote from the *Toronto Star* the hon. critic concluded: "Immigrants seem to be just like anybody else".

That is what he ought to do. Rather than take one snapshot of one poll at one time in the history of our country, let us engage fellow Canadians; let us go beyond the superficiality of simply one poll and understand the forces at play.

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GOVERNMENT EXPENDITURES

Mr. Stan Dromisky (Thunder Bay—Atikokan): Mr. Speaker, March is the final month of the government's fiscal year. This usually means that last minute purchasing decisions are being made in most departments before the final date. Often the spending frenzy is not based on need. It is commonly felt that if there is money in the budget let us spend it.

What are the ministries doing to prevent unnecessary spending during this month?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, as is usually said, I thank the hon. member for his question.

The Auditor General looked at this matter a number of years ago and found that there were some poor cash management practices. He was not saying that managers were wasteful in their spending at year end but that because the moneys were lapsing at year end, the end of March, if they did not spend them, they had a tendency to spend them perhaps prematurely, make purchases prematurely or spend money too quickly when it really was not due on the invoice.

To help prevent that Treasury Board in the last fiscal year did an experiment that involved carrying forward some 2 per cent of departmental budgets into the following year so there would not be this year end frenzy as the member pointed out. That only involved a few departments.

This year we expanded it to all departments and have allowed them to carry over 5 per cent, which I think will help end that year end frenzy.

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[*Translation*]

OVERFISHING ON THE HIGH SEAS

Mr. Yvan Bernier (Gaspé): Mr. Speaker, yesterday the federal Minister of Fisheries and Oceans called upon the members of the United Nations to adopt by this coming fall very stringent rules in order to put an end to overfishing on the high seas. The minister said that failing such a move, concrete measures would be considered. He indicated that he would not sign another statement of principle since, in his opinion, the Law of the Sea Convention was no longer working.

My question is for the Prime Minister. Can he indicate to us what kind of concrete measures his minister had in mind to end foreign overfishing if an international agreement is not signed by the fall?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, on behalf of the Minister of Fisheries and Oceans, I can assure the hon. member that the Canadian government is very pleased with the outcome of the minister's visit. Moreover, it is prepared to work closely with its NAFO colleagues to ensure that an international strategy is in place to address this problem which affects not only the fishery, but conservation and the environment as well.

The ministers involved are working very closely to ensure that the good work of the United Nations is not being undermined by foreign vessels who fish illegally and who disregard their environmental responsibilities.

• (1455)

Mr. Yvan Bernier (Gaspé): Mr. Speaker, judging from the response of the Deputy Prime Minister and the reference to concrete measures and NAFO, I see that we are right back where we started from.

Why is the government unable at the present time to convince its trading partners of the need to strengthen the provisions in the Law of the Sea Convention respecting fishing? Why is it unable to do so, since it must, in any case, bring this matter up again?

[*English*]

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, the North Atlantic Fisheries Organization comprises 14 members, not all of whom were present in Brussels when our minister of fisheries had a most unusual triumphant success in getting agreement. Not all were there and in fact three abstained.

The problem that we now face in particular with the nose and tail of the Grand Banks is with ships flying flags of convenience, ships that are not members and do not come from NAFO ports. It is therefore particularly important for the Minister of Fisheries and Oceans to make perfectly clear in New York that we are not interested any more in papering over the differences, in having statements of principle.

We are interested at this time in the type of concrete success in writing down clear prohibitions against fishing that the minister of fisheries, I have to admit, was enormously successful with in Brussels a few weeks ago. I can only hope, as I am sure the hon. member agrees, that the minister's success in Brussels will be matched by an equal success at the United Nations.

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AGRICULTURE

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, my question is for the minister of agriculture.

Tariff protection for Canadian apple producers was dropped on February 7. Since then American producers have been dumping apples into Canada. This has devastated growers in Okanagan—Similkameen—Merritt and across Canada. The growers have made a submission to the government requesting that it ensure fair trade and enforce Canadian trade law.

When will the government take action to curtail this American dumping of apples?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, I thank the hon. member for his question and for the courtesy of some notice of the question.

As I am sure he will appreciate, since the decision of the CITT is in effect a decision of a quasi-judicial body, it would be inappropriate for me to comment in any way on the merits or demerits of the decision.

However I can confirm that I had the opportunity to meet with representatives of Canadian Apple Growers on Monday, March 7, when they were in Ottawa, in conjunction with the National Convention of the Canadian Horticulture Council. We discussed a variety of options in terms of how the decision of the CITT might be reacted to, including the various forms of appeal or other potential reactions.

I am now considering the input I received from apple growers about a week and a half ago. In due course we will see what an appropriate further response might be.

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, I appreciate the answer from the minister.

The Canada-U.S. free trade agreement is supposed to contain mechanisms to resolve unfair trade practices. Is the minister taking action to use those mechanisms to help Canadian apple growers?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, the provisions of the free trade agreement are one potential avenue that might be pursued. There is the potential of an appeal of the CITT ruling to the Federal Court. There is also the potential of commencing a brand new CITT inquiry.

The difficulty with all these avenues is that they take a long time. The time factor was of particular concern to apple growers when they met me. In terms of my consideration of what the government's response might be, I am bearing very much in mind the timing issue apple growers had uppermost in their minds.

* * *

INFORMATION HIGHWAY

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is directed to the Prime Minister.

With the Rogers Communications takeover of Maclean Hunter we will have a virtual private monopoly of Canada's information highway. We know the CRTC and the competition bureau will have to approve the takeover, but surely we need first to determine what is in the long term public interest and how best this can be served.

Will the government either instruct the standing committee on heritage or strike a special committee of Parliament to develop a position that would ensure the public interest is served in the ownership and development of the information highway?

• (1500)

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I thank the hon. member for his question.

As we have stated in this House and in the speech from the throne, this is a very important issue. It is a priority of this government. We will be discussing this in committee and as time goes on.

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GUARANTEED ANNUAL MINIMUM INCOME

Mrs. Jane Stewart (Brant): Mr. Speaker, ever since I first raised the issue of a guaranteed annual minimum income in the House last month, I have received many letters from across Canada expressing support for the concept.

I would like to ask the Parliamentary Secretary to the Minister for Human Resources Development if the government will actively consider integrating existing income support programs into a single guaranteed annual minimum income.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I thank the hon. member for her question.

As the hon. member will recall, on January 31 of this year the Minister of Human Resources Development outlined a three stage process of consultation that would culminate with the establishment of a new social security act for this country. During this time we will be listening to Canadians from coast to coast to coast to bring about the type of positive change that Canadians called for on October 25.

Of course one of the ideas that we will be examining will be a minimum income as perhaps presented by the Newfoundland economic recovery commission report.

I would like to take this opportunity to encourage all members of Parliament to participate in this important initiative by this government.

* * *

PRESENCE IN GALLERY

Mr. Speaker: My colleagues, I would like to draw to your attention the presence in the gallery of the Hon. Sandy Jolly, the Minister of Municipal Affairs from the province of Nova Scotia.

Some hon. members: Hear, hear.

[*Translation*]

THE LATE GILBERT RONDEAU

The Speaker: Dear colleagues, a few days ago, a former member of Parliament, Gilbert Rondeau, passed away. The hon. member for Shefford will say a few words about him.

Mr. Jean H. Leroux (Shefford): Mr. Speaker, last Thursday, I was very sad to hear about the death of Gilbert Rondeau, who represented my riding of Shefford from 1962 to 1965 and from 1968 to 1979.

When I was a student at the University of Ottawa I had the pleasure of seeing him here in the House and of going to his office. He was always pleasant, colourful, and available to give me the documentation I needed for my assignments.

As you know, Gilbert Rondeau was the right–hand man of Réal Caouette from the Social Credit Party of Canada, as well as a worthy representative for the riding of Shefford. Let us not forget that it is the Creditistes who, when they arrived in this House, forced Parliament to provide simultaneous interpretation of House proceedings.

All his life Gilbert Rondeau was a man of action, a defender of the people, and a friend of the poor. On behalf of my colleagues from the Bloc Quebecois and of my constituents in the riding of Shefford, I want to offer my deepest sympathies to Mrs. Rondeau, to his daughter Micheline Rondeau–Parent, who is a clerk in this House, and to his children and grandchildren.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, on behalf of the Liberal Party of Canada and of the government, I wish to offer my sincere condolences to Gilbert Rondeau's family.

I had the opportunity to sit in this House when Mr. Rondeau was a member. He was a very active servant of the people and a member of the Social Credit Party, a political grassroots movement from Quebec.

As the hon. member for Shefford just said, he was a close colleague of the leader of the Social Credit Party of Canada, Réal Caouette. For many years he served the people of Shefford to the best of his knowledge and his abilities. He was cheerful. He was a good family man, and I think he tried to properly serve the people who placed their confidence in him on several occasions.

• (1505)

I had the opportunity to appreciate the work of his daughter who, as you know, works here in the House of Commons and, in a certain way, carries on the work of her father who served the people. Serving the members of the House of Commons is a way of continuing the work started in Parliament by her father.

I know that another of his daughters, Nicole, also worked for the House of Commons and the Senate. Serving the Canadian Parliament is a little bit of a family tradition for the Rondeaus.

Again, I want to express to Micheline and to her siblings our deepest sympathy on the death of Gilbert Rondeau, a former member of Parliament.

GOVERNMENT ORDERS

[*English*]

CANADIAN FOREIGN POLICY

The House resumed consideration of the motion and the amendment.

Mr. Charlie Penson (Peace River): Madam Speaker, I welcome the review of Canada's foreign policy and international trade. I anticipate that we are going to have a great deal of interest in the review process and I encourage Canadians from coast to coast to be part of that greater debate.

The upcoming national policy forum is both timely and important. The cold war has ended. The foreign policy of many countries is drifting and needs to be reviewed. Most industrial countries are reviewing their policy on foreign affairs as a result of what has happened in a rapidly changing world.

I have concerns about the foreign policy, specifically CIDA. We will have speakers later today who will deal specifically with that so I will comment mainly in the area of international trade.

International trade perspective to me means opportunities to develop our trade with other countries. It means opportunities for our businesses to take advantage of these important trading deals that we have just concluded.

One such opportunity is the expanding trade with Mexico through NAFTA. I look forward to Canada participating in that very important trade pact as well as the discussion that is going to take place about the expansion of NAFTA. As we know, Chile is one of the countries that is looking to expand or to become part of the NAFTA arrangement. I would encourage our trading partners to accept Chile as part of this greater trading pact.

Currently 80 per cent of our exports are to the United States, our most important trading partner. I want to emphasize that we do not want to lose the United States as our most important trading partner. I think it is a natural relationship that is going to continue. But I do think we have to look for new opportunities as well.

New opportunities exist in southeast Asia where dynamic growth is being experienced. Growth forecasts for this area are in excess of 8 per cent annually. That compares with less than 3 per cent for OECD countries. Southeast Asia is the one place in the world where trade is booming.

Canada is well positioned to export to this area. Our western provinces, particularly British Columbia, have a natural advantage in water transportation, a very cheap method of transportation.

Canada has already had some success in selling into the Pacific area. Japan is our second most important trading partner and South Korea, of course, rates right up there as number six. Among the top 25 markets for Canadian goods are six nations from southeast Asia: Singapore, China, Taiwan, Hong Kong, Indonesia and Thailand. However, our total merchandise exports to these six countries only amounts to 2.7 per cent of Canada's total trade. I see this as being a real area for growth opportunity for Canada. We can and should be doing better in this area.

• (1510)

We have a large untapped resource. I am talking specifically about the one million Canadians of Asian origin who possess knowledge of the language and the culture. They know what the consumer habits are in these countries. They know the business norms, the conventions that need to take place. They often have family ties in that region. This invaluable knowledge is not found in a textbook, but it is very real and should be used.

We could be looking at encouraging Asian language training in our universities and encouraging our businesses to support that. We should also be looking at encouraging our trade department to hire more people with a background in that area to take advantage of these natural ties.

I want to speak specifically about some projections from Canadian business. The Canadian Cattle Commission is a good example of an organization that plans to take advantage of this very rich trading area. It estimates that by the year 2000, which is only six years away, exports will increase twelvefold to this area, from 6,000 tonnes to 75,000 tonnes of beef annually.

The Canadian Wheat Board is projecting steady growth in that area. South Korea now accounts for a significant amount of our feed grains.

Canada is a trading nation. Twenty–five per cent of our gross domestic product is accountable to our exports in goods and services and that sustains over two million jobs in Canada.

Our present recovery is being led by solid increases in our export trade. Canada has a very good reputation as a leader in the trade area. Our Department of Foreign Affairs and International Trade has been doing an excellent job of developing markets

abroad. Canada gained a good reputation as a leader in helping to establish the GATT after World War II and now the new world trade organization.

I believe the trade component of the Department of Foreign Affairs and International Trade should not be downsized. It should be streamlined to become more cost effective. We need a strong department promoting Canadian interests abroad. That is one way we are going to continue to grow.

We heard the minister speak this morning about the review that is under way in the department. I encourage him in that review. I would also like to encourage him to make our business community, our private sector, more a part of our trade organization. It should be taken into account in a lot higher degree.

New emphasis should be placed on putting in place people of Asian background specifically in our trade department, as I said, to promote trade in southeast Asia. Opening trade consulates in emerging countries such as southeast Asia should be examined. The joint ventures that were talked about earlier today I would certainly encourage in order to make it the most cost effective method of promoting our interests abroad.

Problems at home must be corrected before we can be effective traders. We cannot expect our businesses to operate with one hand tied behind their backs. If we cannot give our industries a fair chance to compete our efforts are really futile. Our companies, small, medium and large which have to break into and develop these foreign markets cannot do so effectively. They are hampered by disappointing results at home because our government will not act responsibly on fiscal management.

Taxes must be reduced. Deficits must be eliminated and government overspending must be stopped. A greater emphasis has to be placed on removing internal trade barriers. We have to create the proper climate in Canada to promote business. I believe that we must put into place realistic tariffs so that we do not invite challenges from our trading partners as a result of the very important negotiations concluded at GATT.

In closing, I would certainly welcome a review of our foreign policy, our defence policy and our trade policy. These are all happening at the same time.

• (1515)

There is merit in having some joint meetings of defence and foreign affairs in order to dovetail these as much as possible. It is very important because the policies we are putting in place this year will determine where we stand as a nation when we reach the 21st century.

In my mind it is a very important review. I look forward to the process. I hope that as many Canadians as possible will participate in this review.

I also have some concerns, as does my colleague, as to the make–up of the joint committee. I look forward to travelling across the country and taking this hearing process to the very people who have to make representations instead of having them come to Ottawa. That is a very important part of this process as well.

In closing this is a very important time in Canada's history, with the two reviews that are going on. It is not an easy time. All countries are facing some kind of a review as a result of what is happening internationally with globalization. I hope we can meet that challenge.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Madam Speaker, I want to take a minute to thank the hon. member for the support his party is giving to this whole policy review.

I know members of his party have some objections to the joint committee with the Senate, but I am wondering if he would not agree there are many senators who could be very helpful. I am thinking of former secretaries of state for foreign affairs such as Senator Allan MacEachen. Would he not agree that some of these senators could provide valuable input to our policy review?

Mr. Penson: Madam Speaker, I would like to thank the member for that very important question. I certainly see there is some expertise there.

My view is they should make representations to the committee in the same way as other witnesses do. The problem I have is that they are not elected officials. There certainly is merit in having their input because they do have a great amount of expertise and knowledge. Perhaps that is one way to accommodate that.

The Acting Speaker (Mrs. Maheu): Could I ask Reform Party members if they are dividing their time 10 minutes each?

Mr. Strahl: Madam Speaker, our first two speakers will be using up the full 20 minute allotment. When we break from that mould we will give you the word.

Hon. Raymond Chan (Secretary of State (Asia–Pacific)): Madam Speaker, as my colleagues, the Minister of Foreign Affairs, the Minister of International Trade and the Secretary of State for Latin America and Africa have all mentioned, the government believes it is time for a foreign policy review, for a review of Canada's international interests and our domestic capabilities and constraints in the pursuit of our interests.

I have listened carefully to each of their remarks. I would like to add my views on Canadian foreign policy and more specifically on how it relates to my portfolio as Secretary of State for Asia–Pacific.

First of all my role as Secretary of State for Asia–Pacific is to advise the Minister of Foreign Affairs on Asia–Pacific matters. My responsibilities therefore cover both geographic and sectoral issues such as political economic matters and social development assistance.

Canadians recognize the need for job creation in Canada as well as the restoration of faith of Canadians in our economy. These two goals can be achieved to a large degree through an export led recovery. Presently about one–quarter of Canadian jobs are directly related to exports.

• (1520)

The Asian markets for pulp and paper, telecommunications and transport equipment, construction materials, agri–foods and petrochemicals present tremendous potential for economic growth in Canada. At the same time they meet the needs of many developing nations. Furthermore the Asia–Pacific region not only provides markets for our exports, but it is also an important source for the technology, investment capital and skills in which we can enhance Canadian competitiveness.

Growth rates in much of the Asia–Pacific region during the 1980s were more than twice as high as the rest of the world. Asia's share of world income could rise from 24 per cent in 1989 to 35 per cent by 2010 and to over 50 per cent by 2040.

Canadian businesses must prepare themselves to capitalize on the opportunities presented. If they fail to do so then we as a nation risk the erosion of those institutions that have made Canada the envy of the world.

Our success will depend on our ability to achieve greater access to these markets and to develop initiatives that will result in the provision of the greatest possible competitive advantage to Canadian exports. As part of this effort bilateral and multilateral economic and trade arrangements with countries in the Asia–Pacific region will need to be examined in light of the major economic changes taking place.

We must also recognize an increasingly important element is that Canada's trade and economic relations with the Asia–Pacific region will be the development of new institutions such as the Asia Pacific Economic Co–operation forum. Within APEC are included five of Canada's top 10 export markets. As we can see, an active Canadian role within APEC is vital to our interests.

I was pleased that my first official function as Secretary of State for Asia–Pacific was to attend the APEC summit in November in Seattle with the Prime Minister and the Minister for International Trade.

APEC, like the region's explosive growth, is a relatively recent phenomenon. Since its creation five years ago it has become the region's main forum for discussions on regional growth, economic interdependence, strengthening the multilateral trading system and reducing barriers to trade in goods, services and investment. It has also become a major vehicle for co–operation on sectoral issues such as environmental problems.

During my first overseas trip in January to Hong Kong, south China, Thailand and Japan I was able to discuss many of these issues in more detail. These are some of the fastest growing and important markets for Canada. As I have already mentioned their needs correspond to many of our skills and expertise areas.

We need to devise ways to target government programs and resources effectively to assist Canadian companies to be even more successful international players. Of particular concern to this government is the role of small and medium size businesses. They have the potential to be the growth engines of the future but often lack the critical mass, the financial resources or the technical expertise to penetrate foreign markets.

The government must help to facilitate Canadian businesses to access the market in the Asia–Pacific region. We have some excellent examples of practical initiatives businesses and governments are undertaking together.

The Canadian Chamber of Commerce in Hong Kong is planning Canada–Hong Kong Trade and Investment Week. This event is appropriately being titled "Profiting from Partnership" and will take place in Hong Kong and Guangzou in early May.

• (1525)

This initiative, which has the full backing of government and industry, has been designed to create networks between business people in Canada, Hong Kong and China. It will educate Canadians about business opportunities in Asia.

As the Minister for International Trade outlined recently, in co–operation with the Minister of Industry he has instituted a full review of this matter. The aim is to ensure that our small and medium size firms have access to the tools and the environment needed to compete.

Exports and venture financing, delivery of market information, co–ordination of government programs and the pooling of private sector resources are all issues now on the table. By adopting a more market driven approach to trade development, one that sees government as an export facilitator rather than an export leader, we can use market signals to help set our real trade priorities. We need to develop a national strategy to tap into the Asia–Pacific market. In order to develop the proper strategy we need to hear from parliamentarians and Canadians.

However foreign affairs must not only be concerned with international trade issues but also with political, social and economic matters. During the election campaign the Prime Minister clearly enunciated his mission of creating a stronger, more independent role for Canada on the international scene.

The Prime Minister stated his belief in a government that reinforced Canada's reputation for tolerance and openness, one with a common sense approach to ensure our values are reflected in all aspects of our foreign policy. The Minister of Foreign

Affairs is working hard to make that mission a reality. I am very pleased to have the chance to assist him in this regard.

One important aspect of the relationship Canada has with many of the nations of the Asia–Pacific region is in the area of development. It was not too long ago that the relationship between trade, aid and development was viewed by many as non–existent. Yet there are many facets to Canada's development program.

First, assisting societies in meeting their citizen's basic human needs has been a pillar of Canada's international involvement. However development assistance is much more than that. The environment, building peace and security, good governance, the promotion of human rights and racial and gender equality are also development issues.

Development assistance has been particularly effective in fostering the development of countries in the Asia–Pacific region. In light of the progress achieved Canadian development priorities have shifted from isolated project planning to broader policy interventions intended to involve Canadians in co–operation for sustainable development in the region.

CIDA's strategy for the Asia–Pacific region has five broad priorities: strengthening the institutional capacity in support of sustainable development; co–operating in resolving national, regional and global environmental problems; promoting co–operation between private sectors in Canada and the Asia–Pacific region; fostering institutional linkages and networks; and encouraging respect for human rights and promoting good governance.

As these five priorities clearly demonstrate, the social, economic and political aspects of foreign policies are related. We as a nation will only benefit from an integrated approach.

Just last week I saw these five priorities in action during my visit to Bangladesh and Cambodia. Then I left the Canadian delegation to attend the ICORC meeting in Tokyo. ICORC stands for the International Committee on Reconstruction of Cambodia. My main interests were to promote our bilateral relations with Bangladesh and Cambodia and to observe first hand the effects of Canadian aid programs.

• (1530)

I was deeply impressed by the commitment of Canada's efforts to date.

Bangladesh is our biggest aid recipient and despite serious ongoing problems caused by overpopulation and environmental stress, Bangladesh has made important progress in a number of areas including family planning, food self–sufficiency, and an economic growth rate of 4 per cent in 1993.

Bangladesh is also becoming less aid dependent with donors now required to fund just over 70 per cent of its development budget compared with 100 per cent some years ago.

Our commitment to Cambodia is also of several years duration. We were signatories to the Paris peace accord of 1991 and contributed substantially to the UN Transitional Administration Committee that ushered in the new government last year.

Now that Cambodia has a democratically elected government after years of war we are assisting in such crucial areas as demining, technical assistance and poverty alleviation in rural areas. It is hard to think of a more compelling environmental problem than demining. Canada's leading role in helping to solve this problem has been recognized by the international community.

The highlight of my trip was meeting the 13 Canadians who are training Cambodian soldiers to complete this most difficult task.

As Canadian Lieutenant–Colonel Focsaneanu explained to me, the Cambodian people cannot return to the fields to work the land until those fields are safe. Demining is the most important part in helping Cambodia to develop.

Canada's political relations with the Asia–Pacific region are complex and challenging. Since the end of the cold war the region has evolved into an area of greater stability, productivity and justice. Nevertheless, serious causes for concern remain and other potential sources of dispute and conflict also exist.

Despite outstanding overall growth, disparities continue. While east and southeast Asia are outpacing the rest of the world the majority of the world's poor are still in the Asia–Pacific region.

These uncertainties present major challenges in any review of Canada's political and security relations with the region.

Perhaps the most encouraging development in recent years in the Asia–Pacific region is the growing willingness to address security issues and potential problems multilaterally using institutions such as the ASEAN ministerial consultative process in which Canada is a dialogue partner.

The process of multilateral consultation among regional governments is still in the early stages and much more work needs to be done before the region will develop practical mechanisms for resolving conflicts and disagreements.

In the interim informal methods of consultation involving academics, businessmen and officials acting in their unofficial capacities have developed. Canadians have been playing leading roles in these activities, notably in creating the North Pacific Co–operative Security Dialogue in 1990.

Through funding provided by CIDA Canada has also been instrumental in fostering consultations on specific areas of potential conflict such as the workshops on the South China Sea.

In the Asia–Pacific region, as in elsewhere, co–operative security means more than just reducing armaments and creating barriers to military ambitions.

• (1535)

There can be no real security if hunger, poverty, social injustice and environmental degradation continue. Our foreign policy has to be based on a comprehensive approach that involves trade developments, the respect for human rights, the support of social development and the institutionalization of good, open governments.

Recently the debate over social injustice in the Asia–Pacific region has acquired new dimensions. There are those who have argued that democratic development must necessarily take a back seat to economic development. However, I am one who maintains that in many instances the two are not mutually exclusive.

Certainly there is evidence that increased political flexibility is a by–product of economic liberalization, and governments that have opened their markets to international trade are more sensitive to the views and reactions of other countries. An inward looking society that depends little on trade and international investments is less likely to respond to concerns raised by foreigners.

Trade reduces isolationism. Trade also expands the scope of international law and generates the economic growth required to sustain social change and development. Economic liberalization also leads to a pluralization of interest groups in society. Nevertheless, all societies must resolve the tensions between individual and collective rights and we must all be vigilant to ensure that fundamental human rights are protected.

In this regard it is imperative that we as a government continue to raise the matter of human rights with those countries we believe to be in violation thereof at every opportunity. While we respect time honoured traditions and cultures, our position has always been that the best guarantee for stability and prosperity is a government that is responsive to its people.

The topics I have touched on today may serve as a preliminary indication of the kinds of issues that will need to be addressed as we consider Canada's relations with the Asia–Pacific region during the review of Canada's foreign policy. We are seeking views and guidance from Canadians in all walks of life to help provide directions in the development of our new policies and initiatives for the Asia–Pacific region.

While establishing strong and effective economic and trade relations with our Asia–Pacific partners is a primary focus, we shall continue to promote respect for human rights, the development of truly democratic political institutions and the objectives of sustainable development in our relations with the region. Establishing strong and effective economic and trade relations with the region is an important goal for Canada. As I hope I have outlined, we have much more to offer each other than just commercial opportunities.

As part of the foreign policy review process I look forward to discussing with Canadians their views on expanding our engagement with the countries of the Asia–Pacific region across the entire spectrum of political, social, environmental and economic relations.

As a country bordering both the Atlantic and Pacific Oceans, Canada has the opportunity to expand in both directions. I believe the time is right for us to realize our full potential as a partner in the dynamic developments taking place in the Asia–Pacific region and I look forward to hearing the views of Canadians on how to best achieve this goal.

In the Asia–Pacific region, Canada is faced with a number of very important issues. We must continue to establish beneficial trading relationships and we must also work hard to promote our bilateral as well as multilateral linkages. We must continue to support economic and social development in the region, while being mindful of its cultural diversities, and we must capitalize on our natural human advantages to realize this tremendous potential.

• (1540)

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, I wish to thank my colleague for having described so well a huge market and an incredible population. For a number of years, very commendable efforts have been made between Canada and Asia–Pacific.

I come from a rural riding where we manufacture chopsticks. We are present on the market, but it is extremely difficult for us to break into that market. We have large quantities of wood. My colleague talked earlier about pulp and paper. In my area, we do have pulp and paper mills.

My question is this: Why can we not break into that market? What are the main problems? In my area, we know perfectly well that relations with the United States and Europe are easy. A lot of people who went to Asia did not come back disappointed, I would venture to say, but observed that things were a bit slow.

What are the main problems we have to deal with in order to get a share of that huge market, when we know that multinationals can afford to pay lobbyists and when we know that things are easier for them? How can a small business get a share of that market?

[*English*]

Mr. Chan: Madam Speaker, I would like to thank the hon. member for his question. I have heard the kind of complaint the

hon. member mentioned when travelling across Canada trying to investigate the problems facing Canadian industry right now.

I cannot agree with him more about the problems faced by small and medium sized businesses. However, the problem is multifaceted. In a lot of Asian countries the commercial laws are not in place. They have different cultures. They also have different ways of doing business. Also, because of language barriers and so on Canadian businessmen usually have a tough time making deals with Asia–Pacific countries in comparison with the way we can deal with our European counterparts and our North American counterparts. That is why for the past while only big business seems to have the ability to make deals with the region.

That also points to the reason why social development and a system of development to help those countries to institutionalize good open government are so important in our foreign relationships with them.

However, at this moment we still have to promote our trade for small and medium size businesses. What the department is doing now is investigating and looking for an institutionalized structure through which small and medium sized businesses could reach those markets. Sometimes they could afford one trip to the Asia–Pacific region but they might not be able to sustain the effort.

Through these trade commissions in our posts in those corresponding offices and with a more permanent structure in place we hope to help the small businessman facilitate them. At this moment we are trying to invite trade delegations from the Asia–Pacific region to Canada as well as to support our trade delegations going to various regions. By matching the businessmen on both sides of the ocean, by helping them to form partnerships and joint ventures we hope to help facilitate the trade effort.

• (1545)

There is a lot more that needs to be done at the beginning of our exploration of that market. The business community has done quite a bit on its own. With the government's commitment to providing help we can achieve much more in the near future.

Mr. Chuck Strahl (Fraser Valley East): Madam Speaker, I thank the hon. parliamentary secretary for his comments. I agree with the gist of the member's earlier comments noting that the key to future prosperity was going to be in both access to foreign markets and enticing foreign investment to come to Canada in the sense that the recent GATT negotiations enable us to ensure those markets. It is a good move. The approval of the NAFTA is also a positive move.

One of the ministers who reports to the Standing Committee on Foreign Affairs and International Trade has mentioned that he did not differentiate between foreign affairs and international trade, that the two were almost inseparable in many ways. That is part of the process we will be going through in the next few months in our review.

Because the member has a longstanding tradition in the human rights movement, I would appreciate his comments on whether he believes there should be any linkage between human rights or human rights violations and international trade opportunities, open doors and so on.

Mr. Chan: Madam Speaker, I thank the hon. member for his concern about the relationship between human rights and trade development.

Because of the bilateral relationship between countries and the situation of particular countries, the method of dealing with the issue of human rights should not be a blanket approach. In some cases the government is not willing to have dialogue or even open up to trade and communications. We have to deal with them quite differently.

However in many instances in the Asia–Pacific area, for example China and Indonesia, the governments are willing to have dialogue on human rights and have been willing to adapt to a liberalization of their economies. Many cultural exchanges and social contacts through academics and other people are taking place. It is through those kinds of exchanges the people who are part of the leadership within the countries are responding to the concerns of international institutions.

In dealing with those cases, trade development with those countries is helping to move on to the international stage, to participate in international institutions and to respond to the international promotion of human rights. At the same time it encourages them to respond to international supervision of those issues.

Through trade we encourage them to participate. That is one issue. The other issue is that through trade we can help the government and the country to develop economically. If the country improves its economic position education centres can elevate their awareness of human rights and so on.

I always look at trade as part of helping developing countries. They are not mutually exclusive. We can pursue trade at the same time as helping to promote awareness of human rights in those countries. I hope I answered the hon. member's question.

• (1550)

[*Translation*]

Mr. Nic Leblanc (Longueuil): Madam Speaker, I welcome this opportunity today to speak to the motion presented by the government. Today, the Minister of Foreign Affairs moved that the House of Commons and the Senate form a special joint committee of the House of Commons and the Senate to consider

Canada's foreign policy, including international trade and international assistance.

Madam Speaker, I would like to say a few words about this committee. I have no objection to examining Canada's foreign policy, including international trade and international assistance. I would be delighted and proud to discuss these issues because this is a very important area, but I do object to the fact that the government is ordering us to form a special joint committee of the House of Commons and the Senate.

In fact, I will have the honour and the privilege of seconding the Reform Party's motion that the Senate should not be part of this committee. Let me explain. Quebecers no longer believe in the relevance or credibility of the senators and the Senate. Quebecers feel they no longer represent what people really think, because they are out of touch.

Every day, I meet residents of Longueuil who say, when we talk about the budget: When are you going to get rid of that useless Senate? Between 85 and 90 per cent of the residents of Longueuil agree we should abolish the Senate, which is an indicator that the Senate's credibility is not that high. And that is why I hope the Senate will not be part of this committee.

Quebecers gave us a vast majority in Quebec. Fifty-four members of the Bloc Quebecois, 20 Liberals and one Progressive Conservative were elected in Quebec. With this sweeping majority, Quebecers are saying that they want to get rid of the Senate, and as a result, it is my duty to say today that I object to the Senate being part of this committee.

This is the second joint committee the government has created, the first being the committee on national defence established a few weeks ago, and today the committee on foreign affairs. What is the purpose of all this? What is the government trying to do? I have come to the conclusion that the government wants to dilute the democratic rights of Quebecers. By diluting the number of elected members on this committee, since a number of senators is being added which reduces the proportion of representation by members from Quebec, which should be about 25 per cent and will now be only 10 per cent, the government is diluting the power of Quebecers on this committee. I think this is an insult to the people of Quebec and also to the people who elected the Reform Party.

I deplore this interference by the senators in our affairs. Is it not the role of the Senate to review bills and make recommendations for amendments? Quebecers will once again feel they have been deceived by authoritarian federalism. And that is why I intend to second the motion of the Reform Party that the Senate withdraw from this committee.

• (1555)

In my opinion, it is admirable that the government wants to review its foreign policy with respect to international trade and international assistance. There are many reasons why I consider this to be an excellent initiative. First, because the world around us is constantly changing.

Look at what is happening within the European Economic Community, the changes in the USSR, the new North American agreement, NAFTA, the reunification of Germany and East Asia. These changes put a new slant on international relations and create new economic realities. We must contend with market globalization, with new policies and with new democratic structures being set up in the world. Priorities have also emerged with respect to human rights, democratic values, the policy of life and environmental protection. We are faced with new challenges, new players and uncertainties and an ever more complex state of interdependence. As a member of Parliament representing Quebec and as a citizen of Canada, I find it especially important that we re-evaluate our position so that we can meet these challenges head on. Exactly what changes and challenges are we confronting?

Let me begin by speaking about the situation in Europe. For the past 30 years or so, Europeans have been trying to come together while remaining highly sovereign nations with their own language and culture. European nations have been trying to achieve economic integration through such means, for example, as the elimination of trade barriers, political co-operation and new infrastructures. Recently, to improve communication in Europe, a decision was made to dig a tunnel under the English Channel. This must be seen as a very serious attempt on the part of sovereign European nations to unite and work for a common purpose. However, as you can see, the process is by no means simple. They have been at it for 30 years. Nevertheless, as Canadians, we must take these facts into consideration.

Let us also consider briefly the unification of Germany. I had the pleasure and privilege of being in Germany about one week after the wall came down and I can assure you that it was quite something. Germans were proud and pleased to be reunited with their families after having been split up following the war in a rather cavalier manner. I was quite surprised when barely a few weeks after the wall came down, Germans decided to reunite their country. Today, we should be proud of the German people for reuniting to form a great nation and an important power in terms of Europe's economic development.

However, as Canadians, we have to understand that the Germans invested a great deal in Canada, particularly in Montreal, in real estate and in other areas. Where are they going to invest their money now? Probably they will invest more in the

former East Germany. We will have to take this fact into consideration, as will the committee.

In Eastern Europe, including the former East Germany, important changes have occurred. First of all, an economic turnaround has taken place. State–run economies have been abandoned in favour of market economies. We must also realize that all of these countries have become sovereign and that their system of government has changed. Democracy and the free–market system have taken hold.

• (1600)

The most important of the sweeping changes of recent years, particularly in the nineties, was the dismantling of the U.S.S.R. First, because it signalled the end of the cold war.

For years, we were concerned day in and day out about what was going on between the two superpowers, the U.S. and the U.S.S.R. This was the cause of conflicts here and there around the world. Now that the U.S.S.R. no longer exists, I guess one can say that major conflicts have practically been eliminated.

But we must not forget that these 300 million people were divided into some fifteen republics which have now become sovereign nations. National assertion movements in Russia, the Ukraine and the Baltic States have led these nations to sovereignty and having recognized one another, they can now flourish and prosper better. As Canadians and Quebecers, we will have to be well informed and prepared to adapt to these major changes.

All these changes, these major changes cannot be overemphasized. I think that most people wondered what on earth would happen when the U.S.S.R. decided to let these nations become independent and flourish within their culture. Such changes affect the economy. In the old days, the government had total control on the economy and the people were not used to taking initiatives, whereas today they are living in a free market.

For a hundred years or so, the economy was managed from the top. All of a sudden, the people found themselves in a free market context. Just imagine the changes and problems these people are facing. This causes adjustment problems and we can see the changes happening, particularly in Russia. The people living in these countries are concerned, and so are we as we try to co–operate with them.

In that sense, the situation becomes very tricky, economically and, of course, politically. It is not sure that the Russians will accept switching from a communist system to a free–enterprise or open trading system. There could be problems and instability for several decades to come. It makes it a little difficult for Canadians to know how to deal with them. It is in that context that the committee will have to take a very serious look at our relations with the former U.S.S.R. countries.

There is also the Asia–Pacific region. In that region, Japan in particular has become a world economic power and managed to position itself very successfully on all world markets. Today, it has to redefine its relations with its Occidental trading partners.

South Korea, Taiwan, Hong Kong and Singapore, the four dragons of South East Asia as they are called, together with Japan are the driving force behind the region's economic development and fierce competitors on the international market. We will have to deal with these people and nations.

• (1605)

Let us stop a moment and think about a country that we sometimes tend to overlook, but which has a population much greater than any other country in the world, namely China.

China is a complex country with a population of 1.2 billion. It is also undergoing major changes. For several years, it has been changing its economy significantly. Last year, China's economy grew nearly 15 per cent, compared to Canada, where the economy grew about 1.5 per cent.

With the development of a market economy, China is becoming an economic power. Some predict that China will be the world's leading economic power as early as the beginning of the next decade. This means that we Canadians will have to adjust our relations with China.

I had the privilege of going to Japan and the Philippines in January and I took note of certain things there. I attended the annual forum of Asia–Pacific parliamentarians, where about 14 countries were represented. The big topic of discussion of course was how these countries would unite and create a sort of free trade pact among Asian countries. They have trouble understanding or accepting that North America is a free–trade area. It frightens them. They also want their economic pact, like Europe, America and Asia, of course. The Asian countries, especially those on the Pacific and in eastern Asia, have started to hold discussions about creating their own economic pact.

We have also noted what is going on in Asia now. These are dynamic countries with intelligent, educated people who want to succeed. I can tell you that the economic growth of these countries is quite remarkable. Again, we will have to watch closely so that we can be in a good position to trade with them in future, to develop together and to benefit from their knowledge and know–how as much as they can benefit from ours.

Let us take North America for example. In North America, we have made giant strides to be able to deal with the globalization of the economy. The highlight is no doubt NAFTA, which gives us the opportunity of joining a North American market of about 350 million people, one of the largest markets in the world.

Especially for us in Quebec, I can tell you that North American free trade is very important because Montreal is within 1,000 kilometres of 100 million people, 100 million consumers, the best consumers in the world. We think that the line between the United States and Quebec should be eliminated as soon as possible so that we can sell our products and we very sincerely believe that the smaller countries always win in trade agreements, not the big ones, because the smaller countries often have smaller businesses and they can double their production without being noticed. That is how Quebec will benefit from it.

I was pleased to talk about the whole area of international affairs and I will be very active on this committee so that Quebec in particular is well positioned to face this global economy, these increasingly open markets, and I am convinced that we will succeed together, we intelligent members on this committee.

• (1610)

Mrs. Maud Debien (Laval East): Madam Speaker, I do not know whether we should be happy today to debate a government motion to appoint a joint committee to consider Canada's foreign policy. On the one hand, we are happy to have the opportunity at last to discuss Canada's foreign policy in this House. We believe an exchange of ideas is necessary so that parliamentarians can express their views on the relevance of the Canadian government's past and future actions abroad.

We must look at the Canadian government's goals and policies on diplomacy, foreign aid, security and international trade, to name but a few. The Bloc Quebecois thinks that the time has come for a comprehensive review of Canada's foreign policy.

On the other hand, we are puzzled by the government's proposal to create a special joint committee. The Standing Committee on Foreign Affairs and International Trade already seems to fulfil the role and mandate proposed for the new joint committee. The standing committee has the power to send for persons, papers and records, to retain the services of experts, to travel to gather the information it deems necessary, and to make recommendations on Canada's foreign policy.

Why create a joint committee with the same mandate as the standing committee? Does the government realize that it is hampering not only the decision–making process but also the implementation of its foreign policy, and that it might make the committee less efficient in the process?

As for the presence of senators in the foreign policy review committee, we believe, as the Leader of the Opposition pointed out, that major foreign policy directions must be defined by elected representatives. The members of the other place were not elected and do not represent anyone.

Of course, we could also talk about waste and duplication but I realize that one more committee will not shake the temple of bureaucracy and waste. No matter. In this period of budget restraints, the government could have avoided this duplication of committees.

Moreover, the Official Opposition wonders why the Canadian government has already undertaken a review of its national defence policy before even defining its policy of involvement on the international scene. The foreign and defence policies are too closely related to have committees work independently from one another. It is to be hoped that the two committees set up by the government will consult each other as soon as possible. But I am probably dreaming!

I could go on and on, but I will take this opportunity to discuss specific issues of Canadian foreign policy.

As I pointed out earlier, we feel that an in–depth review of that policy is in order. Over the years, Canada has made a reputation for itself which, we are told, is envied by many. We have to ask ourselves why this is the case and try to see if we can be as successful in the future by pursuing the same direction, or if we should change our way of doing things.

• (1615)

Three activities have enabled Canada to gain this enviable reputation on the international scene: the participation of Canadian troops in peacekeeping missions, Canada's aid to development and, more recently, our efforts regarding human and democratic rights.

However, Canada's reputation in these sectors could be in jeopardy. For example, we were supposed to allocate 0.7 per cent of our gross domestic product to development assistance programs. The fact is that successive cuts were made by the government, so that this aid now represents only 0.4 per cent of the GDP. As soon as it took office, the Liberal government started implementing the same policy as the Conservatives, proposing an additional cut of 2 per cent in the budget for international assistance in the coming year.

At the rate things are going, Canada's reputation as a generous country with poorer nations could be a thing of the past, or at least somewhat tarnished. In spite of its enormous problem with public finances, Canada remains one the richest countries. The Bloc Quebecois does not believe that we will solve our current problems by penalizing the poorest people in the world. In the context of this review, the Canadian government should ensure that the money allocated to international assistance is really used to help the poorest.

As the Auditor General indicated in his recent report, Canadian assistance is neither very efficient, nor very effective. Canada must define its objectives and its priorities regarding

this aid, and it must ensure that these objectives are reached at the best possible cost.

We, on this side of the House, do not believe that the waste of public money is a justification for withdrawing our assistance. The process must be maintained and improved, and we should even increase aid to poor countries because their needs are as pressing as ever. Indeed, in spite of the efforts made, the situation of the poorest countries has not really improved.

As the Minister of Foreign Affairs mentioned this morning, the gap between rich countries of the North and poor countries of the South is even wider now. Excessive debt, overpopulation, poverty, abusive development of natural resources, inadequate education, high infant mortality rates, as well as reduced life expectancy, are all part of daily life in these countries.

For example, the World Bank has indicated that the external debt of all developing countries has increased from $62 billion in 1970 to $1,703 billion in 1992. Moguls and multinational corporations are often the ones to benefit the most from such a situation. These businesses can take advantage of the extremely difficult situation in the poorer countries by overusing human and natural resources. In the meantime, the poor countries are getting poorer and poorer.

One of the most dramatic problems caused by such extreme poverty is one of overpopulation. The annual rate of population growth reached 2.9 per cent in Africa, compared to 1.1 per cent in North America and 0.3 per cent in Europe. This means that the fertility rate is higher in Africa than in North America and Europe. Developing countries account for 95 per cent of the overall growth of the world's population.

There are 1.18 billion people living in the industrialized world, compared to 4.3 billion in developing countries.

• (1620)

Estimates show that the population in developing countries will have increased by 3 billion to reach more than 7 billion by the year 2025, compared to an increase of 0.15 billion people in the rich countries which would then have a population of 1.35 billion.

Sub–Saharan Africa, already one of the poorest regions of the world, will have posted the highest growth rate. A demographic explosion is also expected in Islamic countries where it could intensify the problems linked to political and economic restructuring.

Too often, such rapid population growth in the poor countries leads to more poverty and overuse of natural resources. If projections prove to be accurate, and the world population doubles half–way through the 21st century to reach ten billion, economic development will need to increase anywhere from fivefold to tenfold to satisfy needs. That would have tragic implications for the global environment.

Health conditions in poor countries are also disturbing. In spite of all efforts, a young North American can expect to live 23 years longer than a young African. In 1970, the difference in terms of life expectancy was 25 years.

Moreover, 14 million children die each year from poverty, sickness and malnutrition. AIDS could also affect development and cancel out the effects of several years of assistance. Of the estimated 10 million cases of HIV in the world, more than 65 per cent are in Africa. Without our assistance, developing countries will not be able to stop the spread of the virus, or deal with the consequences of this terrible sickness. Canada must be a leader in the strategy to solve the problem.

We should also mention that the development of poor countries is highly desirable, for the welfare of the countries of the South as well as our own. We benefit a great deal when these countries increase their revenues. The North–South Institute estimates that, during the 1980s, the sharp decline in the purchasing power of developing countries was responsible for the loss of 180,000 jobs in Canada. Development assistance cannot be viewed simply as an expenditure. It must also be seen as an investment.

Moreover, in 1986, the Winegard report reminded us that Canadian aid is too closely linked to diplomatic and trade interests and not concerned enough with the effective development of poor countries. This same report also indicated that the primary goal of public aid to development should be the development of human resources in poorer countries and that this aid must be concentrated in countries which need it the most. In fact, it recommended in particular that this goal be part of a legislative mandate.

The 1988 Canadian policy paper entitled *Sharing Our Future* attempted to answer the concerns expressed in the Winegard report, but without achieving the fundamental redirecting which had been recommended. The main reason for this failure, we were told, were the budget cuts that were applied at that time and the fact that CIDA was unable to truly become an organization dedicated to help the poor because it was too preoccupied with its political and bureaucratic influence.

• (1625)

In spite of all the government's speeches and papers, public assistance still does not get to the poorest countries, regions and people. It is estimated that less than 10 per cent of the Canadian budget for development assistance is directed to priority areas like medical care, basic education, water systems and public health. Compare that with the 62 per cent of development aid money spent right here in Canada.

In tabling its last budget, the Liberal government which talked of greater openness in the development and implementation of the new Canadian foreign policy, presented us with a fait accompli. Indeed, on February 22, the Minister of Finance

announced that Canadian assistance would be reduced by $400 million over the next three years.

Quebecers and Canadians will have to ask themselves an important question: "Do we want to continue enjoying our excellent reputation in the world? Have we become so obsessed with our problems that we have lost all compassion for the most deprived people in the world?"

The geocentrism that seems to appeal to some ignores the dependency existing between rich and poor nations. This interdependency is particularly noticeable in matters of peace, environment and population explosion. If today we stop showing human solidarity and gradually withdraw our aid, we might well have to face much more serious problems tomorrow.

I would like to elaborate further on the thorny issue of world environment. In 1972, environmental issues were raised on the world stage in Stockholm on the occasion of the United Nations Conference on Human Environment. In 1983, the UN General Assembly established the World Commission on Environment and Development to investigate major environmental and developmental problems and to formulate proposals for better international co–operation in that area.

The Brundtland Commission, as it is called, tabled its report entitled *Our Common Future* in 1987. This report emphasized how urgent it was to act on a global scale. It reminded us that desertification was increasing at the rate of 6 million acres a year, that 11 million acres of rain forest were destroyed annually, that global warming might have been as considerable during the last fifty years as it had been in the preceding 10,000 years, and that fuel consumption has increased more than 30–fold over the course of the last century.

This report came to the conclusion that human progress had to be promoted in a durable and sustainable way. That is where the concept of what we now call sustainable development comes from; it means meeting present needs without jeopardizing those of the future.

Since then, Canada signed five international environmental agreements, during the Earth Summit held in Rio in June 1992. Canada must continue its efforts to promote sustainable development internationally.

In closing, I would like to talk briefly on another subject which is closely related to all the previous ones. It is the protection of human rights in poor and developing countries where Canana is involved through aid or trade. Human rights are multi–faceted, the main ones being related to basic needs like food, housing, health and education. Several countries are way off the mark.

Canada is among the very active countries in the field of human rights, and we hope that it will remain so.

The Minister of Foreign Affairs this morning shared a beautiful dream with us. He dreamed of a world, and I quote him almost verbatim, "where there will be no more arsenals, no more famine, no more economic plundering, where children would go to school, have a roof over their heads and enough to eat".

• (1630)

I would like to share the minister's dream, but unfortunately the means announced in the Main Estimates quickly brought me back down to earth.

[*English*]

Mr. Pat O'Brien (London—Middlesex): Madam Speaker, I listened with interest to my colleague's comments about Canada's reputation in the world and the fact that it might be threatened. She listed in her arguments what we might call a tripod of this recognition of Canada's contribution to the world being foreign aid, peacekeeping, and respect for human rights.

Then in her remarks she simply addressed herself to one of those three issues, making clear that on the basis of the fact we have fallen short of our .7 per cent target in foreign aid somehow our reputation is about to be greatly threatened and undermined.

Could I remind the hon. member that we are second to none in the world today in our efforts in peacekeeping. We ought to be very proud of that fact, and I am sure we all are. In the matter of human rights, again Canada has a loud voice and is a champion for better human rights both at home, as we have heard day after day in the responses of the minister of immigration to certain sentiments that we do not share on this side of the House about welcoming people to Canada, and in our efforts to encourage other governments to respect human rights where it is not the case in their own countries. Just a few days ago I raised in the House the matter of the situation in Chiapis, Mexico, and the concern of many Canadians about it.

The hon. member has made reference to these three points. She castigated the government in saying that we were only at .4 per cent and that somehow this was threatening our reputation in the world. She then went on to speak about interdependency among countries, what one might call supranationalism.

I applaud that and I certainly second her sentiment there. However it is amazing to hear that from a member of a party with a political agenda to return to the petty nationalism of the 19th century which preached that a nation must be based solely on the fact that those who speak a language must therefore in and of themselves become a nation and would seek to destroy the new experiment in nationalism represented in Confederation, a neo–nationalism that Macdonald and Cartier along with many

other Canadians had the vision to put forward in this great country.

I listened with interest to the hon. member and to the leader of her party earlier today. I was saddened to hear their arguments based on a type of nationalism that is at least a century and a half out of date. Indeed it was the dream of the 19th century and became the nightmare of the 20th century with some of the most destructive wars in the history of mankind. It is amazing to me to hear such sentiments of interdependency of nations, which I applaud, coming from someone who is a member of a party with such a destructive political agenda, at least very destructive for this country.

Does the hon. member not believe that if the Bloc's agenda was achieved and Quebec did tear itself apart from the rest of Canada, Canada without Quebec and Quebec without Canada would certainly fall far short of what we would achieve in the world by being together as a nation? Does she not see that as perhaps the greatest threat to our reputation in the world, and it comes from her own party?

• (1635)

[*Translation*]

Mrs. Debien: Madam Speaker, the hon. member touched on many of the points I just made. I am not sure he understood very well what I said. As a matter of fact, I praised Canadian foreign policy in many areas without making any reservation or omission in that regard. I think I was fair in my remarks because I am here to speak in good faith of our foreign policy and tell the government what I think that policy should be. I will keep this same attitude for as long as I sit in this House.

There is another point on which I would like to comment. The hon. member seemed to imply that, among the very few reservations I had, I criticized the government for spending only a small percentage of our GNP for official development assistance. I was referring to a Liberal commitment in the red book saying that Canada would renew its promise to allocate 0.7 per cent of its GNP for ODA. That was the gist of my criticism: I simply said an election promise was broken. As to the rest, I feel I was very kind in my assessment of Canadian foreign policy.

As to what the hon. member labelled as the narrow nationalism of the Bloc Quebecois, I would say nationalism is not only a matter of language. He is the one who made a link between nationalism and language. I think nationalism is much more than that. It is a culture. The Leader of the Opposition was perfectly clear on that this morning. I will also point out to you that in his speech this morning, the minister of Foreign Affairs referred to nationalism, rather ultra–nationalism, which in my view is not consistent with the ideas of the Bloc.

If we look at globalization of trade and markets, despite this phenomenon of globalization, we still are confronted—the minister of Foreign Affairs said it this morning—by the nation–state, and you know that Quebec considers itself as a nation. It is in that sense that we talk about nationalism, because we consider ourselves as a nation, a nation with a culture, with a language, with a history which, from the outset, was different from that of English Canada.

It is in that sense that we feel that a nation–state may very well—and its has been clearly demonstrated recently—we feel, I repeat, that a nation–state, however small it may be, may very well survive among nations increasingly interdependent. This is, in my view, the idea that the Bloc has always been trying to defend. That does not mean a nation closed to the world, that does not mean that we are going to apply the geocentric theory which I mentioned earlier. On the contrary. In my view, Quebec has always been very open to the world, hoping to become a nation one day and to remain a nation.

• (1640)

[*English*]

The Acting Speaker (Mrs. Maheu): I am sorry but the period for questions and comments has terminated.

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, there have been discussions among the parties and I think you would find unanimous consent for the following motion. I move:

> That the vote on the budget scheduled for Wednesday, March 16, 1994 at 6.30 p.m. be deferred until Tuesday, March 22, 1994 at the conclusion of the time appointed for the consideration of Government Orders.

I have a second motion. I move:

> That the ordinary hour of daily adjournment be suspended this day to permit continuation of the debate on a motion by the Minister of Foreign Affairs to establish a special joint committee and on any amendments thereto, and during such extended sitting no quorum calls shall be permitted, nor shall any dilatory motions be received by the Chair, and when no further member rises to speak, and in any case no later than eleven o'clock p.m., the Speaker shall put all questions necessary to dispose of the said motion forthwith and without further debate.
>
> A recorded division shall be deemed demanded and the division shall be postponed to the end of the time appointed for the consideration of government business on Wednesday, March 16, 1994 and thereupon the Speaker shall adjourn the House until two o'clock p.m. on Wednesday, March 16, 1994.

The Acting Speaker (Mrs. Maheu): The House has heard the terms of the motions. Does the House agree to adopt both motions?

Some hon. members: Agreed.

(Motions moved and agreed to).

CANADIAN FOREIGN POLICY

The House resumed consideration of the motion and the amendment.

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Madam Speaker, I listened to the last few moments of debate. I believe Canadians are proud of the country's role on the international stage. They see it as a role of an honest broker, as a role of a middle power, as a role of a force of goodwill and civility. It is also a symbol that has acted as a beacon of hope to those who unfortunately find themselves displaced. We are particularly proud of the role our immigration and refugee policies have played in helping to establish our international reputation along the way.

Canadians have historically had a humanitarian response to people fleeing persecution, whether it was the open arms that Canada extended to the United Empire Loyalists or Hungarians fleeing communism, whether it was the innocent families escaping a murderous dictator in Uganda or most recently the helpless Vietnamese boat people who were cast adrift.

In a world of dramatic change, however, we can no longer view immigration and refugee policies simply as a sporadic domestic response to occasional international crises. Migration and refugee issues must be at the forefront of our foreign policy concerns for Canada and on the foreign policy initiatives agenda of so-called developed countries.

In addition, I believe we need to come to grips with and create a coherent international population policy to address the important issues and challenges raised on the floor of the House of Commons today.

• (1645)

I believe this foreign policy review is a very welcome initiative. It coincides with a national consultation on the future of our immigration program which we had occasion to launch on March 6 and 7. I believe that these two initiatives should not run on a parallel playing field, but rather at some point converge into one through the many inextricably linked issues.

It is very true that immigration programs must be developed with an eye to both domestic priorities and domestic concerns. That goes without saying. It must take stock of world conditions, world pressures and world changes. We cannot isolate our national programs from our hope for a saner, more gentle international community.

We also need a wide breadth of vision in recognizing that whenever we try to extend help to humanity in some corner of this globe, we are at the same time putting in the first footings of the foundations of bridges that will one day transport more than just goodwill, but be transformed into social and cultural and economic advantages for both countries.

I believe that in eastern Europe where the Berlin wall has come down that immigration can be one of those bridges, not to try to have a brain drain when those countries are trying to find a footing and develop a dynamic and exciting new society, but rather to try to meet some of the aspirations of those people who wish to immigrate to Canada where there is already a history and a proud tradition of that. I believe that it goes beyond just immigration.

With respect to eastern Europe and some of the countries therein, we need to show our support now during this difficult transition time and not later on in the next generation when obviously we will be seen to be trying to reap the rewards of a consuming society.

What steps then must a democratic, pragmatic, fair-minded country like Canada take to help find new answers in a new world? Recent years have seen a sharp rise in the number of global migrants. There are as many as 100 million migrants on the move around this globe. There are almost 19 million refugees, double the number in 10 years. There are almost 20 million individuals displaced in their own countries, including some four million individuals from the former Republic of Yugoslavia. Therefore, there are many root causes for all the migration. We need to understand and analyse the forces at play that mobilize this colossal movement of humanity.

My hon. friend from the other side touched on some of these: civil wars, deep and persistent poverty, mass violation of human rights, environmental degradation, lack of solid, viable long term economic opportunities, globalization, uncontrollable urbanization, better communication and easier transportation and, of course, the global recession that has touched both developed and developing countries.

There are some who would close their eyes and others who would want to close their borders. I suggest that neither of those actions will stop the problems nor the solutions from coming forward. As a modern society we cannot afford to have an international corridor of locked doors. We know that to be the case. An international corridor of locked doors will only reroute the traffic through our back doors and through our side windows.

Of course Canada cannot solve the problems alone. However, by working in co-operation with other countries, clearly we can help to find international solutions to what is an international phenomenon, that of migration. We as a country can offer that leadership because we are truly an international country if we stop to think about the kinds of exciting characteristics that define Canada.

• (1650)

We are an international country. Canadians have roots in every corner of the world. Therefore we should take heart about that dynamism and ask ourselves what country is better poised in this new global village to try to seek to mobilize the leadership for such an international consensus. We should not sell ourselves short. One of the criticisms that we sometimes hear is that we are too meek on the international stage. Yet, on this issue of global migration, we have offered leadership. It is there, it is documented and it is a source of pride.

In my few remarks I do not wish to try to predetermine the outcome of the foreign policy review as it deals with migration pressures. Rather, I would like to raise some serious questions and issues which I hope will receive the careful reflection of this joint committee and of the speakers subsequent to my deliberations.

For instance, while Canada has been a forceful advocate of individuals' "right to leave oppressive regimes", can we go one step further and become a forceful advocate of people's right to stay in their homelands? What can we do to make emigration a matter of choice and not simply a matter of desperation and lack of options? How can Canada help strengthen the role of the United Nations High Commission for Refugees that is looking for assistance to strengthen its resolve?

When most refugees selected by our western world happen to be men, what can we do to recognize and balance the reality that most refugees in the world overwhelmingly are women and young children? How can we encourage international co–operation to address the root causes of involuntary migration? Can we find new means of fostering economic development, human rights, conflict prevention, population planning and environmental sustainability?

What role can international fora such as the Commonwealth, la Francophonie, the OECD, or the G–7 play in developing a much needed integrated population policy which currently has gone by the wayside and which leaves a large, large vacuum?

What role can and should our trade policy play in the reduction of migration pressures? What role can Canada's immigration program play in helping developing nations strengthen their own countries and develop their own human resources to the fullest of their potential?

What is the role that technology can play in this equation of migratory pressures? Have we reached the point where we must consider migration impact like environmental impact questions in the development of our foreign and aid policies?

These are some of the questions and issues that I would like to put on the table for further discussion because in the red book in the last election campaign we pledged as a party to adopt a more comprehensive strategy toward national and international security, including sustainable development, global economic prosperity, support for democracy and solving problems through multilateralism.

As Minister of Citizenship and Immigration, I increasingly see how critical our success in developing such a comprehensive strategy will be to the future manageability and success of our own domestic immigration programs.

I believe and I urge that migration issues and migration pressures must be a central focus of Canada's foreign policy agenda as we move together toward the next century. They will be on the agenda, for instance, at an important United Nations conference which will take place this September in Cairo, entitled the United Nations Conference on Population and Development.

At this particular forum, and at gatherings subsequent to this forum, we need to search and find new kinds of world–wide co–operation to ensure that migration is a positive force, not a destructive force, and an engine of development serving the interests of migrants as well as the aspirations of both the sending and the receiving countries alike.

• (1655)

We must seek co–operation to establish stronger international regimes and strengthen an international resolve to address the force of world migration, to encourage conditions to permit people to remain in their homelands and to ensure that when people are forced to seek refuge that there is an international community that is not oblivious or indifferent, but receptive to their plight.

It is through this working partnership to achieve this objective that Canada's foreign and immigration policies can indeed find common cause and common ground.

If one looks at public opinion surveys, and I think a few minutes ago my colleague touched on this nerve, Canadians are looking for symbols, institutions and initiatives that give a sense of pride, meaning and purpose to our country called Canada. I think the element of this debate is such a useful exercise because an exercise such as this, that goes beyond our own domestic borders and looks internationally abroad and talks about the dreams that the Minister of Foreign Affairs spoke about earlier, is the vacuum that Canadians want us to fill. It is a unifying force.

We may have differences in how we approach these individual international problems, but it is a force that unites us as opposed to a force that divides. It is a reputation that not only would give us a sense of pride but would reinforce the reputation that we have developed as a caring and compassionate country. Those are not empty words or empty rhetoric when one tries to fashion a domestic policy that is in keeping with an international dream

or a more gentle version of a world that sometimes is more filled with disorder than order.

Every time we make a ripple in the world it sends out a signal and an example to other countries. That is what multilateralism is all about. What we seem to be doing on this issue is not only important domestically, but given that we have had a track record and a leadership role it becomes doubly important. What we do in this area, speaking quite modestly, can have an impact on how other countries view the problem.

It is not a question of trying to preach or lecture to other countries or try to say that we preach from a pulpit of perfection where we have a monopoly on virtue. Not at all. Some Canadians would say that we have our challenges from within. The poor, ravaged by the recession, would argue: "Why are you spending a day in Parliament talking about problems that seem so far away? Why do we not take care of the problems here at home first?" Other voices would suggest: "Why are we allowing the doors to still remain open for those seeking refuge when there are individuals here who are not meeting their own dreams and never mind the dreams of a very complex, confused world?"

We hear those voices. Those are tough questions. Those tough questions do not always have easy, ready made answers do they? I think we feel and we sense as members of Parliament that on the one hand we need to listen to those concerns because without being rooted in that reality we are lost in this place. This place means nothing unless this debate becomes realistic and people out there connect with us and through us.

In the other sense, we also feel that when we come together as members of Parliament in the institution of democracy in Canada and where our constituency all of a sudden becomes national, we have a responsibility to go beyond our riding boundaries and also consider the international plight of our fellow brothers and sisters. Do we not? Our work as members of Parliament would be less if we simply thought of what could be good parochially speaking for each of us or each of our ridings.

• (1700)

We have to go beyond that. We have to try to broaden and elevate the debate to see that the world's problems are really problems for us indirectly. We can reach out and build those bridges and seek those solutions. If we stop to think selfishly for a moment it is beneficial for this country as well.

Linkages in the world today are absolutely vital. McLuhan talked about the global village and it is certainly here. The rapidity of technological and communications change links us whether we like it or not.

The global marketplace will belong to countries that are forward thinking, that are creative in trying to come to grips with old problems. It will belong to countries that seek the pioneering work which is very difficult but reaps benefits.

As fellow human beings we owe it to the world to try to make it a better place. Most of those people on the move would rather not be. Most immigrants to Canada, including my parents, would rather have stayed where they were. However they were compelled and forced to pack their bags and move without really knowing where the train would take them.

However ask those individuals today what the best decision was in their lifetime. Nine out of ten will say it was packing those bags. As painful as it was then, the best decision was to pack their bags and to adopt a new country, Canada. Those individuals are prepared to line up to defend and to stand on guard for thee.

We should not forget that because those movements still exist. Individuals look to Canada, look to the United States, look to Australia, look to New Zealand and other countries that ought to be in this group for a beacon of hope.

I hope this foreign policy debate will view immigration and refugee policies as an extension of that foreign policy, in how we deal with those people on the move and how we position our country for the future.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Madam Speaker, I was most interested to hear what the minister of immigration had to say. I am sure that the people of Chambly and the people of Quebec and Canada are thinking along lines that are not too far removed from the points the minister is trying to make.

In this House and elsewhere, unfortunately, the minister is asking questions and I hope he is willing to hear the answers or at least our attempts at providing answers because in our society, there are some subjects that are taboo. Today, we cannot talk about capital punishment or immigration or other topics that are not considered politically correct in our society, even if we just want to obtain information and perhaps come up with the same solutions or objectives as the minister.

• (1705)

The minister asked us some questions. He said: "Canadians", and this includes Quebecers until further notice, "must take a position and do some serious thinking". However, when we do that, we are not always politically correct.

The minister approached this subject by tugging at our heart strings. Of course there are some sad situations in the world and there are people who really have a lot of problems. However, I would have appreciated it if, for once, the minister had not played on our emotions, because at times we have let our emotions go beyond what we could afford. I wish that, for once, the minister would show us some figures and prove his point this way, and I am sure he would succeed, but I wish he would stop playing on our emotions and use scientific and economic data to

give us some hard facts that prove what he thinks and what I think, namely that these are issues that will benefit Canada. There is no doubt that immigration benefits Canada. Our country is where it is today thanks to immigration.

However, to satisfy people who sometimes argue on the basis of false premises, I would have liked the minister to explain from the mathematical point of view how he reached this conclusion.

[*English*]

Mr. Marchi: Madam Speaker, the member raises an interesting point. The whole matter of immigration and refugee migration is a very emotional subject to start with. Some members have accused me of being over–emotional at times. I suppose I am at times but that is the nature of this federal public policy area.

I would go out on a limb and suggest it is probably the most emotional area of federal public policy. It deals with people wanting to come here. It deals with people being denied the chance. It means there is only room for so many individuals and family reunification individuals feel that very emotionally.

On the one hand the issue is emotionally charged. On the other hand the hon. member is right. Our challenge as government and as a Parliament when dealing with immigration and refugee migration movements whether it is to Canada or internationally is to divest ourselves as much as we can of our emotionalism and to talk about it rationally. That is very much the object of the exercise I launched on March 6 and 7.

What did I say when we announced the immigration levels for 1994 back in February? In addition to the numbers, we talked about a new way of consulting and engaging Canadians. It was not an attempt to superficially massage the issue. Rather it was to go beyond that and to engage Canadians on the facts and numbers and on what the member referred to as the mathematical or scientific equation of immigration refugee and migration. I welcome that thinking because that is what those consultations are about.

I was accused today for example during Question Period of calling people ignorant when they perhaps had a thought that did not agree with mine or with government policy. I made no such categorization of individuals. I repeat what I have said in this place before. It would be too easy to dismiss individuals who have concerns and we should not because those concerns are genuine.

I am not suggesting that we assume and accept any perception people have about immigration or refugee or migration movement. There is a middle ground. In a sense we can try to get to that common ground and try to learn from each other and allow the facts to be distilled. Let us put emotion, perceptions, myths and fiction to one side and let us talk hard numbers. I do not fear that kind of debate. That kind of debate brings to the fore the true values which have shaped immigration in the past. I am confident of that.

• (1710)

If I have one negative criticism of my predecessors in the last 10 years of Tory administration it is that they legislated on fiction rather than fact. They led with the negative only. They did not talk about the positive.

Sure there are problems and of course there are concerns. For example, it drives Canadians up the wall when a convicted murderer makes a refugee application at a Kingston penitentiary. It drives this minister up the wall too. There is due process. I am trying to make the system fairer but I am also determined to close the loopholes which make our tolerance the object of ridicule and undermines those who seek to come here legitimately.

I welcome a discussion based on fact and not fiction, one that is rational and not emotional. We would be doing honour to the subject matter at hand.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Madam Speaker, when I listened to the hon. minister earlier, I was reminded of Martin Luther King many years ago. He spoke with a great deal of magnanimity and emotion, except that while Mr. King was a preacher, the minister holds a position of power. Yet, when a very honourable family asks to stay in Quebec , we see that even with all the power he wields, he has to tap dance around the issue. Clearly this is unacceptable, because he certainly has ways to get results.

Nevertheless, I do have a question for him. My constituency of Matapédia—Matane is as vast as an entire country. My question is this: Why is it that new immigrants to Canada usually settle in the large cities rather than in the regions? Is it because the unemployment rate is higher in our regions, or is there some other reason?

[*English*]

Mr. Marchi: Madam Speaker, it is rather unfair that the hon. member tried to categorize this government as being unfair with this case or another.

One of the realities of this portfolio I am trying to correct is I am trying to improve the system by pulling back the system from the hands of government and the minister. Right now all negative refugee claims whether they are through members of Parliament, NGOs, church groups or the media, land on the desk of the minister. I do not subscribe to the policy that the minister knows best.

When we get thousands of cases, how do we begin to intervene and make it rational and fair across the board? Do I react because an issue was simply in the pages of *Le Devoir* or the Toronto *Star*? Keep in mind there are 700 other cases that could not get on the front pages of *Le Devoir* or the *Star*. Do I react when someone goes on a hunger strike? Do I move when

someone seeks refuge in a church? Or do we try to have a policy that is fair for one and all and that provides adjudication more by the system rather than the minister? I have the commitment from my caucus and cabinet colleagues to do just that.

The member touches on another issue. Largely speaking Montreal, Toronto and Vancouver are seen as our chief magnets for immigrants and refugees. One of the challenges we can address is that if immigration is positive, then it flows logically that some of the economically depressed regions could certainly use the advantage immigrants bring. The challenge is how to encourage immigration to those parts of the country and balance that with the mobility rights they obviously enjoy under our charter. It is a challenge I hope we come to grips with.

• (1715)

Mr. Chuck Strahl (Fraser Valley East): Madam Speaker, it is unfortunate that I did not get an opportunity to question the minister following his comments. It was a dynamic question. The minister is going to have to wait until another day.

Before I start into my main point, I believe no one party has a monopoly on love for Canada, for patriotism, for a concern for the improvement of the system. When we on this side of the House ask questions I hope the minister takes them in the spirit they are intended. We may not be as slick as some in the way we can present questions and we may not have the years and years of experience. However, the love for Canada and a belief that the system may need to be improved are part of what we hope to have in all our questions, comments and speeches in these debates and reviews.

There have been a few surprises since I came to Ottawa. I am surprised that it can be this cold. I have come during the coldest winter in living memory. I guess I could expect that. I am surprised that the salt stains on my shoes never come out. I am surprised at the cost of an apartment and I am surprised at the workload of an MP.

I am also surprised in some ways to find that there are many fine MPs on all sides of the House and I commend them for their concern in debates such as this as we review important policy and try to set the policy that will lead us into the 21st century.

I have also experienced one of my greatest surprises during the last few days while sitting as a member of the Standing Committee on Foreign Affairs and International Trade. I want to pass on some of this astonishment to the House and to anyone else who listens today. Hon. members will be more than a little surprised to hear some of the things that have come up in the last few days in this important committee.

Our committee is undertaking a sweeping foreign policy review. Part of that is happening here today. Over the next few months we will begin comments on foreign policy from this side of the House, talking about an agency I would like to focus on today, integral to Canada's foreign policy.

This agency is responsible for delivering 80 per cent of Canada's foreign aid and dozens of other nations shape their concepts of Canada through their contact with this agency. Its budget is huge and the very lives of thousands and sometimes hundreds of thousands of people depend directly upon it. CIDA, the Canadian International Development Agency, is a very important agency, an organization in our foreign policy.

Let me say a little bit about CIDA. It falls under the authority of the Department of Foreign Affairs. It began in 1968 with a budget of $279 million. Today its budget is over $1 billion. It has 1,300 employees and is involved in 115 countries around the world. These facts do not surprise me.

What I find truly incredible are the very basic things that we do not know about CIDA. What is the mandate of this organization? We do not know. How many and what kind of countries is it supposed to work in? We do not know. What kind of aid is it supposed to deliver? We do not know. Is it doing a good job? We do not know that either, we have no idea.

The few answers we do have are just as surprising. What legislation brought CIDA into existence? There never has been any legislation. CIDA is a creation of cabinet. Is it directly accountable to Parliament for the billion dollars it spends every year? Not at all. Is there the political will to make it accountable? The answer is a simple no. I found that out from the minister last Thursday.

The minister appeared before the foreign affairs standing committee to present the estimates and I asked him if he felt it was a problem that there was no legislation spelling out CIDA's mandate. With some characteristic, political caution he said that laws are useful but not necessary. Then he added that laws could become an impediment.

I could read between the lines of these statements. I think he meant the government may not want to bring CIDA under the direct control of Parliament because legislation by its very nature is restrictive. It says that there are some activities that we cannot do or that we cannot take part in. Or it could mean if we create legislation that gives CIDA a humanitarian mandate, for instance, we will not be able to use the organization as a political tool of foreign policy or an economic tool of Canadian commercial interests. We would restrict our freedom to manipulate CIDA by introducing legislation.

• (1720)

This would be a bit more acceptable if there were not grave problems with CIDA, problems that can only be solved by legislation. The Auditor General included an entire chapter on this organization in his last report and he exposed fundamental shortcomings which could be mitigated by enacting appropriate legislation.

The Auditor General says that the first problem is one of conflicting objectives. Some see CIDA as an instrument of Canadian business, others as an agent of humanitarian aid. CIDA does not know what it is supposed to do. It stumbles along trying to please both sides but pleasing neither very effectively.

CIDA, very simply, is overextended. Its activities are spread too thin, we are in too many countries doing too many things to be much help in any one place. We need to have a sharper focus to our foreign aid.

The Auditor General says that CIDA is also too bureaucratic; is it any wonder when we realize that it has 1,300 employees but only 125 actually work overseas? I was astonished to learn this. That is an average of only one CIDA representative per country that we are represented in.

CIDA's management style is also inappropriate. In the past it undertook more physical projects like building bridges or building roads. Its project managers knew a lot about how to build bridges and how to build roads. Today CIDA is involved in a far wider range of activities such as policy advice and human resource development. Its managerial expertise, though, has not changed to match its new activities and the result is that CIDA has not been able to properly dovetail its current staff to the new and evolving tasks which it has been asked to accomplish.

The Auditor General says that CIDA needs to be more accountable. I could hardly believe it when I read that when CIDA signs an agreement with a foreign government to complete a project there are no required results set out in the agreement. There is no independent on site monitoring of the project and there are no clear budgetary limits. There is no legislative requirement to evaluate CIDA's involvement and report those results directly to Parliament.

These are all very theoretical. In a practical sense what kind of problems result from these types of inadequacies? I will cite just one example.

The Auditor General took pains to tell us about Bangladesh where Canada has spent approximately $2 billion over the last 25 years. In one village officials counted more than 80 separate international aid groups and the Auditor General said: "That country could not possibly absorb and use in a cost–effective way all the development assistance it was already getting from the multiple donors".

Bangladesh still receives 40 per cent of all CIDA funding. It is no closer to being self–sufficient than it was 25 years ago, and there seems to be no process for deciding if it should remain Canada's top priority.

These are very significant problems. If they were ever to be resolved we as Canadians should consider a deeper, more philosophical question about CIDA, one that goes to the heart of our national character. Before we enact legislation to enable CIDA to solve its own problems we must answer this basic question or it will be impossible for CIDA to become effective.

For a quarter of a century CIDA has been the arena of a great struggle within Canada, a struggle about Canada's motives for giving foreign aid. The problems exposed today earlier in my speech are just symptoms of this greater struggle. Should our motive be to help poor people, with no strings attached, or should our motivation be to profit commercially in some way through aid for trade arrangements?

If our motives are to help the poor, we must realize that we will not be repaid in an economic sense. If we want to benefit Canada's economy through foreign aid, we will likely turn away from the poor and divert those resources to richer nations with potential for increased trade with Canada, thereby increasing our own wealth.

In 1987 the standing committee on external affairs authored a very popular report called the Winegard report which recounted many of the administrative problems that I have already discussed and also tackled this deeper question about CIDA's role. The report was entitled "For Whose Benefit?", which implies the question who are we helping. Do we really want to help others, or is giving aid just another way of helping ourselves?

• (1725)

That same committee in 1987 made it clear where it stood on the humanitarian versus the market orientation question. Its very first recommendation was that the government adopt a development assistance charter as part of a legislative mandate for Canada's development assistance program.

It recommended legislation and stated as the first principle of that legislative charter that the primary purpose of Canadian official development assistance is to help the poorest countries and the people in the world. The committee acknowledged and upheld that humanitarian concept of foreign aid and the government of the day, the Conservatives, paid lip service to 98 of the 115 recommendations found in the Winegard report.

During the last election the Liberal Party also spelled out a continuing commitment to humanitarianism. Government seemed to be consistent in its support of humanitarian goals and, to that end, consistent in its desire to reform CIDA. Nothing is

ever actually accomplished because the underlying question has never been resolved through legislation.

The continuing struggle was echoed just one week ago and addressed to our standing committee by the president of CIDA. I sympathize with her. She is trying hard to please two masters here. On the one hand she attempts to please the humanitarians in the crowd by telling about CIDA's accomplishments with the poorest of the poor, and there are some very positive accomplishments and achievements there. On the other hand she also tries to please the more market oriented people by noting with some pride that 60 per cent of CIDA's foreign aid is actually spent right here in Canada to support Canadian businesses. That is a direct contradiction and that is where this needs to be settled.

It is no wonder that members of the global aid community shake their heads in disbelief. Obviously there are internal pressures to make CIDA an instrument of Canadian commercial interests.

The so–called Carin paper leaked from the Department of Foreign Affairs in late 1992 saw CIDA as a means to promote Canadian interests and values abroad. It advised the government to shift aid toward richer nations like Russia where we might have the chance to develop stronger economic ties. This report was never implemented but the trend is clear.

This problem and the administrative ones I have highlighted are obvious and long standing. The problems and many of the solutions were clearly laid out in the Winegard report nearly a decade ago. When one reads the latest Auditor General's report much of it sounds like the reiteration or the reinvention of that same Winegard report.

There is a continuing lack of political will in the government, as revealed by my conversation with the minister last week, because of the competing philosophies about CIDA's most basic role, aid or trade. I have heard that two successive ministers, the past two, have tried to change CIDA and have failed. I have also heard that numerous, well intentioned and influential people have run into a brick wall trying to reform the system for the sake of the Canadian taxpayer and the sake of hungry people abroad. We need leadership or the problems will continue.

The Reform Party of Canada is willing to offer leadership in this respect. I want to clarify the Reform position. The Reform Party of Canada, as members know, has called for a reduction in foreign aid funding simply because Canada no longer has the money to spend like it once did. Reformers are concerned about the poor but they are unwilling to ignore the larger context of our ability to pay and they are unwilling to overlook the reforms that CIDA so urgently needs.

The Reform Party is well aware of the plight of a full third of the world's nations. In them, 34,000 children die of hunger or illness each day; 800 million people are malnourished. On the opposite pole, we are all well aware that on the United Nations index of human development Canada sits second out of 172 nations. This position of privilege carries with it a unique weight of responsibility and we as Canadians must not close our eyes to the grim realities faced by others.

It is therefore our recommendation that CIDA be clearly mandated to assist—

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member. We will proceed with his debate once the House resumes its business.

It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMINAL CODE

Mr. Don Boudria (Glengarry—Prescott—Russell) moved that Bill C–214, an act to amend the Criminal Code (hate propaganda—age group), be read the second time and referred to a committee.

He said: Madam Speaker, I am honoured and privileged to have the opportunity today to present to my colleagues in Parliament and to commend Bill C–214, the purpose of which is to amend the Criminal Code of Canada to render it impossible to import a product known as the serial killer board game.

[*Translation*]

I would like to start by describing the serial killer board game for all hon. members. This is a Monopoly–type game that comes in a child–size body bag. It contains 25 baby figures and four killer figures. The purpose of the game is, of course, to commit as many murders as possible to tally up the largest number of baby corpses and win the game. The winner is the best killer.

The game also includes a map of the United States where the states without capital punishment are in a different colour. For a big murder, the killer gets three baby corpses and, for a smaller murder, only one corpse.

Here are some of the cards a player can get in this game.

[*English*]

"Hitch–hiking is dangerous. Someone should have told this girl". Here is another quote from one of these little Monopoly–style cards: "The quiet dorm could turn into a house of horrors when you visit. This campus is crawling with cops though. Beware".

[*Translation*]

This game is based on the actions of John Wayne Gacey, who was found guilty of 35 murders in the United States.

I would like to say a few words about public opinion on this game. I humbly submit to this House that Canadians do not want this product. Most Canadians are reasonable people and want to ban this game. I have presented over 105,000 petitions in this House in recent days. Several other members have also presented such petitions. In Quebec, in particular, many teachers and school boards are passing around the petition I drafted myself two years ago.

I have several more petitions in my office and I intend to table them as soon as the Clerk of Petitions has had a chance to review and approve them for presentation in this House.

At this time, there is nothing preventing the importation of this game into Canada. In 1992, after complaints in this House and demonstrations by many Canadians, Diamond Comic Distributors, the company that distributes the serial killer board game in Canada, decided to stop distributing this game or to give up its distribution rights. I think the reason for this is obvious. After all, it would be unwise for a distributor of comic strips to antagonize parents. So, in the face of controversy, the company decided to give up all rights to distribute this product. But you just wait and see. If there is a profit to be made, sooner or later another distributor will show up to ensure the large-scale distribution of this product here in Canada.

The former Minister of National Revenue, Otto Jelinek, even admitted in a letter—as I told the hon. member of the Official Opposition—that nothing in the Criminal Code now prevents the importation of this product into Canada.

• (1735)

Customs officials have no law that would allow them to stop the game from crossing the Canadian border. Therefore I humbly submit to this House that there is an urgent need for a law to stop imports of this game.

[*English*]

On February 11 I tabled in the House Bill C–214, an act to amend the Criminal Code of Canada. That is the bill we are debating this afternoon. It is through that bill I propose to ask my colleagues to take the necessary measures to prevent the importation of the serial killer board game.

The bill that I offer to the House is very simple. Basically it adds one word to the Criminal Code. I will explain that in greater detail. Bill C–214 proposes to amend the hate propaganda provisions of the Criminal Code. Presently—and this is no surprise to anyone—if the serial killer board game advocated to destroy, physically harm or murder people on the basis of race, colour of skin, religion and so on, obviously it would not be allowed to enter our borders.

However, because babies by definition come in all races, colours and everything else, that particular criterion does not work to stop the importation of the serial killer board game. By definition right now the hate propaganda provision says that hatred cannot be promoted against an identifiable group. Identifiable group is then further defined as a group that can be distinguished by sex, colour of skin, ethnic group, religion and so on. Obviously there appears to be no way at the present time to stop the importation of the serial killer board game.

My bill would add another category. It would add an age group as an identifiable group. The word age would be added. In other words babies by definition are relatively the same age. Otherwise they would not be babies. This age group would then become identifiable and jurisprudence would develop when a baby is a baby for the purpose of the bill. Nevertheless, jurisprudence would determine when this criterion could be used.

In any case advocating violence, promoting violence or glorifying violence against babies would be prohibited under the measure I am proposing to the House this afternoon.

[*Translation*]

Now, as I said, section 318 of the Criminal Code forbids anyone to promote genocide, and that is what we are talking about. If hon. members have a copy of the Criminal Code in front of them, they will see that subsection 318(2) reads:

> — "genocide" means any of the following acts committed with intent to destroy in whole or in part any identifiable group, namely, (*a*)killing members of the group; or (*b*)deliberately inflicting on the group conditions of life calculated to bring about its physical destruction.

"Identifiable group" means any section of the public distinguished by colour, race, religion or ethnic origin. Of course, as I just said, I propose adding another category to this section of the Criminal Code, namely age group.

In conclusion, because I would like to make my comments a little shorter than the 20 minutes allotted to me so that more members can speak, this is not a partisan issue today but an important social issue and I think that as many parliamentarians as possible should be able to speak on this subject.

Madam Speaker, I would like to say to you and to my colleagues that on many occasions I have told the House of Commons my opinion on importing the serial killer board game. I say and I repeat that I find the idea of this game, which is to collect the largest number of baby corpses, repugnant.

• (1740)

Not only I, but all parliamentarians and all Canadians are disgusted by this game.

Finally, I want to leave you something to think about. Madam Speaker, imagine that you are a parent of a newborn child and your next–door neighbours are having fun playing the serial killer board game and collecting baby corpses. Would you not want the government to ban this game!

Mrs. Pierrette Venne (Saint–Hubert): Madam Speaker, hate propaganda is one of the most despicable forms of human foolishness. Those who use it without thinking have not learned anything from history, while those who spread it wilfully commit a crime against humanity.

Hate propaganda can easily be concealed in the most seemingly harmless comments; it goes against the constitutional protection afforded to freedom of expression, and those who use it do not care about public opinion, which disapproves of its use.

In fact, you cannot define hate propaganda; you see it, you hear it, and you measure it by the provocative effect of the words and actions of those who use it. It defies definition under our democratic law. Every time we legislate to combat hate propaganda, it resurfaces in a new, unsuspected, active form.

Our Criminal Code has included a few minor provisions on hate propaganda since 1970. Sections 318 and 319 deal with advocating genocide and with public incitement to hatred against groups which the law calls "identifiable". The Code currently defines the offence based on the group to which the victim belongs. This does not take into account historical and social realities.

Any form of hate propaganda against any social group, by anyone, should be strenuously opposed. The current Criminal Code only includes acts against certain groups, distinguished by colour, race, religion or ethnic origin.

For example, the age, language, sex, sexual orientation, social environment and condition, political convictions, profession, marital status or lifestyle of individuals forming a social group are not elements of identification of victims of hate propaganda.

I think that restricting potential victims to a few groups is not justified when we are dealing with a crime against humanity as a whole. Instead of designating a few "identifiable" groups, the law should prohibit any form of hate propaganda against any group. Public incitement to kill women, welfare recipients or homosexuals is no different than inciting people to kill Jews, Catholics or Muslims. Social hatred, in its expression and in its effects, is akin to universal hatred.

Consequently, I agree with the hon. member for Glengarry—Prescott—Russell on the spirit of his proposed amendment to Bill C–214. However, I cannot support the bill itself, because it implicitly recognizes that the law would only protect certain groups of people, when it should include everyone.

This bill is similar to Bill C–204 tabled on December 18, 1988, and Bill C–207 tabled on April 7, 1990, which also provided for the inclusion of age as a distinguishing factor. Bill C–326, tabled on June 27, 1990, also added sex and sexual orientation to the list of factors.

The bill tabled by the hon. member for Glengarry—Prescott—Russell adds age as a distinguishing factor for a group of victims, but what we have to do is abolish these restrictive designations of "identifiable groups", in order to extend the protection of the law to society as a whole. Again, this bill confirms the restrictive nature of the current legislation.

• (1745)

On the other hand, this bill gives us an opportunity to debate in this House the effect our legislation really has on hate propaganda in light of the decision rendered by the Supreme Court in the Zundel case, last year, and the Keegstra case, in 1990. As we know, the Alberta Court of Appeal was scheduled to hear another appeal from Keegstra on February 2, 1994, and has not yet issued a ruling.

While Keegstra was charged under the hate propaganda provisions, Zundel was charged under old section 181 on spreading false news. As we all recall, Zundel denied the Jewish holocaust ever happened and his comments were tinged with racism.

Zundel's motives could have been examined as part of mens rea determination. However, in the majority jugement of the Supreme Court, section 181 was invalidated by the Charter and, whatever his motives, Zundel had to be acquitted. In its ruling, the court mentioned it had ruled a few years earlier, in the Keegstra case that hate propaganda was protected under section 2(b) of the Charter, and added that all communications that convey or intend to convey a message fall under section 2(b) of the Charter, with the only proviso that the material transmission of the message be otherwise acceptable.

Unfortunately our Charter of Rights and Freedoms is protecting fanatics and eccentrics like Zundel who can spew out their insanities with complete impunity. As the law now stands, how would the Supreme Court react to section 318 which has not yet been tested, as we know?

I also know that this bill is premised upon the alleged impending importation in Canada of a game I prefer not to mention. No one has seen this game yet. I think that the panic stirred up by certain watch groups is actually playing into the hands of the game's promoters who are benefitting from an incredible amount of publicity. If there is such a game, it is shameful and should be stopped at the border or seized by the

police. I think that other provisions of the Criminal Code, if amended, could in fact allow such action.

Without getting into a legal debate on notions which elude the public, I want to call the attention of the hon. member and of this House to the fact that the Code contains provisions which prohibit the distribution of crime comics under offences tending to corrupt morals.

Pursuant to section 163(1)(b) of the Criminal Code, a person who circulates a crime comic commits an offence. However, I would agree with the hon. member that the definition of the scope of the offence is far from perfect and that customs officers and the police would not be able to act easily.

The game targeted by this bill depicts through drawings or photographs the serial killings of children. I would propose, as an alternative, that the definition in section 163(7) be amended to include any material that depicts pictorially the commission of criminal acts. I think that, from a constitutional standpoint, these provisions would be more effective and more valid in terms of stopping the distribution of this kind of game than the addition to the restricted categories of clauses respecting hate propaganda messages, as these categories are already protected under the Charter.

Finally, I am by no means convinced that even with the amendment put forward by my colleague, this type of game would fall under the definition of hate propaganda covered in section 318 or section 319.

For these reasons, and although I agree completely with the spirit of what the hon. member for Glengarry—Prescott—Russell is trying to do, I cannot support the amendments he is proposing and I fail to see how they would be useful from a practical standpoint. Since the legislator cannot pass legislation for no reason, I think that Bill C–214 should, quite simply, be deferred.

• (1750)

[*English*]

Mr. Jack Ramsay (Crowfoot): Madam Speaker, I rise today to speak in support of private member's Bill C–214. My hon. colleague who just spoke may be accurate in that there are some deficiencies in this bill. At the same time we cannot amend the total Criminal Code and rectify the problems within the criminal justice system in one fell swoop.

I support the private member's bill. However I do so with a degree of regret. It saddens me to think that we would have to debate such an issue, whether or not we should amend the Criminal Code to stop the proliferation of what I consider to be obscene and immoral.

I would like to briefly describe what I know about the serial killer board game. It was invented by Tobias Allen of Seattle, Washington, and inspired by John Wayne Gacey, a serial killer on death row for the murder of I understand 33 children in the United States. The object of the game is to kill as many children as possible. The game comes in a body bag and the pawns to play the board are in the shape of dead babies.

In my mind there is no debate. The answer is a given. I believe from the volume of mail and petitions received by past and present members of this House that there is no debate in the minds of Canadians on this issue. We should stop the serial killer board game from reaching Canadian stores and the impressionable minds of our children.

I will never understand what kind of sick mind devises such a despicable and horrifying game, one that glorifies the killing of babies, the most vulnerable and precious treasure we have in this world, innocent victims of some of the most heinous crimes committed in this and other countries.

Are we not here to protect our children from the senseless hate and violence that exists throughout the world and which is increasing in our own country? How anyone finds entertainment in playing a game that depicts the slaughtering of babies is beyond me and everything I have ever held dear in my life. How anyone could condone the importation and sale of such an outrageously immoral game is beyond comprehension.

I stand here today to support an amendment that demonstrates to the U.S. originator and manufacturer of this game that there is no place for it in a country whose standards in regard to morality will not tolerate the exploitation of children and to reinforce the commitment I have made to my constituents to help put some sanity back in the justice system that no longer protects our most valuable possession, our children.

The hon. member for Glengarry—Prescott—Russell has tabled private member's Bill C–214 to amend the Criminal Code to include age which appears to be the only effective means to stop the importation of the serial killer board game as it would constitute importing hate propaganda.

Currently under subsection 318(4) of the Criminal Code regarding hate propaganda, children or seniors are not protected because they do not constitute an identifiable group. Within this section the application of the Criminal Code only applies to hate propaganda that advocates or promotes the physical destruction of persons distinguished by colour, race, religion or ethnic origin.

This serial killer board game which establishes the winner as the person who collects the most dead babies would not be permitted in Canada if the babies were of a particular race or colour. Obviously white Anglo–Saxon is not included in the definition of race under subsection 318(4) of the Criminal Code

and has an awful lot to say about the state of our Criminal Code. Otherwise Revenue Canada officials could have prohibited entry of this game into our country.

I would like to point out that similarly women would not be protected under this section of the Criminal Code as gender does not fall within the confines defining what constitutes hate propaganda.

Therefore if the dead bodies were that of white Canadian women the game would also be acceptable to pass through our borders under subsection 318(4) of the Criminal Code. How have we regressed to the point where we have no equality before the law? It is no wonder this country cannot eradicate the problem of violence against women and children when sections of the Criminal Code such as 318(4) provide no protection for them.

• (1755)

I understand that under tariff code 9956 of schedule 7 to the Customs Tariff, Revenue Canada can prohibit the importation of certain material into Canada. Material suspected of being treasonable, seditious, obscene or hate propaganda is inspected by Revenue Canada officials and if it is determined to come within the terms of tariff code 9956, its importation is prohibited.

According to the Minister of National Revenue, his officials have reviewed a version of the serial killer board game and determined it did not fall within the confines of tariff code 9956 which has necessitated private member's Bill C–214.

I do not know what obscene means to revenue officials but to me and as is defined in the dictionary it means highly offensive. If the game depicting the murder of babies is not highly offensive, I do not know what is. Anything that glorifies killing and depicts serial murders as victorious is very offensive to me and the people I represent. I really do not understand what is happening in our country, what is happening to the sense of decency and morality that was once so indicative of a country whose values were second to none.

What kind of a message are we sending people when we allow a game of this nature to enter our country? It is the same message we send when we allow a murderer serving a life sentence to be eligible for parole after 15 years, when we give a convict a day pass to rape and kill again, when we pay a serial killer handsomely to provide law authorities with information regarding the location of his victim's bodies or when we permit a person in prison who was a partner of one of the most horrific sexual slayings in this country to own a microwave, a television set, take university courses and to decorate her cell with whimsical cartoon characters when law–abiding Canadians struggle to obtain similar assets.

Another major area of concern, of course, is the Young Offenders Act which is currently ineffective in stopping the growing number of youth engaged in criminal and violent activities. There has been considerable discussion regarding this area of law and private member's Bill C–217 is currently before the House. The purpose of this bill is threefold. To lower the age limits that define who is a young person for purposes of the Young Offenders Act, to allow the publication of the name of a young offender who has been convicted of an indictable offence on two previous occasions and to increase the maximum penalty in the Young Offenders Act for first and second degree murder to 10 years.

I commend the hon. member for York South—Weston for his initiative in this area. I cannot say at this time that I agree 100 per cent with the suggested amendments, however I do believe they warrant discussion and analysis.

Stopping the importation of material such as the serial killer board game or serial killer cards is a necessary component in providing the proper environment for our children to grow up in. How can we expect them to adhere to a prescribed set of rules and moral conduct if we have games or literature that are contradictory? How will they ever understand wrong from right if we say one thing and our store shelves are filled with games or literature that defies what we have told them?

We know a world of corruption lies beyond our front doors. Every day in this country Canadians are warned of the unspeakable things that can happen to their children and they are urged to make their children street smart.

Allowing the serial killer board game into this country goes against the moral conscience of Canadians and everything we as parents are trying to do to raise our children to be morally correct human beings.

Our job as legislators is to provide leadership and direction through our laws. If we do not amend the Criminal Code we will be telling our children that we believe killing babies, killing innocent and defenceless members of society, is all right even if it is only in a game.

In conclusion, when we do this we are allowing violent and immoral behaviour to further proliferate in this country. I stand in support of this bill.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Madam Speaker, I welcome the opportunity this evening to speak to Bill C–214 introduced by the hon. member for Glengarry—Prescott—Russell.

This bill proposes to amend the existing Criminal Code definition of identifiable group which is found in that part of the code dealing with hate propaganda so as to include the term age. The new definition would apply to all of the hate propaganda offences.

• (1800)

The search for the proper role of the law in respect to hate propaganda is especially difficult because it forces us to review

the conflict between freedom of speech and the interest of the state in criminalizing speech injurious to the public.

Before proceeding to speak to the bill it is important to say a bit about the current law. At the present time the Criminal Code prohibits, first, advocating or promoting genocide against any section of the public distinguished by colour, race, religion or ethnic origin. That is section 318.

Second, it prohibits inciting hatred against a protected group by communicating in a public place statements which are likely to lead to a breach of the peace. That is subsection 319(1).

Third, it prohibits communicating statements, other than in private conversation, which wilfully promote hatred against a protected group. That is subsection 319(2).

Fourth, the Criminal Code provides for the seizure and forfeiture of hate propaganda kept on the premises for sale or distribution. Those are subsections 320(1) and (4).

Fifth, it provides that a person charged with advocating genocide is liable to five years imprisonment if charged with the offence of public incitement, or hatred, or the offence of communicating statements which wilfully promote hatred. A person is liable to two years imprisonment if prosecuted by way of indictment or to six months and/or a $2,000 fine if prosecuted by way of summary proceedings.

The Criminal Code also provides for four special statutory defences which an accused may raise if prosecuted for wilfully promoting hatred: if the statements communicated were true; if the statements expressed or attempted to establish by argument in good faith an opinion upon a religious subject; if the statements made were on a subject of public interest which on reasonable grounds were believed to be true; and pointing out in good faith for the purpose of removal matters producing or tending to produce feelings of hatred.

Except for the offence of public incitement to hatred, the consent of the provincial attorney general is required to obtain a seizure or to initiate a prosecution under the Criminal Code's hate propaganda provisions. The hate propaganda provisions of the Criminal Code were examined by the Supreme Court of Canada in the case of Regina v. Keegstra. The judgment was rendered in December 1990.

The Supreme Court of Canada determined that communications which wilfully promote hatred against an identifiable group conveyed a meaning and were thus an expression within the meaning of paragraph 2(b) of the Canadian Charter of Rights and Freedoms.

The court further noted that the prohibition set out in subsection 319(2) of the Criminal Code was directed at words that have as their content and objective the promotion of racial or religious hatred.

Inasmuch as the purpose of the provision was to restrict the content of expression "by singling out particular meanings that are not to be conveyed", the Supreme Court of Canada determined that subsection 319(2) infringed the guarantee of the freedom of expression in paragraph 2(b) of the Canadian Charter of Rights and Freedoms.

The court ruled that the presence of hate propaganda in Canada was sufficiently substantial to warrant concern. The court recognized that hate propaganda could cause two types of injuries: first, harm done to the target group by for example provoking a retaliatory response or causing the target group to avoid activities and withdraw from participation in activities with non–group members and, second, influence upon society at large by attracting individuals to hold these views and to create discord and disharmony among these groups in society at large.

• (1805)

The court upheld subsection 319(2) of the Criminal Code which deals with wilfully promoting hatred. It upheld it as a reasonable limit on the guarantee to the freedom of expression within the meaning of section 1 of the Canadian Charter of Rights and Freedoms.

Subsection 318(4) defines the expression identifiable group as meaning "any section of the public distinguished by colour, race, religion or ethnic origin". Expanding the definition would broaden the type of speech that would be caught by the hate law and therefore could potentially put the hate propaganda provisions at risk. This is very significant.

The Supreme Court of Canada noted in the Keegstra case that subsection 319(2) was designed to extend a measure of protection to visible and religious minorities so as to prevent their being exposed to hate messages and to promote racial and religious tolerance.

Expanding the definition of identifiable group to include another characteristic such as the one proposed in Bill C–214 would undoubtedly broaden the narrow purpose of protecting visible and religious minorities approved by the Supreme Court of Canada in the Keegstra case. It is not clear to me whether adding what is proposed in Bill C–214 would have the effect of protecting children from killer cards and board games as there must be shown an incitement to hatred or promotion of hatred.

The proposed change here would broaden the definition of identifiable group without succeeding in its attempt to protect children from nefarious materials. As a result, the hate propaganda provisions as amended by Bill C–214 could be more

vulnerable to a finding by courts that they constitute an infringement of the charter guarantee of freedom of speech and that they are not a reasonable limit prescribed by law in a free and democratic society.

The hon. member for Glengarry—Prescott—Russell is attempting to do something which should be supported. We all support his aim. The problem is how best to do it. Is it with Bill C–214? We have to be careful, as I have stated, that we do not weaken the law as it exists at the present time and that we perhaps find another way of dealing with if.

The Department of Justice at the present time is looking into the matter. Hopefully it will have something to recommend. I say this with all deep appreciation to the member for Glengarry—Prescott—Russell. With the co–operation and work of all members of the House, we will find the best way possible to deal with this despicable practice, which certain people are using to make considerable sums of money at the expense of our young people.

The Acting Speaker (Mrs. Maheu): There being no further members rising for debate, the time provided for consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

SUSPENSION OF SITTING

The Acting Speaker (Mrs. Maheu): The House will stand suspended until 6.30 p.m.

(The sitting of the House was suspended at 6.10 p.m.)

SITTING RESUMED

The House resumed at 6.30 p.m.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—THE BUDGET

The House resumed, from March 14, 1994, consideration of the motion.

The Acting Speaker (Mrs. Maheu): It being 6.30 p.m., pursuant to Standing Order 45(5)(a), the House will now proceed to the recorded division on the supply proceedings.

Call in the members.

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

(*Division No. 12*)

YEAS

Members

Abbott
Ablonczy
Benoit
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Chatters
Epp
Forseth
Frazer
Gouk
Grey (Beaver River)
Grubel
Hanger
Harper (Calgary West)
Harper (Simcoe Centre)
Harris
Hart
Hermanson
Hill (Macleod)
Hill (Prince George—Peace River)
Hoeppner
Johnston
Manning
Martin (Esquimalt—Juan de Fuca)
Mayfield
McClelland (Edmonton Southwest)
Meredith
Mills (Red Deer)
Morrison
Penson
Ramsay
Ringma
Silye
Solberg
Speaker
Stinson
Strahl
Thompson
White (Fraser Valley West)
White (North Vancouver)
Williams—41

NAYS

Members

Althouse
Anderson
Arseneault
Asselin
Augustine
Axworthy (Saskatoon—Clark's Crossing)
Bachand
Baker
Bakopanos
Barnes
Beaumier
Bellehumeur
Bellemare
Berger
Bergeron
Bernier (Beauce)
Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)
Bertrand
Bethel
Bevilacqua
Blondin–Andrew
Bodnar
Bonin
Bouchard
Boudria
Brown (Oakville—Milton)
Brushett
Bryden
Bélisle
Caccia
Calder
Campbell
Cannis
Canuel
Caron
Catterall
Chamberlain
Chan
Chrétien (Frontenac)
Collenette
Collins
Comuzzi
Copps
Cowling
Crête
Culbert
Dalphond–Guiral
Daviault
Debien
Deshaies
DeVillers
Dingwall
Discepola
Dromisky
Dubé
Duceppe
Duhamel
Dumas
Dupuy
Easter
Eggleton
English
Fewchuk
Fillion
Finlay
Flis
Fontana
Fry
Gaffney
Gagliano
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gagnon (Québec)
Gallaway
Gauthier (Ottawa—Vanier)
Gauthier (Roberval)
Godfrey
Godin
Goodale
Graham
Gray (Windsor West)
Grose
Guarnieri
Guimond
Harb
Harper (Churchill)

Harvard
Hopkins
Ianno
Irwin
Jacob
Keyes
Knutson
Landry
Lastewka
Lavigne (Beauharnois—Salaberry)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Leroux (Richmond—Wolfe)
Lincoln
Loubier
MacDonald
Maheu
Maloney
Marchi
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
Nault
O'Reilly
Parrish
Patry
Peric
Peterson
Picard (Drummond)
Plamondon
Proud
Reed
Richardson
Ringuette–Maltais
Rocheleau
Scott (Fredericton—York Sudbury)
Shepherd
Solomon
St–Laurent
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Volpe
Wappel
Zed—193

Hickey
Hubbard
Iftody
Jackson
Jordan
Kirkby
Lalonde
Langlois
Laurin
Lebel
Leblanc (Longueuil)
Lefebvre
Leroux (Shefford)
Loney
MacAulay
MacLellan (Cape Breton—The Sydneys)
Malhi
Marchand
Marleau
McCormick
McKinnon
McTeague
Mercier
Milliken
Minna
Murphy
Ménard
O'Brien
Ouellet
Paré
Payne
Peters
Phinney
Pillitteri
Pomerleau
Péloquin
Regan
Rideout
Robichaud
Sauvageau
Serré
Skoke
Speller
St. Denis
Stewart (Brant)
Szabo
Terrana
Torsney
Tremblay (Rosemont)
Valeri
Venne
Walker
Young

PAIRED—MEMBERS

Members

Alcock
Brien
Guay
Nunez

Allmand
Finestone
Irwin
de Savoye

● (1855)

The Speaker: I declare the motion lost.

● (1900)

CANADIAN FOREIGN POLICY

The House resumed consideration of the motion and of the amendment.

Mr. Chuck Strahl (Fraser Valley East): Madam Speaker, I am very pleased to see that after the short break to reconsider their position members are coming in droves to hear the end of my speech.

Before the break I had been talking about an important part of our foreign policy review. That is the position we should take as we study and review the position the Canadian International Development Agency should have in this foreign policy review.

I have heard that numerous well–intentioned and influential people have run into a brick wall trying to reform CIDA's system for the sake of the Canadian taxpayer and the sake of hungry people abroad. We need leadership or the problems will continue. The Reform Party of Canada is willing to offer leadership in this respect. I want to clarify the Reform position.

The Reform Party of Canada has called for a reduction in foreign aid funding simply because Canada no longer has that money to spend. Reformers are concerned about the poor, but they are unwilling to ignore the larger context of our ability to pay. They are also unwilling to overlook the reforms that CIDA so urgently requires.

The Reform Party is well aware of the plight of one–third of the world's nations. In them 34,000 children die of hunger or illness each day. Eight hundred million people are malnourished.

On the opposite side we are well aware that on the United Nations index of human development, Canada sits second from the top out of 172 nations. This position of privilege carries with it a unique weight of responsibility. We as Canadians must not close our eyes to the grim realities facing others.

It is our recommendation that CIDA be clearly mandated to assist the poorest of the poor to become self–sufficient. We recommend that this mandate be enshrined in legislation. This would be legislation that protects CIDA from the political pressures that divert its energies toward other tasks. It would be legislation that includes a project by project evaluation mechanism and budgetary sunset clauses. It would be legislation that controls CIDA by requiring it to justify its actions to Parliament on a regular basis.

A scaled down CIDA should concentrate on working at the grassroots level with the poorest of the poor. It should give less bilateral or government to government assistance, because that is where the corruption and the greed too often frustrate our

efforts. It should concentrate instead on its efforts to forge more partnerships with community based non–governmental organizations where help goes directly to needy people. Currently only 9 per cent of our foreign aid budget is used in that way.

CIDA should follow, as an example perhaps, Sweden's lead and reduce its focus from 115 countries to just a handful, making a significant impact on poverty and health in each one of them. An example of this can be found in the latest years for which figures are available.

The statistics show that Indonesia which is classed by the UN as a middle income developing country received $40 million in aid under CIDA. Haiti, sitting at the bottom rung of the world's ladder, received just $6 million. By shifting priorities we could have a real impact on a country that is the poorest of the poor through our non–governmental organizations.

• (1905)

CIDA must take a long term view by making the poor self–sustaining rather than allowing them to become dependent on continuing foreign aid.

Canada enjoys an unprecedented position of respect in the world today. Other rich nations do not enjoy the same level of international esteem. Why is this? In large measure it is because Canada has reached out with benevolence. We have given generously to nations like Bangladesh and Pakistan knowing they may never be able to repay us.

The world has recognized that our motives for giving are generally altruistic and for that we are rewarded with global goodwill. At the world table we have substantial bargaining power for a nation of our size. This is possible because we back up our words with tangible assistance.

The vehicles for enhancing Canada's trade already exist. The industry and international trade departments are well suited to serve Canada's commercial interests. However we ought to separate our economic interests from our humanitarian motives. The overt promotion of Canadian trade is a worthy and necessary endeavour best left to he departments of industry and international trade. I believe our integrity is somehow diminished in the eyes of the world when we quietly couple commerce with humanitarian relief.

It is impossible to estimate the value of our good international reputation in monetary terms. The good seeds we have sown in the fields of the poor may well bear the future harvest of increased trade. Whether this happens or not let us move now to enact legislation recreating CIDA as a vehicle that can deliver aid with efficiency and purpose.

In case the government is not contemplating such legislation at this time, I intend to introduce a private member's bill in the coming weeks that will incorporate the principles I have addressed. It can serve as a starting point for a non–partisan effort that I believe all members could support.

Within our ability let us give freely to the poorest of the poor without ulterior motives but in the spirit of generosity and compassion that marks each member in this House as truly Canadian.

Mr. Joseph Volpe (Eglinton—Lawrence): Madam Speaker, I compliment the hon. gentleman on the tenor of the latter part of his intervention which I heard. It certainly exemplifies some very commendable views about Canada and its role in the international sphere.

I am a trifle confused however by his reluctance to see the relationship of both objectives. The commercial side reflects Canadian interests as they might develop anywhere in the world. That might reflect positively on the more humanitarian or altruistic—if he would accept that term—side of the equation as it more appropriately relates to Canada's political and humanitarian objectives everywhere in the world. I do not understand why one must preclude the existence of the other.

I accept that we should renew and continue to reinforce those initiatives which have made Canada stand out for its humanitarian or relief work, which is the term I think the member used. However Canadian interests are served on both the philosophical side and the strictly pragmatic business side when the two interests are married under one administration.

I am wondering whether the hon. member would clarify that for me. I have difficulty understanding why we would have to separate the administration of two departments under one roof when the objectives of both give us the results Canadians seem to want.

• (1910)

Mr. Strahl: Madam Speaker, the problem is twofold. One is the idea of separating the mandate or giving CIDA a mandate. What is the purpose of CIDA? The management of CIDA has been flipping every 18 months. It is in a total state of turmoil not knowing what its mandate is, which should be to protect the purpose of our humanitarian aid and to help the poorest of the poor.

That was the mandate suggested by the Winegard report. We need to focus in on what is the role of CIDA. That role should be brought under the authority of Parliament through enabling legislation.

I also have budgetary concerns. CIDA's budget is too large. There are too many tentacles, too many countries, too many purposes. It needs to be restricted and that is another reason to focus our attention on a few countries.

On the other question of whether commerce and humanitarian aid would be looked after together, I believe that may be possible. As one parliamentary secretary mentioned earlier today it is almost impossible to dissociate international trade,

foreign policy and defence policy. All of them go together often under trade policy which is really the commerce aspect of what the member was talking about.

Trade must be left to the international trade people. We need that commercial process to develop arrangements, agreements, free trade agreements and so on with other countries. It would allow them to pursue trade opportunities in Canada and would allow Canadian businesses to pursue trade agreements with those countries. It is a trade issue.

Our humanitarian efforts need to be focused without expecting commercial return. In that sense we target our money and say that whatever the amount is, the money is given without strings attached. It is done as a humanitarian gesture because we want to help that country so that in the coming years it is not dependent on foreign aid.

One of the critiques in the Auditor General's report is that countries that have received $1 billion or $2 billion from Canada over the last 20 years are as dependent or more dependent on international aid now than they were when we started what we thought was going to be short term assistance.

We need to focus our humanitarian aid for that reason. International trade is a separate issue. Although sometimes it will overlap and it is a good thing if it does that should not be the focus of CIDA. It should be a foreign aid and humanitarian gesture.

Mr. Volpe: Madam Speaker, I want to clarify one further item with the hon. member.

We do not differ on the philosophy but I think the member is aware when he speaks on the question of giving aid especially through CIDA we are not talking ultimately of a cash transfer. We are talking about providing a service. We are talking about providing goods. We are talking essentially about purchasing the same for the benefit of a third party. That does not necessarily mean we are taking a large budget item and transferring it in cash to a recipient country.

Because of that I do not see why we would want to separate from the philosophical objectives of any of our activity the possible consequences which can all be positive.

• (1915)

The fact that we would be giving aid does not necessarily mean that there are no commercial benefits or that there are commercial benefits that we should eschew. The fact that we would be providing or stimulating trade does not necessarily mean that we would not be disposed to providing further assistance because it is not a question, unless the member's understanding of the Auditor General's report is different from mine, of taking dollars out of our pocket and handing them over to somebody else whom we have defined as needy.

Mr. Strahl: Madam Speaker, I thank the hon. member for his question.

I realize that often it is not just money that is being transferred in our bilateral systems. Often money is part of it. There was a budgetary figure not this year but last year or two years ago where we spent tens of millions of dollars in direct transfers to help other countries with their national debt problems, for example.

To me that is not a purpose for CIDA. That is not something that Canada should be doing at this time, giving other countries direct assistance to help with their national debt problems when we have the biggest national debt problem we have ever had in our history. There are times when direct money is transferred. In those cases we have to restrict the mandate of CIDA through legislation to eliminate that abuse.

Second, there are times when instead of thinking of strictly humanitarian reasons, we start to think of Canada's commercial interests. Madam Labelle mentioned the other day that 60 per cent of our money is spent here in Canada, sometimes for buying foodstuffs and so on but sometimes for reasons that are more commercial in nature and not particularly geared for the poorest of the poor whom we should be helping.

In those cases, I am concerned. The Auditor General this year did not specifically identify any horror stories. He tried to zero in on the process and the problem within CIDA that he identified by a lack of legislation and some other things but tried to avoid the horror stories as I have tried to avoid them today in my presentation. However those horror stories still exist. We can go back through the last 10 years of Auditor Generals' reports to see them in their fullness.

That is why we need to restrict it to humanitarian aid. I realize that sometimes it is goods and services that are also exchanged but by and large we need to restrict it to the poor, make the mandate strict in legislation and we will not only enhance CIDA's reputation within Canada, which is very important at this time as it is flagging, but improve our opinion abroad as well.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Madam Speaker, I enjoyed that last exchange between the hon. member for Eglinton—Lawrence and the hon. member for Fraser Valley East because both members are on the foreign affairs committee and in developing an independent Canadian policy on foreign affairs.

This is the kind of interchange we need on the floor of this House. Therefore I congratulate the two gentlemen for contributing to the debate and to helping us develop an independent Canadian foreign policy.

Canadians have seen the world change dramatically in recent years. In many ways change has been the defining characteristic of this decade. Nowhere has this been more true than in central and eastern Europe and the former Soviet Union.

The fall of the Berlin wall, which I witnessed personally, the collapse of communism and the Soviet military threat and the emergence of the new independent states have reshaped Europe. We are faced with challenges and opportunities unparalleled since the end of World War II.

The last five years have shown that the first dramatic steps are sometimes the easiest to take. The hard work begins when ideas must be transformed into reality. Democracy cannot simply be proclaimed. Free markets cannot just be willed into existence. Fundamental reform requires courage and patience. Canada has an important role to play in central and eastern Europe. We must seize this tremendous opportunity.

I would like to focus my statement today on Canada's foreign policy challenges in that part of the world. It is obviously in Canada's best interests that reform in the region succeed. The opportunity to build a more stable world order based on democratic governments and free market economies cannot be squandered.

• (1920)

Central and eastern Europe is a new economic frontier. Trade is the lifeblood of the Canadian economy. The region's largely untapped markets represent an exciting opportunity to generate exports and create new jobs and prosperity in Canada.

Canada's historic, cultural and human links to eastern Europe are an advantage that few of our so–called competitors, European or otherwise, possess. We must use our advantage wisely.

Almost 20 per cent of the constituents in my constituency of Parkdale—High Park and 10 per cent of Canadians generally across Canada can trace their roots to central and eastern Europe and the former Soviet Union. This is an unparalleled bond. We have tried to foster relationships with these countries. A number of Canadian entrepreneurs or academics have gone there to offer their expertise and knowledge, to offer training and assistance. It is a difficult task where progress is measured in little steps, but whose rewards for Canada are great.

The linguistic skills and the cultural ties of Canada's ethnocultural communities enable us to support a number of people to people initiatives, to bridge cultural barriers and to deliver training and assistance. The impact of this direct contact cannot be overestimated. I know from years of personal experience working with the Canadian Polish community, with travel study programs for Canadian students in Poland, how personal links can bring countries together.

The countries of central and eastern Europe and the former Soviet Union are trying to create in months and years institutions and systems which have in some cases developed over centuries in the west.

While we should seize the opportunities presented by change, we must recognize that there will be setbacks and avoid impatience and unrealistic expectations. Political and economic reform take time.

Last week the President of Georgia was in Ottawa, Mr. Shevardnadze. I had the honour of greeting him at the airport and bringing him to meet the Prime Minister and the Minister of Foreign Affairs. I asked Mr. Shevardnadze if he had an opportunity to relive his life would he again push the economic, political and democratic reforms as he did with Mr. Gorbachev. He thought about it for a while and said: "Yes, but I would do it much more slowly". His argument was that the problems they were having in many of the east European countries today were because they were not ready for such rapid change.

Therefore, if we want Canada to have a prosperous and beneficial relationship with central and eastern Europe then we must start today and patiently wait for the results. In countries like Poland, Hungary, Slovakia, the Czech Republic, the memory of democracy and market economies have survived 45 years of political repression and state control. But in what shape? There is enough intact to provide the basis for a successful transformation but the task remains daunting. With strong support and investment from the west we are seeing encouraging signs.

Poland became the first country in the region to record growth in gross domestic product with an increase of 4 per cent last year. It was Europe's fastest growing economy in 1993. Who would have predicted that 10 years ago?

In Hungary the private sector generates close to 45 per cent of the country's GDP. The Czech Republic has low inflation and unemployment rates and has launched a second phase of a successful privatization program.

In the former Soviet Union the first steps have been taken, but with virtually no history of democracy and free markets to draw on we should not be surprised that change is slow and difficult. The challenge is large but it is not insurmountable. Countries such as Russia and Ukraine are central to the historic transformation of Europe. Canada must make a commitment for the long term.

We are encouraging Russia's president, government and parliament to work together to develop a new reform consensus. Canadian assistance remains contingent on a continuing commitment to democracy and economic reform. I should draw to the attention of newer members that the foreign affairs commit-

tee was in the former Soviet Union, Russia and Ukraine twice. Maybe it is time to revisit that region.

• (1925)

Yesterday I had a lengthy meeting with the new ambassador of Ukraine, Ambassador Batyuk, to discuss Canada's special relationship with Ukraine. About two hours ago the Minister of Foreign Affairs met with the Ukrainian Canadian Congress under the presidency of Oleh Romaniw to discuss such matters as political issues, technical assistance, trade and economic issues, consultations with the Minister of Foreign Affairs and immigration issues as they pertain to Ukraine.

This is the kind of input that we welcome, not only input through parliamentary standing committees but meetings such as the minister had just prior to my speaking here.

Government commitment to enhancing this relationship is in every spirit political, economic and social. We will be at the forefront of helping Ukraine in its democratic and economic transformation. A stable, secure and prosperous Ukraine is vital for European security.

We are encouraged by President Kravchuk's desire to submit the non–proliferation treaty to his Parliament for ratification.

Since 1989 Canada has provided substantial support to central and eastern Europe in the form of technical and humanitarian assistance. It is important that we continue to do so. The people of the region must clearly see that the west is supporting them in practical and direct ways during the difficult period of transition.

That is why one of the major components of Canadian assistance to the region is an ongoing program designed to promote democratic development, to support the transition to market economies and to increase Canadian trade and investment links with the region.

In pursuing these objectives we have adopted a partnership approach both with recipient countries and Canadian partners. This is partly a reflection of limited resources. It is also a recognition that government does not have all of the answers. The program draws on the expertise to be found in all sectors of Canadian society.

The assistance program matches Canadian skills and technology with the priority needs of partner countries. We have done this successfully in fields such as energy, agriculture, private sector development and the environment. Our sophisticated financial and legal systems and our respected public service have also provided unrivalled expertise.

This approach not only ensures that Canadian assistance is of high quality but also helps to develop long term commercial opportunities for Canadian companies.

Canadian assistance is having a practical impact on the process of reform. It supports the transfer of critical knowledge and technology and fosters the emergence of small and medium sized enterprises. Western economic practices are being adopted and democratic institutions are being strengthened.

The assistance program also increases the capacity in Canadian firms to compete effectively in central and eastern European markets. Two examples of projects in my parents' homeland of Poland illustrate the range of our involvement and give us a good reason why we should continue to be involved in the region.

One, a Canadian company advised the Polish Ministry of Health on health care reform in 1992. It subsequently won a World Bank contract to manage a $200 million U.S. health sector loan in Poland. Another example, more than 100 Polish dairy farmers and veterinarians have so far upgraded their skills and received management training in an ongoing program at the international livestock management school in Kemptville.

There are those who think that Canada spends too much on foreign aid, as we heard from some of the Reform Party speakers, and that it is a waste of money. As we embark on this foreign policy review process we will have to look at our aid programs, but aid is not simply money. It is also expertise, knowledge and skills that we can share with those who are seeking to build in modern society.

• (1930)

Let me cite a few examples of where Canada has taken the lead in setting up successful programs with very little money. The Federal Business Development Bank took the lead in establishing an independent Romanian loan guarantee fund for small and medium enterprises in 1993. A contribution of $775,000 will provide on site staff and management training until June 1995. Canada without providing capital in the fund has provided much more: a credible reputation and confidence in the abilities of its managers. Thanks to this the fund has attracted a $5 million contribution from Germany.

In Hungary we are establishing regional vocational and labour retraining centres. Our involvement in the project started in 1991 with a $400,000 contribution to the Association of Canadian Community Colleges for one pilot project. The association and an Irish partner then secured a $1.5 million World Bank contract to establish close to 20 such centres in Hungary.

Just yesterday Ambassador Gedai of Hungary was in my office expressing appreciation for the co–operation and assistance from Canada.

Russian oilfield workers and managers are benefiting from training in Russia and Canada. A $10 million Yeltsin democracy fellowship program managed by the University of Saskatchewan in my province brings Russian officials to Canada to work in ministries at all levels of government.

In Ukraine Canadian support for a professional public service training institute is helping to build the institutions that modern independent states require.

Canada is contributing its expertise in agricultural economics, social policy planning and communications. Already 21 deputy and assistant deputy ministers from Ukraine have participated in Canada in a two week executive management program at the Canadian Centre for Management Development.

Canada's assistance program also provides funding to Canadian business on a cost shared basis to develop joint ventures in trade and investment opportunities. As a result Canadian companies have established a strong presence in Russia, the Czech Republic, Hungary and Ukraine. Trade and investment are key to the long term growth of these fledgling market economies.

As I said earlier, and my colleagues have also pointed out, trade is also essential to Canada's continued growth in the next century. Canada is encouraging collective, decisive action on the part of the west. The government supports stronger links between NATO and central and eastern Europe through the partnership for peace program. Canada has encouraged the CSCE to play a more active role in central and eastern Europe, particularly in the area of conflict prevention and crisis management.

We are proposing to focus high level G–7 attention on Ukraine. Already Canada is playing a leading international role in assisting Ukraine in its upcoming elections through technical assistance and election monitoring.

I am pleased to announce that the Minister of Foreign Affairs has asked me to lead a delegation to Ukraine on its request to monitor the elections there.

Canadian soldiers are serving as peacekeepers with the United Nation protection force in the former Yugoslavia and the government increased Canada's contribution to relief operations there with the announcement of a $10 million package of humanitarian assistance in November 1993. This brings Canadian contributions of humanitarian assistance for the war affected populations of former Yugoslavia to $50 million since 1991. We will continue to monitor humanitarian needs throughout the region and to respond generously and compassionately.

Had the former Yugoslavian conflict been resolved in an institutionalized way through compromise, tolerance and agreement, as recommended by Lester B. Pearson, billions of dollars could be used today for development rather than for humanitarian assistance. Again, in response to the people who say we should focus on only giving assistance to the poorest of the poor, if we only give humanitarian aid when do the countries get assistance to develop so that they can stand on their own feet? Our ideology should be to help the people in those countries to help themselves.

• (1935)

The course of reform in central and eastern Europe and the former Soviet Union may continue to be unpredictable and fraught with danger but we cannot withdraw. Canada must play a role in turning this period of turbulent change into an opportunity to create a more stable and prosperous world. The government is committed to providing creative international leadership to ensure that we achieve this vital goal.

I am very impressed with the work of the parliamentary standing committee represented by the three parties sitting in this House and I am looking forward to criss–crossing Canada, hearing views from grassroots Canadians in helping us develop a unique, independent Canadian foreign policy.

Mr. Leon E. Benoit (Vegreville): Madam Speaker, I have one question for the hon. member.

During the election campaign I heard from people in my constituency, and I think others did across Canada, that Canadians want this country to take care of Canadians first. They said we have to cut down substantially on the amount of money spent on foreign aid. That is what recent polls have shown as well.

I want to know how the member would answer these people when they ask if that is what this government will do.

Mr. Flis: Madam Speaker, this is a question that we as parliamentarians get. I get it in my own riding and it is a very fair and honest question, knowing the deficit and the public debt we have. The comments I get are that charity begins at home.

We have to point out to Canadians that we are all brothers and sisters on the same planet. When someone says charity begins at home, Somalia, Ethiopia, Cambodia are also home for Canadians.

I was in Cambodia observing its elections. I learned that only one in five children reaches the age of five and the lifespan is only around 50 for adults. How can we say no?

Those are our neighbours. When we hear charity begins at home I have to remind myself that is part of my home as well and I have to help those children so that they can live past the age of five.

The other answer that we can give our constituents is that if we had global security we would spend less money on defence, we would spend less money in humanitarian aid. That money could go toward helping these countries develop their economies rather than looking for handouts.

I concentrated on central and eastern Europe because I believe very strongly that with a little help there it is more an investment for the entire world. These countries that I have mentioned will and some are already helping the developing countries. Poland,

Hungary, the republics of Czechoslovakia and others are already helping third world countries.

That will ease the burden on Canadians. Canada cannot do it alone, whether it is in peacekeeping, whether it is in humanitarian aid. That is why we have to look for partners around the globe.

It is a tough question. We will get this as the committee travels across Canada. We have to look at it as investment for the future. We have to look at it as global security.

When I was in Honduras recently with our overseas assistance, we brought in a water system to a rural community fed by gravitational force, no motors, no engines.

• (1940)

I was there talking to the barefoot children and to the local inhabitants surrounding me and I said that we were pleased that Canada could help in a small way. I said I was sure that if disaster struck Canada those people would be the first to come to our help and they all applauded.

I saw the coffee and the bananas growing in the fields. I am sure these same countries we are helping, should a disaster strike Canada tomorrow, we do not know, would be the first to come to our assistance.

Mr. Jack Ramsay (Crowfoot): Madam Speaker, I have two questions for the hon. member.

He has made comments that I find very inspiring and uplifting. At lunch we have a meal served here and we do not pay for it as members of Parliament. At supper I understand there is a meal out there and we do not pay for it although we are being paid to work through these hours.

I would like to ask the hon. member if he would be willing to pay a small fee for the food we eat here and have that given to countries that are in need.

My second question to the hon. member is what does he feel will be the impact on our foreign aid program as a result of the addition of $100 billion to our national debt over the next three years?

Mr. Flis: Madam Speaker, in answer to the first question, I was on duty all day today. I paid $76 for my lunch today. How much did the hon. member pay?

I think these are piddly little things that we bring in as red herrings to take us off the real issue. The real issue here is developing an independent Canadian foreign policy, not whether we are spending $2 or $5 on our lunch. I do not want a free lunch. I happened to take some of my constituents out for lunch today to the tune of $76.

As I say, let us not waste taxpayers' money by pulling in these little red herrings to deflect us from the real issue.

The second question is the real issue and if he would look at our budget we are trying to reduce the deficit. We are trying to reduce the public debt but gradually so not to hurt Canadians too much.

If he looks closely at the budget over the next three years we will be reducing the deficit by over $3 billion just in the way we are operating the government.

In the PMO and in the ministers' offices, et cetera, I feel the pinch now. I was parliamentary secretary in the 1980s and when I became parliamentary secretary I received additional staff and resources. Right now I am not receiving anything extra.

When the Prime Minister told me to go to Hungary to represent Canada at a state funeral because its Prime Minister suddenly passed away, I was a one person delegation. Normally there would be three people representing each party. I was a one person delegation. We cannot run government any leaner than that.

A month later the minister asked me to go to Norway for another state funeral. I was a one person delegation.

I went to the inauguration in Honduras. I could not even take my wife. It was embarrassing because representatives from all the countries were there with their spouses being presented to the president. I was there all alone, a one person delegation.

If the Reform Party cannot accept that I would say it is at the wrong level. It had better go to municipal politics because it does not know what international politics is all about.

• (1945)

Mr. Jake E. Hoeppner (Lisgar—Marquette): Madam Speaker, I appreciate the comments of the hon. member. I would like to fill him in a bit in that I know something about Russian history too. Those are my roots. My great–grandfather fourth removed negotiated the land deal with Catherine the Great for the Mennonites to move to the Soviet Union. I know what a prosperous country can look like. That country was the land of milk and honey as far as the Mennonite people were concerned at that time. They prospered tremendously but corruption and mismanagement set into the Czarist regime and finally some of the people started immigrating to the United States.

In 1874, when the first Mennonite people came to the United States, they brought new strains of wheat along with them which were used pretty well until the 1930s. That was a prosperous country but now it has turned around. Through mismanagement they have lost everything. This is what Reform is really worried about, that this not happen to our country. That is why we are concerned that we have decent management, that we look after the wealth, and that we share it with other people.

Mr. Flis: Madam Speaker, I am glad the hon. gentleman shared his experience and his roots because it is members like him who understand.

We are not here to throw money around. My parents came from Poland in 1930, right into the Depression. They had no handouts. Because they had no relatives they had to work for two years on a farm in Saskatchewan and they ended up working for 22 years. They know what it is like to save for the future, to tighten the belt. Our party knows it too, but we also have to think of the over one million people who are looking for jobs.

I am sure for that member like myself the hardest thing is when someone comes to his constituency office and asks for help in finding a job and there are not any around. I see a lot of members nodding their heads. I thank the hon. member for sharing that with us.

The Acting Speaker (Mrs. Maheu): I would like to advise the House that prior to the vote I recognized two members of the Official Opposition.

I am now going to recognize the Parliamentary Secretary to the Minister for International Trade and revert to the government for this part.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I am honoured to be speaking in the debate on foreign policy. I want to congratulate all the men and women who are serving our country abroad in different capacities, whether in peacekeeping or in a foreign post trying to represent our great country.

I also want to take this opportunity to congratulate the government, the Prime Minister, the Minister for International Trade, the Minister of Foreign Affairs and the Minister of National Defence for undertaking this initiative to conduct both a foreign policy review as well as a national defence review. I am delighted to see that at some point in time both the foreign affairs policy and the national defence policy would go hand in hand. A number of groups have made presentation to me and to many of my colleagues. One issue they have raised with us is that they want some sort of connection between the review of foreign policy and that of national defence.

I quote the National Forum on Canada's International Relations in the second part wherein it is indicated that the government is committed to reviewing the two hand in hand. There will be public hearings across Canada by parliamentary committees on Canada's foreign and defence policies. This is excellent. It is extremely timely in many ways.

• (1950)

We are approaching the 50th anniversary of the United Nations. It is timely for a country such as Canada that has always been on the leading edge internationally to be reviewing its policy in terms of national defence and its foreign policy at the same time. It will coincide with the review of the United Nations policy on its 50th anniversary.

I am confident that once again Canada will play a leadership role on that front and will be on the leading edge when it comes to the international scene in trying to ensure, as the parliamentary secretary for foreign affairs has indicated, that the global village lives in peace and harmony and that humankind never sees the suffering we have seen in past decades.

[*Translation*]

Madam Speaker, I will take a few minutes to address another issue in this area, and I am referring to trade and the review of our foreign policy. As you know, Madam Speaker, we are all aware of the extent to which trade, and especially international trade, contributes to Canada's economic prosperity. Nearly one–quarter of Canada's GDP is generated by our exports of goods and services. One out of five Canadian jobs is directly or indirectly linked to international trade. Each billion dollars in Canadian exports creates between 12,000 to 15,000 jobs in Canada. This means that exports are extremely important to us as a country.

We have every reason to be proud of our export record, because our exports have continued to post good results despite a slowdown in the world economy in the early 1990s. Finally, in 1993, our monthly exports to the United States, for instance, reached new highs. The latest figures are expected to show that in 1993, exports to our principal trading partners rose 15 per cent over 1992 levels. Canada's exports to the United States are worth $268 billion annually, which means that in 1993, our exports to the United States were worth $4 billion more than in 1992.

However, in an increasingly competitive market, we cannot afford to merely repeat our past results. We have been successful, but we must do better. Intensifying our efforts in this area will create jobs in Canada and stimulate domestic growth.

If we are to maintain our competitive position on international markets, we must act quickly to take advantage of opportunities offered by trade agreements like GATT and NAFTA. We have a chance to strengthen our service sectors, which represent more than two–thirds of our national economic activity, and also to improve our service exports.

As we know, about 75 per cent of our trade is with the United States, and five groups of products represent more than 70 per cent of all exports of goods. We must continue to develop these exports while increasing our market share in other areas as well.

• (1955)

Asia, for instance, has become our second largest market after the United States. It has strong potential and poses a big challenge to Canada's competitiveness.

We must also work with small and medium–sized business to develop an export mentality. As you know, only 15 to 16 per cent of our manufacturing industries export their products, and that is what happened if we look at the large number of businesses here in Canada.

I cannot overstate the importance of exports for Canada, but I would be wrong to suggest that we should concentrate solely on exports. The international business climate changes rapidly, as you know. Businesses must now also consider international investments, capital flow, technology, research and development in developing their international marketing strategies.

We are facing some challenges. We have a $9 billion to $12 billion trade deficit in high–tech products, and our research and development results are less than those of the other G–7 countries and OECD members.

In addition, international business investments greatly help to create jobs and improve the competitiveness of Canadian–based companies. In this regard, we are fiercely competing with other countries to attract scarce investment capital.

I see that I am almost out of time and I would like to know whether I have 10 or 20 minutes. Ten minutes?

So, with all these issues, we must see if we have partners. We have banks, various businesses and manufacturers, and our role as a government is to work together, as a team, to develop the economy for the benefit of Canada.

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Madam Speaker, I would like to ask a question to the hon. member for Ottawa–Centre.

He had started discussing the importance of international trade and I wonder if he could, in the few minutes at his disposal, elaborate a little more on Canada's important role on the international scene, as well as on the usefulness of trade to stimulate employment, support foreign aid and all those other issues raised by the hon. member this afternoon.

Mr. Harb: Madam Speaker, this is a very important issue. Unfortunately, given the time left, I cannot provide a fully satisfactory answer to the hon. member. I will simply tell him that, as I indicated earlier, each billion spent on foreign trade results in the creation of at least 12,000 to 15,000 jobs.

Every time we talk about job creation in Canada, we have to take into account the fact that we must do our best to encourage companies to do business abroad, not only because of the better opportunities, but also because only 10 to 15 per cent of Canadian companies are currently doing business abroad. Consequently, our government should continue to encourage more and more Canadian companies to do business abroad.

• (2000)

Unfortunately, as you know, we have a problem in Canada with private sector investments in the field of research and development. If we compare Canada to other countries, we see that our government invests a lot, or at least enough, in R and D, but that the problem is the inadequate contribution of the private sector.

This is very important, and our government is sending a signal to the private sector. If we want to gain a reasonable momentum, the private sector must invest more in research and development.

As you know, over 80 per cent of new jobs created in Canada are created by small business. So, our government took that into account and developed a policy to support small business.

In response to my hon. colleague's question, when we talk about government policy in the area of job creation, it is very important to bear in mind that we believe in import. It is one of the best ways not only to create employment here, in Canada, but also to generate additional revenue in Canada. To fight a $38 to $40 million deficit and a debt now totalling over $500 billion, funds must be generated. And there are two main sources of funds. One source is taxation, and as my hon. colleagues know, Canadian taxpayers have had it up to here with taxes. So, other means of generating revenue must be sought.

In the end, these means of generating revenue will be provided by small and medium–sized businesses which will create jobs for Canadians here, in Canada, and export their products in other countries.

I hope to have answered the question of the hon. member for Ottawa—Vanier.

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I find it rather telling that today's debate is the fourth major debate on Canada's international relations in the first two months of this new Parliament.

I am no stranger to this House. Having taken part in debates for the past 20 years, I can attest to the fact that I have never before had or been given so many opportunities to debate these issues.

Therefore, the government is taking a new, very important approach at a critical point in our country's history. Against what backdrop is this debate taking place? In my view, there are many great reasons why we have to have this debate.

[*English*]

First, to state the obvious, we live in a very different period of world affairs from the rather more predictable one of almost a

decade ago. That was when the last comprehensive updating of Canada's foreign relations policies was undertaken.

Then we wondered whether Mikhail Gorbachev was for real. Almost no one would have believed or predicted the German reunification at that time, or for that matter the swift collapse of the Soviet power. As Mr. Gorbachev, the last President of the Soviet Union observed rather wistfully during the final throes of that momentous upheaval: "Once again history has accelerated its pace".

In retrospect it is clear that the international community was not prepared for so much unprecedented change so soon. There was hardly time to rejoice at the fall of the Berlin wall and to embrace the prospect of the so–called peace dividend when the rhetoric of the gulf war and the new world order took over.

• (2005)

That too proved to be ephemeral. As sober second thoughts set in other conflicts flared. Foreign policy analysts and pundits turned their attention to the new security risks of the post cold war era.

Most hopes of the 1990s had been pinned on developing new multilateral arrangements and on strengthening forms of economic and political co–operation. However even at this level as we approach the midpoint of this decade there are still many questions awaiting answers.

The United Nations for example will mark its first half century next year as a financially strapped organization that is in demand in a positive sense and more embattled and in need of reform than ever.

[*Translation*]

Canadians understand that difficult choices are needed in order to formulate a rational plan for managing our common future which is at risk. This brings us to a second important reason for reviewing Canadian policy.

Before the government proceeds to make these choices, as it will have to do sooner or later, Canadians will have to reflect on this issue and share with members of Parliament their views on our country's foreign policy.

Before decisions are made on important aspects of the management of public affairs, Canadians are entitled to be heard in an open and democratic consultation. When institutions responsible for foreign affairs spend Canadians' money, the members of this House, elected to represent their interests and their values, have a responsibility to demand results in return.

We in the Liberal Party were aware of this attitude of Canadians when we began a consultation process several years ago to develop a renewed, more democratic and more independent foreign policy. I hope that such dialogue will enable us to find a consensus among all Canadians on the nature of Canada's key international interests, on what Canada can afford as a nation and on the best way to meet the challenges of the 1990s and of the next millennium.

[*English*]

I only have a few minutes but I would like to elaborate on what in my view is a balance of caution and inspiration in this populist approach this government has taken in terms of consultations with Canadians. There is caution because we have to be careful not to give the impression of doing all things in all places.

This morning the minister responsible for foreign affairs commented that we must learn to do better with less. Canada as we all know has been spending about $12 billion a year on defence matters and about $4 on foreign affairs and trade programs. Given the constraints on those budgets in the foreseeable future it becomes even more important to me to look closely at where and how the dollars are allocated and to get the best value for that in terms of clearly defined, clearly identified priorities and objectives.

Inspiration will be needed. In doing this we will need to look at how key trade–offs should be made and how the different strands of foreign policy can be tied together. How for example should aid, trade, human rights and environmental policies be interrelated? It will be an interesting debate and one that I hope will give us some direction. However it is going to be a tough debate.

Do we have the right structures and institutions for implementing these policies? It may be time to rethink how we organize our foreign policy machinery and processes to meet the new challenges.

[*Translation*]

The Minister of Foreign Affairs told us that he wanted public consultation to be as broad and as thorough as possible.

I am sure that I speak for all hon. members when I say that we approach this review with an open mind and the desire to hear as many Canadians as time and resources will allow.

• (2010)

As Chairman of this committee responsible for consulting and listening to Canadians, I personally undertake, along with most of the members of the committee I think, to do my best to understand where we are going and to explain in a report to be tabled in this House by the end of October what we will have heard and understood from testimonies and how we see things.

Let Canadians be warned however that we will not be able to meet all expectations. That is impossible. We will do our best however to meet as many as possible and to take as much time as possible to look for a fair and equitable solution. As I said earlier, we cannot please everybody. When all is said and done, we are the ones who will have to set priorities.

When I say we, I mean all of us Canadian parliamentarians. We will be the ones who will have to take into account the representations made to us, the values, the special interests, the day–to–day concerns of Canadians about employment, security, well–being, all of this within the framework of a fair and equitable foreign policy.

That is the challenge facing the members of the Standing Committee on Foreign Affairs and International Trade if we want to lead the way for Canada's international relations at a time when world events not only happen much faster but are sometimes very troubling.

[*English*]

To quote an ancient Chinese curse, we live in interesting times. In this high risk, multi–choice world decisions will have to be taken. That is why it is so important to use this review to prepare ourselves well. We are counting on the knowledge, experience, common sense and the goodwill of Canadians to help us as their elected representatives to carry out this task.

I hope we are successful. I pray we will be successful. I will give it my best.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I first want to congratulate the committee chairman, the member for Ottawa—Vanier, on an excellent speech. I commend him for his commitment to the cause of Canada here and abroad.

The committee will be travelling from one end of the country to the other. Representations will be made by groups interested in the issues of foreign aid, foreign policy and so on. At what point in time will the committee which is dealing with defence policy issues and other international and foreign affairs issues present its report to the House of Commons? Will the members of the committee be the same members who are now sitting on the foreign affairs committee or will others be joining it?

Mr. Gauthier (Ottawa—Vanier): Madam Speaker, some of the answers I will be giving are my own. The steering committee of the Standing Committee on Foreign Affairs and International Trade has not yet set its agenda for work and consultation.

I hope we will be ready to go by the end of this month. We will be consulting with Canadians as individuals but also as groups. There will be interest groups and people with a special message to give us. The schedule of meetings has not been established as yet. I wish I could give that schedule tonight. It would save some money on advertising.

The second question was on the work of the defence committee which is presently holding its meetings. It has started work on its order of reference. I believe there are areas which overlap.

Foreign policy first and foremost is the why issue of this exercise. Why Canadians would like to participate in peacekeeping rather than peacemaking is a debate; why Canadians tie environmental issues to the questions of aid and human rights and so on.

• (2015)

Defence is more or less the how we do things and that is a special study that defence will be doing as to how best to put into effect the why decision, the policy issues, decided by government and proposed by parliamentarians. I see foreign affairs as the committee that decides why we should be doing these things and defence on matters of defence telling us how best to do that.

I see all the other agencies such as CIDA telling us also as professionals in the field how best to put into action the why decision, the policy issues, that this House will recommend in its report.

I do not know if I answered the member in a satisfactory manner but I tried to address some of his points.

Mr. Bob Mills (Red Deer): Madam Speaker, I would like to thank the hon. member for the confidence he places in the committee and the members on that committee.

I have one question. How are we going to prevent as a committee the dominance by special interest groups, the sort of overwhelming influx of special interest groups in many areas and how are we going to actually get down to the grassroots of this thing?

I wonder if the member could address that question.

Mr. Gauthier (Ottawa—Vanier): Madam Speaker, it is a very hard question to answer.

I believe there are two aspects to our study. One of them is the collective aspect of interest groups that have a particular message to put to the committee. We would invite those people to send us their written presentations and we could go through them. I expect the committee will get many of those.

The other aspect is the individual approach, the grassroots approach, the individual Canadian who has ideas and who wants to put them to the committee. We will have to hear those persons.

I am going to propose that we hive off smaller subcommittees of this large committee of 22 people. I do not know yet and I may be doing this in anticipation of the decision but the proposal before us today is that there be 15 members of the House and seven senators. I take it if that happens then we could hive off

smaller groups of say five or six parliamentarians and really go into the grassroots areas of this country, the communities, and hear how they see our direction in the coming few years and possibly into the next century.

Having said that, it will be up to us to give them a fair chance to be heard but as far as the groups are concerned I see them presenting us briefs, as we call them, memoirs—

The Acting Speaker (Mrs. Maheu): I am sorry, the member's time has expired.

Mr. Bob Ringma (Nanaimo—Cowichan): Madam Speaker, I will be splitting this 20 minutes segment with my colleague, the member for Saanich—Gulf Islands.

[*Translation*]

I want first of all to urge the people of Canada to accept the offer made by the hon. member for Ottawa—Vanier, who chairs the committee, to listen to what you have to say because it is essentially the point of my speech today.

[*English*]

I do welcome the opportunity of addressing the House on the topic of Canada's foreign affairs policy.

My feeling is that the more our foreign policy is reviewed publicly, such as in this discussion, the more the policy will be understood and supported by the public. To go a step further, if the discussion is carried outside the House in communities across the country the more accurately will our foreign policy reflect the majority opinion of the electorate. This is particularly important, in my opinion, when it comes to revising or formulating defence policy, which should be a subset of foreign policy.

• (2020)

The Canadian public is very supportive of its armed forces in time of war, but it is less interested in time of peace. However, what Canada has experienced in the nearly 50 years since the end of World War II cannot properly be called peace. We have had relative peace within our boundaries but that was so, in large part, because Canadian troops were engaged overseas in smaller wars such as in Korea and in the cold war.

Throughout this half century as well Canadian forces were engaged, as they are at the moment, in peacekeeping operations around the world. The public must realize, therefore, that the terms war and peace are subject to redefinition. It should also accept the responsibility for engaging in this debate on foreign policy including defence and peacekeeping.

In asking for public consideration and input, it might be helpful to do several things. We should probably define peacekeeping, then examine what we have been doing in that field. We should also postulate our ideals of foreign policy. What should Canada's policies be and why? It might then be instructive to compare the ideal with current policy to see if there are anomalies or gaps in our policy.

Finally, we should zero in on defence policy and the specifics of peacekeeping.

Concerning definitions, the Canadian public should at least be aware of the difference between peacekeeping and peacemaking. Peacekeeping implies that there is an agreement in place, as is the case between Serbians and Croatians in parts of the former Yugoslavia. Peacemaking implies an action to bring hostile parties to agreement, which is the case in Bosnia.

In reviewing our foreign and defence policies, the public should decide if it supports both activities and under what circumstances.

If we examine Canada's participation in peacekeeping and peacemaking operations over the years, we find that changes in operations and our commitments have taken place without our necessarily having changed policy. Through an apparent zeal to participate in all peacekeeping operations, we have gradually become immersed beyond the intent of our policy and almost beyond our resources.

We have also learned some lessons over the years. I cite as an example our experience in Indo–China. Canada was part of a moribund commission there for many years. It was a wasted effort. However, when it came time to help the Americans extricate themselves with their prisoners of war from Vietnam in 1973, Canada wisely joined the new commission with much revised terms of reference but pulled out after six months when the main part of the job was over. It made good sense.

We said that we should postulate our foreign policy ideals. What do we believe in as Canadians and therefore what should our foreign policy be?

I believe that we are a generous people who believe in democracy and the rule of law. We do not believe in imperialism and we do have strong humanitarian feelings.

• (2025)

We are also pragmatic enough to believe in collective security. All of these beliefs shape our foreign affairs and defence policies. I do encourage the public to think about these basics and to add its own ideas.

A comparison of our ideals with what we have been doing as a country in peacekeeping should tell us how far off our policies are. My personal conclusion would be that we are fairly close but that a review is very necessary. As said earlier, the public should participate to the maximum extent in that review.

In addition to encouraging public participation in the review process, I would like to leave the House with these thoughts. First, the Canadian forces, through years of efforts overseas, have created for Canada an international reputation of real value. We should do more as a country to capitalize on our

standing by taking a greater leadership role in the shaping of international peacekeeping policy and procedures.

Second, in reviewing our foreign and defence policies we should take full account of the work of previous House standing committees. Some of the reports I have read have been excellent and should not be wasted.

Third, if as expected the review reaffirms the role of aid of the civil power for the Canadian forces, it must be confirmed that the forces are of sufficient strength to meet that commitment as well as their other obligations.

In a similar manner, the equipment state of the forces should be checked after the forthcoming review to ensure that it is adequate to perform the given tasks.

Finally, policy review of foreign affairs and defence, including peacekeeping, should be an ongoing process by the departments concerned, by Parliament and by the public.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I would like to congratulate the member on his comments, many of which this government subscribes to in the sense that from time to time we have to revisit any policies in order to ensure they truly reflect the modern age and the needs and aspirations of all those who are affected.

My question to the member is quite specific. Could he tell the House and all Canadians what percentage of assistance his side of the House would support in terms of gross domestic product, in terms of foreign aid that Canada should give to other countries around the world, taking into consideration Canada's position internationally as a member of the United Nations where we have a commitment to fulfil when it comes to the international scene? Also, would his party support the continuation of that level of aid?

Mr. Ringma: Mr. Speaker, in responding to the question, my address was specifically on peacekeeping. The question directs itself to foreign aid as well as peacekeeping and so I will try to respond to those two issues.

First, consideration of foreign aid should not be done in isolation of the fact that Canada is spending a great amount on peacekeeping. That should be part of balancing the ledger for us.

• (2030)

On foreign aid, I will not give it as a measure of percentage of the gross domestic product but my reckoning is that $2.5 billion per year at this moment with Canada's vulnerable economic state is too high.

We must continue to give foreign aid, there is no question, particularly for some of the things that we have heard of today such as pure water systems and the like. That is good. That is direct aid to people and we need that.

What we must get away from is some of the government to government aid which finds its way into bottomless ratholes. That we do not need. My response in summary is keep up the peacekeeping. Bill it as part of foreign aid. Cut foreign aid by a measure below $2.5 billion a year and direct it in the right channels.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, I too want to address the foreign affairs review from the standpoint of its relationship with and to defence considerations.

As we have heard before in this place, the end of the cold war and the reduction of the antagonism it engendered between the two superpowers has unhappily not resulted in a world that could look forward to an extended peaceful coexistence.

The world today is probably more volatile and unstable than it was when the Warsaw pact and the iron curtain were alive and well. As a result there continues to be a need for effective defence forces and co–operation in defence matters between like minded people.

There are those who would disagree with this assessment, those who think that Canada should show the world the way by dramatically reducing the Canadian Armed Forces and concentrating those that are left on peacekeeping and community assistance projects.

As idealistic as I am, I cannot agree with this philosophy. Canadians enjoy an excellent way of life and an excellent standard of living. One of the reasons this is so is that over the years we have been willing to commit Canadian support to assist in maintaining democracy and freedom not just at home but in almost every part of the world.

As my colleague pointed out earlier, we are involved in several such endeavours at this moment. Unhappily there are those who mistakenly think that the people in the armed forces tend to be war minded and supportive of belligerent or strong arm policies.

I am here to assure members that while they may be many things, Canadian service men and women are not stupid. They are fully aware that if as a result of deliberate escalation or inadvertent error, a shooting war should develop they as trained members of the armed forces will be first in the line of fire.

No, the men and women of the Canadian forces are very much in favour of keeping the world at peace. They also know that the awareness developed between people in co–operative defence forces often spills over into many other aspects of international relationships.

Thus defence considerations can have considerable impact on foreign relations. As evidence let us examine some of the relationships that have come about as a result of our participation in two world wars, the Korean war, NATO, NORAD, the gulf war and other co–operative military efforts.

In so doing, we find that these affiliations have enabled or helped to enable a level of trust and comradeship which has led to a better relationship between our countries, to increased interest in our problems, to more understanding and willingness to accept our position even on matters totally unrelated to things military and finally to increase trade and co–operation between the nations concerned.

For instance, although it is now 50 years since Canadian forces liberated Holland toward the end of the second world war, there is still a special place and warmth in the minds of Netherlanders when they think of, relate to and deal with Canadians today. This special relationship extends beyond those who were physically there during the liberation. It has been taught in school and passed down, so that no matter the age that good feeling is there.

• (2035)

This does not mean that the hard–nosed Dutch businessman or woman will not attempt to drive the hardest bargain and extract the best deal when dealing with his or her Canadian counterpart. It does mean that there will be an underlying warmth and some assurance of fair play in the negotiations.

Moving north, our relationship with Norway is favourably affected and influenced by the many Norwegians who took their flying training in Canada during World War II. Not only did they take their flying here, many of them took Canadian wives back to Norway with them after the war.

Unquestionably, these experiences have resulted in a far better relationship between our two countries than would have prevailed had they not occurred. These relationships have been further deepened and strengthened by our mutual participation in NATO. In fact, it would be fair to say that Canadian defence forces operating with or in some cases against other countries have substantially enhanced Canada's stature in the world.

While we are examining how we should shape and conduct our foreign affairs, it would be an expensive and ill–advised oversight to overlook the lucrative opportunities and benefits to be achieved through military co–operation.

Ideally this foreign policy review should have been completed prior to the commencement of any defence policy review. After all, defence policy should be a logical and supportive extension of foreign policy.

Because it has been necessary to convene and conduct these two studies concurrently, it is vitally important that the two committees work closely and co–operatively with each other, exchanging information and keeping updated as the reviews progress.

Moving away from North America and Europe for a moment, I am certain that in their considerations the joint standing committee on foreign affairs and international trade will appreciate that not all democracies are the same and that unlike Canada, in many countries the military is an integral part of government. For example, this is so in Tanzania.

When Tanzania was first establishing independence and requested assistance, Canada dispatched a Canadian forces training team to Tanzania to carry out in–country training there and brought the Tanzanian peoples defence force members to Canada to attend Canadian military training schools here.

Many of those Tanzanian trainees are now experienced senior officers who have considerable influence in their government and who still harbour feelings of warmth and respect toward Canada as a result of their experience with our military personnel. Although now on a much smaller scale, this co–operation continues today.

Make no mistake. These people are Tanzanians first and foremost but a good relationship has been established which can positively influence any negotiations between our two countries.

Considering our interest in and increasing trade with the Pacific rim, it would seem appropriate for the committee to look carefully at the utility of establishing mutually advantageous defence relationships with the countries there. The same rationale applies to our relations with Central and South America.

Whether it be an exchange of military attachés, making training teams available, or opening Canadian forces training schools to their use, good military contracts are an excellent way to improve understanding and co–operation between countries.

One of the often overlooked benefits Canada reaps from Canadian forces involvement overseas is the ambassadorial role that our personnel play. They and in turn our country are liked, respected and in many cases emulated by those they encounter. Also, because these military interrelationships occur across the rank spectrum and thus involve all social walks of life rather than just the relatively high diplomatic level, the effects are far more broadly based.

The results, advantages and benefits of such programs can often far exceed the costs of participation.

To a large extent Canada's prosperity and way of life depends upon international trade and thus on world stability. No one can say that world stability is totally dependent on military defence or assistance pacts. But history has shown that such agreements and particularly those in which Canada has been involved have fostered a better, more predictable and more secure world. In conclusion, while it would be a mistake for the foreign affairs review to concentrate too much attention on defence related

activities, it would be an even bigger mistake to overlook their value.

• (2040)

To reiterate, it is vital that there be continuing close contact between the joint standing committee on foreign affairs and the joint standing committee on defence.

Mr. Bill Graham (Rosedale): Mr. Speaker, this is a very important debate and the review which it launches will be among one of the most important tasks which Parliament will face in the upcoming term.

I am pleased to be able to speak in this debate and to be a part of the process of this review as vice–chairman of the foreign affairs and international trade committee under the direction of the chairman, the member for Ottawa—Vanier.

The minister and others who have spoken before me have set out the broad policy issues which we must examine in this review. Having listened to them I will not repeat their points. My contribution to this debate will be more modest. I hope to add some personal reflections which will highlight the considerations which I believe will be relevant to this review.

When my former colleague on the faculty of the University of Toronto, Marshall McLuhan, coined the phrase "the global village" which was used tonight in this debate, it seemed like an exaggeration but developments since that time have made that statement resonate more truthfully.

My own professional experience prior to being elected to this House led me to work and teach in many countries, the United States, Africa, the Middle East, China and Latin America. In the course of my work it became quite clear to me why it was a Canadian who came up with the phrase global village.

Unlike our neighbours to the south, Canadians have long been conscious of our place in the world. We are more dependent on other nations and peoples by virtue of our trade. Thirty per cent of our economy is dependent on our exports.

We are more aware of the outside world by virtue of the great number of new Canadians who have retained the diversities of their culture while at the same time contributing to our unique Canadian identity.

Our outside activities to which some of the other speakers in the House tonight have referred have brought consciousness to Canadians of the importance of our participation in the United Nations and other peacekeeping activities.

We are also aware, I dare suggest, of the nature of the world outside because of the federal institutions which have allowed in this country a realistic and flexible sharing of powers between various levels of government, a federal arrangement which I would suggest is compared and analysed as a model in many other places in the world, particularly the European union which is now examining how to deal with exactly that problem and also the problem of globalization which was referred to by the Minister of Foreign Affairs earlier today.

When we look at our great cities such as Vancouver, Toronto, and Montreal, we see features which make them in and of themselves global players by virtue of their trade and communication links, the diversity of their populations and their existing and future infrastructure.

Canadians are interested in and determined to fashion a foreign policy which will determine the place which this country and they themselves will take in a rapidly evolving world.

Canadians are aware of the fact that the former distinction that prevailed between foreign and domestic policy objectives have been blurred. As the Minister for International Trade put it this morning there has been a blurring of these distinctions or as my colleague at the University of Toronto, Sylvia Ostry, puts it "there is nothing more domestic than international trade policy" a matter which we learned in this House when the matter of article XI of the GATT was discussed with great intensity early on in your term, Mr. Speaker, and in my first term in this House.

We learned it in the 1988 election when people said to me that international affairs are not of interest to the people of Canada.

• (2045)

Then we were into an election on an international agreement. The 1988 election was fought on an international agreement which had incredible domestic political consequences. It was the failure of the government of the day to recognize the importance of those domestic consequences that caused them to lose the last election.

In this party we did not lose that perspective. We always argued in favour of a coherent policy, the need for domestic adjustment policies, to accompany the international economic reality that was being imposed by that agreement. I and other Canadians look forward to having the chance to focus on how our domestic and international policies will be co–ordinated. We will have many chances to do so in the House.

The first speech I had an opportunity to make in the House was on social policy review. There was some question as to what it had to do with international affairs. Even a matter seemingly as domestic as social policy review must be considered in light of the international reality in which we live. If we believe in globalization we cannot formalize social policies which do not take that reality into account.

Next month there will be a labour market summit in the United States led by the President of the United States in which we will be participating. Labour policies will shortly be on the list of issues to be co–ordinated along with many other issues, if

we are to survive in this integrated world in which we are going to live.

As Canadians we must participate in these activities and ensure that our values are reflected in the social charters which will arise in the NAFTA, GATT and World Trade Organization if we are to avoid having solutions imposed upon us from outside. We have a population uniquely qualified in the world to participate in this discussion. This has been brought home to me many times since the election, but I would like to cite a couple of examples.

Recently a constituent of Vietnamese descent from Rosedale came to my Hill office. He was a refugee to this country of only a few years who now has a successful business. He came to say that he had been to the Vietnamese embassy. He wants to get back to Vietnam. He wants to get trade going with Vietnam. He speaks the language and he knows the culture. He is eager and many of his colleagues are eager. With that eagerness comes some extraordinary opportunities. As the secretary of state for Asian affairs said today, we must take a pragmatic approach to human rights when we are looking at these issues.

My friend who came to speak to me in my office is anxious to go back and trade with Vietnam, not only for the commercial purposes that will enable him to do so but because it will enable him to bring some form of relief to the family and friends he left and to encourage an evolution of human rights in that country which he believes will benefit everyone.

We need to have mechanisms in place that will facilitate that reform. It will be our job in committee to examine and to ensure that when the day is done the Government of Canada has created the instruments necessary to enable people like the constituent of whom I spoke to participate in the world in a way that would enrich him, enrich us and enrich the world.

That example is not just one of commerce. I was at a conference at the University of Ottawa last week. I learned that traces of the pollution being produced in the Sea of China, adjacent to Vietnam, are actually being found in our Arctic waters. If we do not trade with Vietnam, if we do not send our expertise there, if we do not deal with the problems of pollution in Vietnam, it is not a Vietnamese pollution problem we will have; it is a Canadian Arctic pollution problem that we will have. We must address this issue. We have the means and we can contribute to finding a solution.

There are Chinese Canadians and Filipino Canadians. I do not mean to hyphenate the term Canadian, but there are Canadians from every walk of life who have experience outside this country that they are eager to bring to bear to enrich the country and to enrich our experience. Those people are insisting we craft or create a truly Canadian foreign policy which reflects our values and impresses our neighbours. They also recognize that our neighbours have an interest in us.

• (2050)

Recently I had the privilege of going to Vancouver with a parliamentary delegation. Some members of the House were also on that trip. As I sat in a helicopter flying over Clayoquot Sound looking at clear–cuts with a communist deputy from Sardinia on my left and an English MEP on my right, I said to myself: "What am I doing looking at clear cutting in Clayoquot Sound with these gentlemen?" One might ask: "What business is it of theirs?" The fact of the matter is that they were saying they were not going to buy our tree products if they did not come over to Canada and become satisfied as to how we were doing business.

We can say we do not like it, but it is a fact of the new life. We can call it a loss of sovereignty if we like, but the lesson we learned from that trip was the following. We agreed with those people in the end that we should create an international agreement which would set up objective rules, which would lay out an objective and a scientific way in which we could determine whether or not clear cutting was being properly conducted, whether or not we were being environmentally safe.

That is the way we will have to go in the future. We will have to craft rules and we will have to craft institutions. Nowhere will it be more important in the matter of institutions than in dealing with our neighbours to the south, the United States of America. I will leave you, Mr. Speaker, with this last thought: Nowhere would I suggest we must be more vigilant in ensuring that we have proper institutions than when dealing with our neighbours to the south.

In that respect we had an interesting witness before the parliamentary committee last night who told us a very important truth. He said the United States was a great nation and it did not respect servile allies. It respects those who stand up for their rights.

The Prime Minister has made it clear that we will craft an independent foreign policy. That independence is not just because we want it as Canadians. It is also the best strategy to pursue in dealing with an ally like the United States which is powerful and strong but willing to respect the strong opinions of others.

In conclusion, we live in an interdependent world. We have in our own ridings, each one of us here, the expertise and knowledge of Canadians. John Polanyi was speaking on peacekeeping just two nights ago in my riding. All of us in the House have a great wealth of expertise in our ridings.

As a member of the committee I look forward to an opportunity of hearing from Canadians. In so doing we will learn about ourselves and how we can best contribute to a peaceful, sustain-

able, prosperous world which we now share with those who were once foreigners but today are our neighbours.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I was tempted to ask my venerable colleague why he stopped when he did. I realize he had about 25 pages of material, as is his wont as a university professor and an expert on international affairs. However I realized that with the time constraints imposed upon him by the hierarchy in this place he had to cut short his deliberations.

I will try to take up where he left off. I hope I will be forgiven if I am a bit more humble in my approach to this topic, not having the erudition and background demonstrated by my esteemed colleague or his outstanding eloquence on the topic.

I do not want to make light of it because my colleague from Rosedale said something that is extremely important for each and every one of us to consider. In the context of an evolving Canada we now have the kinds of expertise for which most countries lust and literally spend hundreds of millions of dollars to develop. I am referring to the human resources afforded us by people from all over the world. They come here with a cultural background that gives them an opportunity to understand the societies, the political systems and the economic systems throughout the world. They also have the networks and the dispositions to take advantage of those opportunities for the greater good of Canada.

One might deduce that perhaps my particular disposition is one that would accord more attention to the international trade side of a foreign affairs and international trade review.

• (2055)

I do not want you to fall into a trap, Mr. Speaker. I believe it is absolutely crucial for the well–being of our country to exercise its dynamics on the world stage, to ferret out if need be all the opportunities that will allow for the flourishing of Canadian economic potential and for the capitalization of all the resources we have in great quantity and quality. However, I am first and foremost concerned that Canada takes its rightful place on the world stage as a country or as an entity that will play its role as a leader in social development and will understand the values of social and cultural organizations permeate virtually everything we do and that all our neighbours, all our allies and all our trading partners should emulate.

Therefore I take my lead from my colleague who just finished a most studied presentation before the House and from my other colleagues both on the committee and in the departments as secretaries of state and ministers. These people have served with other members of the House in other capacities. They have learned from those experiences and through that learning have developed an appreciation of what the country ought to do.

Each and every one of them has pointed out a specific, it is almost de rigueur to say, niche in foreign policy and international trade of particular interest. They wanted to give an indication to the House and to all citizens watching the debate that the country never needed as much as it does now a new examination of and definition for its role on the world stage.

That means we have to take to heart, with the kind of energy that only the House can provide, the initiative of our ministers to undertake a studied, thorough, analytical review. It must be as critical as it can to derive all elements which will formulate a policy that is truly reflective of the Canadian entity not only in the latter part of the 20th century but one that will lead us, I dare say, into the 21st century.

The challenges are many. Many of the debates we have in the House on occasion seem to be separated and distinct one from the other, but they are all interrelated. On many occasions, and even today during the course of debate, we talked about the importance of Canada's new policies on the environment, a new definition of international human rights, and the impact of expanded trade agreements on goods, services and the exchange. Even some of our colleagues on the opposite side of the House have pointed out that there are enormous changes in the concepts and definitions of peacekeeping and peacemaking and the consequences that come to bear on domestic policy as a result of those emerging definitions.

They have also acknowledged that there are many consequences and implications for military and civil considerations, police selections, environment and surveillance. These obligations the Canadian people through their representatives, through their government and through the House, accept as part of a leading western society, a leading progressive society and as the leader in social integration and social harmony.

That is no longer a question of domestic policy. It is no longer merely a question of determining priorities in a budget environment. It is no longer merely a question of determining how much money we shall accord here and how many such resources we shall accord there. Rather it is a question of how in their comprehensive total they will contribute to stamping a character which can be defined and sum totalled with one word, and that is Canada.

• (2100)

We need public consultation. We need public input. Colleagues from both sides of the House agree that if we are to develop a proprietorship in a policy each and every one of us on both sides of the House and through us the people who elected us have an opportunity to shape the views of the government of the day and governments to come.

Foreign policy is not merely the reflection of the individual on the moment for the moment. It is the vision of a people who decide in total what avenues will be pursued, what goals will be developed and what objectives will be realized in the medium

and long term. They can only do that if all the Canadian public has had an opportunity to wax their views in an environment where those who will put those views into effect listen, shape and then implement those views.

In the course of this debate some members have reflected on the problems associated with mixing what seemed to be different objectives, commercial and humanitarian. I said earlier in the debate with colleagues from the Reform Party that I was not sure that the two had to be mutually exclusive.

If Canada is to play a leadership role it is going to exercise influence. Some of that influence will be translated as internal meddling because influence means we will have others accept our values in life, our political values, our cultural and social values as they pertain to organization, development and integration. If we are going to truly exercise that kind of influence then we must be prepared to engage in productive relationships with other countries.

In the past we have focused on Europe and the United States. We have omitted ourselves from other areas such as South America. We have omitted ourselves from the tiger economies of Asia. We have essentially taken a one dimensional approach to our relationships with developing and underdeveloped nations.

Now is the time to approach this in a more comprehensive fashion and through it to have an influence on domestic policy. It is becoming more clear that the primary focus of our government should be one that gives its attention to a policy that expands beyond our borders. Then we can see ourselves not only as we would like to see ourselves but as others would recognize us to be.

I urge all members to support this initiative and then to engage themselves in the review that will follow.

Mr. Leon E. Benoit (Vegreville): Madam Speaker, the hon. member referred to the input by the people of Canada into this process of developing international affairs policy. The member also referred to Canadians influencing people from other countries through this policy.

Our country has a tremendous debt. Do we have the money to try to influence others outside this country? In my constituency and across the country Canadians have been saying we should spend less on external affairs and on foreign aid in particular. Over the last couple of years polls have shown people across the country believe this.

• (2105)

If we are going to ask Canadians for their opinions in terms of foreign aid, is the hon. member willing to vote the way his constituents tell him to vote and reduce the amount of money Canada spends on foreign aid?

[*Translation*]

Mr. Volpe: Madam Speaker, I do not see why you have a problem recognizing me; after all, we have known each other for five years now.

[*English*]

In response to my hon. colleague opposite when constituents vested their confidence in me and other members on this side of the House and I dare say even on that side of the House, they thought: "I look at the candidate and the party. I want that individual to stay abreast of all the issues on which he or she will have an impact. I expect that individual to stay informed. I expect that member of Parliament will exercise decisions in the best interests of the country first and foremost, and second in the best interests of all citizens". Sometimes they are exactly the same thing.

The question of whether Canada at this moment in its history has the resources to engage in foreign aid ought to be addressed in the specifics of the analysis. To suggest that is the foremost question today is to negate that we are talking about a comprehensive review of foreign affairs and international trade. Foreign aid is but a portion. Whether it is large or small is immaterial; it is but a portion of that review. It is but an aspect of the obligation we impose upon ourselves under the two headings of international trade and foreign affairs.

It also negates the importance of the commercial aspect when we consider that international trade. Foreign relations and foreign affairs are part and parcel of an economic strategy that will also bring wealth to the individual Canadian citizen, to the individual Canadian entrepreneur, or to groups thereof.

To say that perhaps we should not be focusing on this at this time or to suggest or even to allow others to infer it from what we say damages the comprehensive economic policy that could emerge from a proper analysis and review of international trade and foreign affairs.

I know my colleague opposite would not want us to do any of that. In fact, I am sure he would encourage us to promote any kind of activity that would encourage the development of economic benefits for Canadians.

[*Translation*]

Mr. Philippe Paré (Louis–Hébert): Madam Speaker, the end of the cold war represents an incredible change in the international order. It is the last episode of an era which will disappear forever. However, the new emerging order is characterized by a

great instability, and is jeopardized by new threats such as environmental disasters, the demographic explosion, the wasting of resources, financial crisis, and particularly the impoverishment of people living south of the tropic of Cancer, which is three quarters of the world population.

From a safety standpoint, the increase in the number of problem areas throughout the world compels the international community to search for regulating mechanisms which fit current political and economic realities. We must no longer merely avoid war: We must also seek peace.

With the 21st century looming ahead, peace is a big challenge for the international community, because everywhere there are conflicts which seem more and more difficult to solve.

• (2110)

It is in this context that the Canadian government is undertaking a review of its foreign policy. In the coming weeks and months, parliamentarians will have to decide what the new policy should be. We will have to ask ourselves what Canada's role in the new world order should be.

I want to mention a few ideas to think about in the course of the debate on the foreign policy review.

Apart from the violence which, too often, characterizes relations on the international scene, economic activity also influences those relations. In that regard, the globalization of economic activity is one of the outstanding features of the last few decades.

The growing internationalization of goods and services production, distribution and marketing that characterizes this tendency was influenced by the following factors: the lowering of tariff or other trade barriers, the gradual elimination of controls over capital flows, progressive deregulation in many countries, the reduction in transportation and communications costs.

The powerful forces of market globalization strongly influenced by the actions of multinational corporations give us the impression that we are ushering in an era where the worst kind of economic selfishness takes precedence over solidarity and sharing.

In recent years, the gap in the standard of living between the rich countries and the poor countries has become wider. According to the United Nations, this gap has doubled in the last 30 years. As victims of war and the international financial crisis, the people of the third world have become increasingly marginalized.

Malnutrition, the lack of democratic rights, the denial of basic human needs and the 17 million refugees in 1991, in addition to the 30 million displaced people, prevent us from turning a blind eye to the inappropriate development of the southern hemisphere countries, as our reality will be affected if only with respect to immigration and the environment.

Most developing countries were hurt by the economic crisis in the current global climate. In the 1980s, the reduced terms of trade were accompanied by the debt crisis and the overexploitation of natural resources to resolve this crisis. Caught in a vicious circle, the countries of the south cannot find a solution to this situation that has become intolerable for their population.

Partly responsible for this drama since they created the global economic configuration inherited from colonialism, the industrialized countries are also its victims as they will have to pay for environmental disasters, which do not recognize political borders.

We can no longer try to solve these problems without thinking that sustainable development is the cornerstone of the global socio–environmental chessboard. What does the Liberal government think of this?

Since a lot of people still believe in the old saying charity begins at home, the Canadian government has shown a tendency in recent years to reduce its development assistance budget. Unfortunately, this tendency is shortsighted and based on a erroneous assessment of the global situation as the millennium comes to an end.

It would be appropriate to briefly examine the evolution of aid to developing countries to show Quebecers' and Canadians' solidarity with their disadvantaged brothers and sisters throughout the world in the last 40 years.

In 1950, the external aid office, the ancestor of CIDA, had a development assistance budget of $11 million. By 1967, its budget had grown to $279 million. In 1968, the Canadian International Development Agency was created. CIDA never became a separate department. It was created without an incorporating act and comes under a statutory authority that gives it the power to spend money.

In his last report, the Auditor General of Canada points out CIDA's uncomfortable position under the sometimes undue pressures exerted by several departments such as foreign affairs, international trade, and national defence. not to mention Canadian businesses involved in international activities.

• (2115)

Legally, CIDA reports to the Department of Foreign Affairs, but its mandate has never really been specified. In principle, it should advise the government on co–operation issues; in practice, we have the impression that it responds to influence more than it really influences others.

Since it is not a department and since there is no minister with a mandate only for development assistance, Canadian ODA has never reached the internationally recognized standard of 0.7 per cent of GDP. In 1993, Canada spent only 0.4 per cent of its GDP, which is much less than what many industrialized countries spent on development assistance, as the following figures show: Norway, 1.16 per cent; Denmark and Sweden, 1 per cent; the

Netherlands, 0.86 per cent; France, 0.63 per cent; Finland, 0.62 per cent; Canada, 0.40 per cent.

While the federal government spent hundreds of millions of dollars on advertising Canada's 125th anniversary and sending its propaganda to all Canadian households, at the same time, it lowered the aid budget for developing countries.

The early 1990s marked the end of any measure to achieve the goal of 0.7 per cent. The 1991 budget not only further restricted development assistance but it extended aid to include the countries of eastern Europe and of the Commonwealth of Independent States.

In his 1992 economic statement, the then Minister of Finance cut international aid by $50 million. The last budget reduced the international aid envelope by 2 per cent and it will be cut by the same amount again in 1995.

Canada's aid strategy will soon be at a crossroads.

To this decrease in aid for developing countries must be added something else that reduces the impact of Canadian ODA: the scattergun approach. This approach no doubt confirms the many influences that turn CIDA away from its objectives. The charter of official development assistance from *Sharing Our Future* bases Canadian aid on the following four principles:

First, the fight against poverty; the main objective of development assistance is to help the poorest countries in this world; second, aid must seek to strengthen the human and institutional resources of developing countries so that they can solve their problems themselves; third, development needs must take priority in setting goals for official development assistance; fourth, development assistance must help to strengthen ties between Canadian institutions and citizens and those of third world countries.

Despite such clear objectives, the Auditor General, no offence to the Minister of Foreign Affairs, points out major shortcomings in what CIDA is doing: lack of clear, precise objectives and lack of coherence; dispersion and chronic lack of focus in CIDA's objectives; red tape favoured to the detriment of development content. On this point, I add that it is embarrassing to recall that for bilateral aid or the geographic program, CIDA uses 600 people to supervise the work of 125 people in the field. At the same time, a small organization like CECI sends 250 co–operants to carry out specific small projects.

The final shortcoming mentioned by the Auditor General is the limited knowledge of and minimal learning ability for accountability with respect to results.

On the other hand, the Auditor says he is sympathetic to CIDA, since it is subject to many constraints and influences. So, what is at issue is not so much how CIDA is managed as the lack of legal framework which makes it vulnerable.

In fact, Canadian development assistance increasingly finds itself torn between assistance and foreign trade. Which is to be favoured? This question sums up pretty well the whole problem. Again, the old saying "grasp all, lose all" is rather appropriate with regard to CIDA.

Let us not forget that Canada's ODA encompasses several programs which further dilutes goal attainment by involving more and more people. Although the figures do not apply specifically to Canada, the 1992 report on the United Nations development program is particularly bleak and calls into question ODA practices in developed countries.

• (2120)

In spite of these flaws revealed by the UNDP, definite progress have been made over the past 40 years in developing countries: life expectancy went from 40 to 63 years; the infant mortality rate dropped from 190 per 1,000 to 80 per 1,000 and the ratio of deaths of children under five years of age from 300 to 120 while, between 1970 and 1990, literacy grew from 23,8 to 48 per cent in Africa, from 44 to 64 per cent in Asia and from 73 to 84 per cent in Latin American and the Caribbean.

Yet, absolutely scandalous gaps continue to exist in terms of the per capita GNP for instance. Here are a few examples: in sub–Saharan Africa, the GNP was $120 in 1968 and reached only $330 in 1988; in South Asia, it was $100 in 1968 and $320 in 1988; in East Asia and Asia–Pacific, it was $100 in 1968 and had grown to $550 in 1988. Meanwhile, in Latin America and the Caribbean, it varied from $490 and $1,850 and in the Middle East and North Africa, it went from $220 in 1968 to $1,210 in 1988.

During that time, in OECD countries, the per capita GNP jumped from $2,750 in 1968 to as much as $17, 468 in 1988. In 1993, OECD nations allocated about $71 million to official development assistance, while a 2 per cent annual growth in the economy of poor countries would cost industrialized countries $200 billion a year. When faced with needs of this magnitude, we all too often give up. I remind members that these same OECD countries spent in excess of $370 billion on national defence in 1992.

Therefore, the problem is not one of resources, but rather of resource allocation. Canada's defence budget for 1994 is $11.5 billion, while $2.8 billion has been budgeted for assistance to developing countries. One can assume that the powerful defence industry lobby has a great interest in seeing this budgetary structure remain in place.

The Canadian government, cannot, however, continue indefinitely to support these questionable choices. By maintaining the gap between defence spending and development assistance spending, we perpetuate the belief that if poor countries cannot climb out of their state of poverty, the only solution left is for us

to arm ourselves to ensure our security in the face of a future revolt. Are we being foolish or reckless?

Any future foreign policy should settle this debate and come down on the side of government funding for development assistance. Canada could take on a leading role in this area and map out a new course to follow in the field of co–operation and development in the 21st century.

Moreover, Quebecers and Canadians are keenly aware of this new world vision which is tied not to the arms race, but to solidarity and sharing. It is no coincidence that roughly 250 aid agencies are members of the Canada Coucil for International Co–operation, the CCIC, and the Association québécoise des organismes de coopération internationale, l'AQOCI. These NGOs are driven by the generosity and dedication of thousands of volunteers who donate their time and money to help and ease the suffering of the poorest and most destitute men, women and children in the world.

In its foreign policy review, the Government of Canada must consider the objectives pursued by NGOs. It is generally recognized that these agencies are the most efficient channels for development assistance.

In the years to come, the Canadian government, as stated by the Minister of Foreign Affairs in the House on February 9, will be expected to increase its support for NGOs. At the present time, NGOs receive only 10 per cent of the ODA budget. This percentage must increase, especially since amounts allocated by the Canadian government are matched by the substantial amounts invested by development co–operation agencies in their development projects.

• (2125)

Because NGOs have no political ties with the often illegitimate governments of poor countries, they are unlikely to be obliged to abandon their activities in countries with a record of gross human rights violations, since their assistance is always directed to people, which unfortunately is not always the case with bilateral aid.

If we consider the fourth main principle of the ODA charter, which is that development assistance must help strengthen ties between Canadian citizens and institutions and those in the Third World, I think it is clear that the best vehicle for achieving this objective is the NGOs, whose workers merge with the social and cultural fabric of the people they help.

At the other end of the spectrum, we find large Canadian companies carrying out turn–key projects in developing countries which preclude this merging with the population, create even greater dependency and, in the final analysis, guarantee maintenance contracts for these companies. Our foreign policy review should stress these major issues: Does Canadian ODA serve the interests of a few Canadians rather than those of the poorest countries? These are a few of the aspects of development assistance which the Bloc quebecois would like to see considered in the context of a foreign policy review.

In concluding, I want to express my disapproval of the fact that the House of Commons Standing Committee on Foreign Affairs and International Trade is being merged with that of the Senate. I object on several grounds. In the light of budgetary cutbacks, I think such concerns should be reflected in all decisions made by the government. In this case, having senators on the joint committee will add to operating expenses if the committee plans sittings away from Parliament Hill.

Furthermore, I also see this as a sign of panic on the part of the Liberal Party, which is afraid to see the party it resembles most, the Conservative Party, disappear altogether. To ensure the Conservatives are represented, the Liberals are prepared to appoint committee members from their supply of federalists. This means putting elected and non–elected members of Parliament on the same footing. This is unacceptable in a society that is proud of its democratic roots.

A survey conducted across Canada last summer indicated that more than 60 per cent of Canadians were in favour of abolishing the Senate outright. It is certainly not appropriate at this time to give the senators a legitimacy they have already lost as far as public opinion is concerned.

[*English*]

Mr. Jake E. Hoeppner (Lisgar—Marquette): Madam Speaker, I listened with great interest to the hon. member's comments and I am impressed with his generosity.

I would like him to answer a question. I produced grain and livestock on my farm for years and years and I am producing more every year and it does not seem to keep up with the bills.

I am now at the stage at which I am old enough and fortunate enough to have some grandchildren. Every time I welcome one of them into this world I have to tell them they have $24,000 of debt. The next one has more debt.

How am I going to convince my grandchildren that I have spent their fortune already by being so generous. Can the member answer that for me? I have a great problem with spending somebody else's inheritance before I look after my own.

[*Translation*]

Mr. Paré: Madam Speaker, I, too, have grandchildren. I do not want to leave them a country such as Canada the way it is now. However, I do not think that it is Canadian assistance to developing countries that put Canada in this situation. I simply want to point out the incredible gap between the nearly $12

billion we invest in national defence and the $2.5 billion to $2.8 billion we spend on aid to developing countries.

We must realize that what we do not do for developing countries in the coming years is precisely what our children and grandchildren will criticize us for in 20 years, as the world order will be completely destroyed and the developing countries, the third world countries, will end up by imposing the law of the majority.

• (2130)

I think we must clearly agree that it is necessary to increase our aid to developing countries and that the arms race taking place around the world is just about the most stupid thing we have seen in the 20th century.

[*English*]

Mr. Keith Martin (Esquimalt—Juan de Fuca): Madam Speaker, it is a great privilege today to speak on a subject that is close to my heart and the most valuable thing we possess beyond our good health. That is human rights, the right to live in peace, say, do and go where we want within the confines of a fair, compassionate legal system, free of harassment and secure in due process. As the name implies, they are not a privilege but an undeniable right as a member of the human race.

We in this beautiful country are very fortunate to be in one of the few countries where its people can express their human rights to their fullest potential. Tragically the same cannot be said for most countries in the rest of the world.

The end of the cold war with its two warring superpowers has given rise I think to an environment of greater political instability and has unleashed decades of seething ethnic and tribal tensions; for example, Yugoslavia, Somalia and, right around the corner, South Africa.

This will give rise to more bloody regional or civil conflicts and the rise of smaller, non–functional or poorly functional nation states with their nationalism, tribalism and, at times, intolerant attitudes and behaviours.

Added to this melting pot of troubles are a number of other factors. Developing nations economies are either stagnant or have regressed dramatically over the past 20 years. Corrupt leaders have throttled and pillaged their economies for their own ends, pocketing foreign aid for themselves. Foreign governments in many cases have given aid for prestigious megaprojects that have often wound up being megaflops instead of concentrating on small scale rural projects.

I will give an example. Sub–Saharan Africa, exclusive of South Africa, will take 40 years to get to the same level of economy that it had in 1970. If we take Nigeria out of that equation, it is going to take 100 years for that part of the world, that represents a population twice the size of America, to get back to where it was in 1970.

Another factor is a world population that is spiralling out of control. In fact by the year 2050 we will have a population that will exceed 10 billion or more than twice what it was in 1990. These numbers will outstrip, I feel, the ability of this planet to adequately provide for its inhabitants and leave the majority of people with an appalling quality of life on a planet that is suffering from a significant amount of environmental degradation. Examples of this we can currently see.

I would suggest that we would in part concentrate our efforts on providing aid in conjunction with population control in many of these third world countries.

When we put all these factors together we have a climate that is ripe for conflict, struggle and human rights abuses. Although we may say we live in a beautiful and big country with a small population and that many times the situations seem far distant from us, make no mistake about it, what happens half a world away will sooner or later wind up on our doorstep.

As has been mentioned here before by some hon. members, I like to think of ourselves not necessarily as Canadians first but as citizens of this planet. If we all practised that perhaps we would be able to engage in a little bit more tolerance between each other.

Abuses of human rights such as detention without trial, torture, rape, extrajudicial executions are commonplace and occur in such diverse countries as Iraq, China, Liberia, Brazil, Egypt, El Salvador, Angola and Burundi, just to name a few.

My first personal experiences with gross human rights violations came when I was working in Africa in the 1980s. Here I saw people who had had chunks of their flesh torn out, whose human rights were trampled, who were tortured with hot irons, who were gang raped, who were brutally beaten and who were murdered. Once you see this first–hand you cannot turn your back on it. You feel compelled by every part of your soul to do something about it.

• (2135)

The response of the international community has in many cases been abysmal, particularly with smaller countries where people tend not to care too much about what happens. The world and the international community seem to deal with human rights violations in other countries only when it is politically expedient or when the media has thrust it on to the front stage so that it cannot be ignored.

Self interest has directed many governments' response to human rights and violations of friends of a country are often met with silence while those that are enemies of a country are publicly and vigorously castigated. This shows a terrible lack of

political integrity, foresight and compassion with respect to foreign policy.

What can we do about this? I should say that I am proud that we are one of very few countries in the world, one of only a handful I think, which can actually speak credibly on the matter of human rights which makes it more imperative that we do so.

First, I suggest that we publicly castigate countries that commit gross human rights abuses. We must take a lead role in mobilizing other nations to force the country in question to mend its ways. International co–operation is the most expeditious way of dealing with this.

There are certain techniques we can use and some that have been underutilized in the past. Most of them involve economic levers against the guilty party, for example, via the World Bank, the IMF. I think country to country loans are a powerful and often underutilized technique and can be very effective.

We also need to tie economic aid and trade packages to human rights. Sports sanctions and the freezing of state assets are two other options that can be utilized under certain circumstances.

A second thing that we as a country can do is to start looking at the United Nations and help to mobilize the countries in the UN to utilize it as the primary force to act as the advocate for human rights in the world.

The following are some of my recommendations. First we have to define the various courses of action that we can take against states which commit gross human rights violations and get the acceptance of the UN body at large to follow suit when this occurs.

Second, we must put forth an early, firm and decisive action on the part of the UN against brutal regimes and anticipate problems before they occur. We must anticipate these trouble spots and act early. A couple of examples might be Mr. Zhirinovsky and his so–called democratic group in Russia. Another one that is happening very close is South Africa. I just would make an aside and say that we as a country have to support democratic reform in that country. If South Africa falls and falls into the same morass and quagmire as has occurred in most sub–Saharan African countries after their independence, then we will lose the whole southern half of the continent for the next 50 to 100 years. I think it is very important that if we invest now it will pay off amply in the future. An ounce of prevention, as they say, is worth a pound of cure. Yugoslavia is an excellent example where we did not take the initiative early enough and now we are paying for it in spades.

Another thing we need to push for on the world stage is to support the international tribunal against war crimes. We must make it known on the public stage that individuals who commit gross human rights violations are going to be met with the full and effective force of the international community.

As an aside I would also push for this country to press for the banning, as I have said before in this House, of anti–personnel devices world–wide. These devices have no role to play in war. They are meant purely to maim innocent civilians and destabilize a country for decades to come, even after peace has occurred.

For us to do these things and to forge a consensus among other countries and to stop flagrant abuses of human rights will require clarity of vision, unshakeable determination and backbone. When you look, as I have said, into the terror–filled eyes of innocent civilians who have had their basic human rights trampled and see the despair and suffering they are enduring, you cannot turn your back on it. In fact, with every fibre of your heart and soul you are compelled to help them.

It is our moral obligation to this beautiful, cruel, frustrating world that we live in to provide the international leadership to fight for one of mankind's most basic needs.

• (2140)

Mr. Herb Grubel (Capilano—Howe Sound): Madam Speaker, since 1982 the Department of Foreign Affairs has administered the federal government's program for the promotion of Canadian exports.

In recent years this program has been criticized by academics, the private sector, provincial governments, government employees and others for the following reasons.

First, employees and the workings of the TCS have been integrated only imperfectly into the culture and operations of the Department of Foreign Affairs. The pursuit of mundane commercial interests is not a natural activity of individuals who joined foreign affairs and were trained to become diplomats dealing with international politics, war and peace and the nation's external security. While there are many career officers who work hard on their assignments in the commercial field, such assignments continue to bring little prestige and opportunities for advancement in the institutions hierarchy.

Second, the private sector has expressed discontent with the lack of input into the work of the federal trade promotion work. The Department of Foreign Affairs is heavily bureaucratized and never has had a tradition of working with the private sector in the pursuit of its traditional mandate.

Efforts to rectify this situation through the creation of consultative committees have not been a great success. One aspect of the criticism by the private sector is that the operational objectives of the trade commissioner services are often linked with political goals.

The promotion of political and military alliances, of human rights and democratization and of international development efforts can and often do interfere with the promotion of international trade.

Third, the work of foreign affairs duplicates and overlaps with that undertaken by provincial governments. In major countries abroad, trade representatives from the two levels of government compete with each other. Further duplication occurs as federal trade offices throughout Canada deal with the private sector and promote exports in competition with provincial officers.

Fourth, even within the federal government there are at least 15 other departments that undertake trade promotion activities of their own. CIDA–INC as it is known is one of them. In some instances its activities are better financed than those of the Department of Foreign Affairs.

Efforts to co–ordinate the different federal departments' offices through foreign affairs have not been totally successful. Time does not permit me to dwell further on the negative assessments of the Department of Foreign Affairs trade promotion efforts.

Instead, I must now turn to some positive suggestions for reform of Canada's program. Suggestions for change involve different models of organization based mostly on real world experiences. There is a proposal to create a crown corporation independent of direct political influence.

The Government of British Columbia recently created such a crown corporation. Another model envisages the complete privatization of the service. This best describes the system used by Britain where executive agencies with independent management have been established on a contractual basis.

The removal of the bureaucratic culture from these agencies has resulted in substantial performance increases. This precedent can be applied to the trade commissioner service offered by our federal government. However there is also great merit in an approach I am investigating now in the context of preparing a private member's bill. The approach involves the use of a commercialized service to deal with the problems of the present system.

The following represents my preliminary thinking on the subject and I welcome suggestions for improvement from anyone interested in the subject.

I propose to call the new organization the Canadian Trade Organization. Let me call it CTO for short. Its headquarters in Canada will be located in one of the large commercial centres like Toronto, Montreal or Vancouver with branches in other cities. The CTO will have offices in foreign countries with headquarters in the capital like Rome and subsidiary offices in major cities like Milan.

• (2145)

The responsibility for the Canadian operations will be in the hands of a board of directors consisting one–quarter each of representatives nominated by the federal government, the provincial governments, private sector organizations like the Canadian Manufacturers' Association and the Exporters' Association, and general membership consisting of Canadian, foreign and multinational firms.

The day to day operations of the CTO are undertaken by a private staff, the executive director of which is also on the board of directors. Governments can have liaison officers on the operational staff.

Financing of the CTO will come one–quarter each from the four groups represented on the board of directors. In addition the organization is required to sell its services to private firms and administer Canadian involvement in trade fairs throughout the world. This is important.

Profit sharing or bonus payments to employees successful in such private sector sales will assure that the CTO is responsive to market needs. Such needs often involve Canadian governments in their roles as diplomats and makers of industrial policies. The proposed links of these government offices with the CTO through the board of directors and liaison officers assures that the public interest will adequately be reflected in the employees' work.

Periodic meetings, the publication of a newsletter and social affairs arranged in different cities will provide a constant link among directors, staff and the private sector in Canada. Contacts through such arrangements will provide the proper environment for the flourishing of commercial activities of CTO.

I now turn to the business offices of the CTO abroad. They will have advisory councils consisting of representatives from the local Canadian embassy or high commission and from local industry. The latter will most likely consist of multinational corporations, Canadian firms with representatives abroad and local firms interested in trade with Canada.

The operations of the foreign business offices will be in the hands of Canadian managers who work with staff consisting predominantly of persons who speak the local language, have local contacts and are familiar with the country's business practices.

Financing for these offices will come from the same sources as that for the operations located in Canada, that is federal and provincial governments as well as interested parties in the private sector.

In addition special efforts will be made to obtain financing through contracts with private sectors abroad and in Canada. These contracts will involve market research, establishing commercial contacts, assuring representation at fairs and exhibits, keeping an eye on technological and product developments and many other activities that would help promote international trade and Canadian competitiveness.

In many smaller countries CTO offices will be attached to local embassies or consular offices. In larger countries they will be housed in separate quarters though a close link with the diplomatic representative is essential.

The preceding is only a rough and preliminary sketch of the institutional, financial and operational characteristics of the proposed replacement of the international trade promotion system which is presently operated by the Department of Foreign Affairs.

My sketch should suffice to show how the commercialization of these trade promotion services will first, eliminate the currently existing duplication of government services. Second, it will permit its governors and operators to concentrate on commercial issues while it retains the benefit of access to and advice from Canada's professional diplomats in foreign affairs. Third, it creates private sector incentives for professional staff to serve the needs of Canadian business. Finally, it removes domestic and international political agendas from the trade promotion program.

In conclusion, I note that it should be possible to structure the CTO so that the government cost of providing trade promotion services will be lowered considerably. Such savings should be welcomed by the federal and provincial treasuries and departments like foreign affairs during this period of extreme financial restraint.

The commercialization of the service would permit governments to focus better on the delivery of services in which they have a competitive advantage. The financial and operational involvement of the private sector would increase operational efficiency of the service. It would also raise general interest in international trade.

I believe that out of the shortcomings of the current trade commissioner service in foreign affairs arises an opportunity for change that will produce nothing but winners.

• (2150)

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Madam Speaker, the hon. member welcomed suggestions on his concept of a Canadian trading organization. I am wondering whether he is familiar with a parliamentary task force that submitted a report over 12 years ago now. It was not called a Canadian trading organization. It was called a national trading corporation.

This all–party task force which travelled across Canada and actually through Europe, looked at trading houses, looked at bartering, et cetera. The whole idea was that if we could help small and medium sized businesses increase their exports by 10 per cent and if we could get some firms that were not exporting into the export business, we could generate $10 billion worth of additional trade. That was back then; it would be more like $100 billion now.

The concept was that this national trading corporation would be funded 50 per cent by government and 50 per cent by the private sector. As we know, many countries today will not trade with another unless there is some government involvement and that was the idea of the 50–50 per cent.

Unfortunately on the day when the special parliamentary task force tabled its report the Conservatives at the time submitted a minority report and shot down the main report. They agreed with the recommendations. Actually, many of the recommendations came from the Conservatives. Unfortunately on the day that the report was tabled it was not supported.

I recommend it to the hon. member. I believe there will be a copy of the report in the parliamentary library. I know it would be of great interest to him because I think that is the kind of foreign affairs, independent Canadian foreign policy, that we should be looking at.

I really appreciated his creative suggestions. It is too bad that he was not here 12 years ago.

Mr. Grubel: Madam Speaker, I thank very much the hon. member for pointing out the existence of this report and my executive assistant will go after it tomorrow morning. Perhaps we can speak a little bit more about my ideas.

I have already been invited to send my concept to a number of private sector groups and government people for comment. Then perhaps something can develop out of it with the hon. member's support, maybe a private member's bill. If he wishes I will happily give all of these ideas to the government to do something good for Canada.

I am most pleased with the hon. member's comments and thank him very much.

Mr. Flis: If we have some time, Madam Speaker, I do want to caution the hon. member that in our findings the trade commissioners were the most efficient and the most effective in promoting export trade.

That could have changed over the 10 years, but we complimented the trade commissioners in our report because we got very positive feedback on their service and their effectiveness.

Mr. Grubel: Madam Speaker, I thank again the hon. member for his comment.

I want to make sure that I am not ever wanting to depreciate the efforts that people make. I believe, however, that the effectiveness of efforts made by individuals is determined by the institutions and the incentive structures in which they work.

It has been suggested to me by people who are intimately in contact with this that we can bring the system we now have into the next century by looking at what other countries have done. They have removed it from their foreign affairs departments where the culture simply does not seem to be functioning as well as it does when the institution is separate, profit motivated and the private sector has a direct stake in it. That is my basic concept.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): The question is on the amendment.

Pursuant to order made earlier this day, the recorded division is deemed requested and is deferred until the end of the time period for government business on Wednesday, March 16, 1994.

Accordingly the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 9.55 p.m.)

HOUSE OF COMMONS

Wednesday, March 16, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

ELECTORAL BOUNDARIES

Mr. Bob Wood (Nipissing): Mr. Speaker, I would like to express my concerns to the House regarding the proposed changes to the electoral boundaries and in particular to those changes which would affect the ridings in northern Ontario.

The present proposal calls for the elimination of two seats in northern Ontario. It is my view that this would lead to a further erosion of the voice of northerners in Parliament. It would reinforce the image that northern Ontario is a sparsely populated hinterland whose concerns and aspirations really do not need to be heard.

In realigning these boundaries the commission formulated all its changes based on population levels alone. Certainly this is not the most comprehensive method which could be used for such an important undertaking.

Northern Ontario encompasses two–thirds of the province and is home for a significant number of French, English and native Canadians. Our region is as diverse as any other region in Canada. Therefore it should have electoral boundaries which encapsulate those regional enclaves which share many of the same economic, geographic and cultural characteristics.

I believe that if these new boundaries are accepted they will not only weaken the voice of northerners—

The Speaker: Order. The member is a bit over. The hon. member for Chambly.

[*Translation*]

NATIONAL MOUNTAIN, RIVER AND VILLAGE COMPETITION

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I am especially proud to announce to this House the launching of the fourth national "mountain, river and village" competition, which will be held in my riding of Chambly.

Many painters from all regions of Quebec, from Ontario and from the United States will take part in this competitive exhibition, which just three years ago was only local. Two hundred and fifty paintings will be selected for the exhibition, which will be held from September 23 to 27.

I join our association of popular painters, the town of Mont–Saint–Hilaire and all of Quebec in encouraging Quebec's artistic potential, following the example of Ozias Leduc and Paul–Émile Borduas, who were born in the region.

I therefore invite you to see this outstanding exhibition of works by our painters and to share their talent and their vision of the world.

* * *

[*English*]

VIOLENCE

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, between January and November of last year 193 women and 278 children took refuge in the Camrose Women's Shelter in my riding and home town. The number of women and children coming through the doors of this shelter and many others throughout Canada has been increasing yearly.

Last year the former Tory government commissioned a report on violence against women. The report listed a number of recommendations, one of which is a zero tolerance policy, violence is not accepted in any case.

As this is the International Year of the Family we all need to put a stop to the senseless abuse of women and children. Awareness and thinking are a start. However only a positive, collaborative effort on behalf of all government agencies and individual Canadians will protect the most vulnerable people in our society and re–establish the family as the cornerstone and mainstay of this country.

I concur with my constituents that we need action now.

* * *

CANADIAN EXECUTIVE SERVICES

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, CESO is a non–profit volunteer based organization whose mission is to transfer Canadians' expertise to business communities and organizations in order to help them achieve their goals of economic self–sufficiency.

Volunteers experienced in their profession or industry serve as advisers and trainers to clients in Canadian aboriginal communities, developing nations and the new market economies of central and eastern Europe.

I would like to take this opportunity to recognize the efforts of Lorne and Charleen Duquette from my riding of London—Middlesex. Their efforts in the country of Romania have gone a long way in contributing to human and global development.

We are proud of these Londoners and of other Canadians who devote their time and energies to improving our world.

* * *

EASTER SEAL CAMPAIGN

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, one of the most pleasant duties as a member of Parliament is supporting the work of very important organizations in our constituencies and throughout Canada.

I had the opportunity last weekend in Thunder Bay to support the local Kiwanis Club in its kick–off luncheon to support the national Easter Seal campaign.

Those involved, Jim Whatley, Don Murphy, Shelagh McMillan, Pat O'Brien and Janice Harding are again to be congratulated for their efforts and their tremendous dedication.

This year's Tammy, Sarah Hovila–Dumbrell, and Timmy, Michael Holdt, are two outstanding young Canadians who, despite the challenges they face, are doing a marvellous job in their roles as ambassadors for the Easter Seal campaign. Both are fine examples to all Canadians who are physically challenged.

Sarah is a kindergarten student with a wonderful smile and she is a tremendous charmer. Michael, with respect, is a grade one student and a bit of a ham. I told him last weekend that he could very well end up as Speaker of the House.

• (1405)

NUTRITION MONTH

Ms. Hedy Fry (Vancouver Centre): Mr. Speaker, I take this opportunity to remind members of the House and all Canadians that March is national nutrition month.

The theme for the Canadian Dietetic Association's 1994 national nutrition campaign is "Nourishing Our Children's Future". The goal of the campaign is to promote the importance of nutrition and healthy eating for children between the ages of four and 12.

The campaign will highlight the role that healthy eating plays in the physical, intellectual, emotional and social development of children.

This year's nutrition month theme is especially timely because 1994 is the International Year of the Family. Through information materials, media coverage and local activities across Canada, Canadians will become more aware of the importance of healthy eating for children and how they can influence those eating habits.

Health Canada is proud to be a partner with the Canadian Dietetic Association for this year's nutrition month and to be involved in the launch of this important event.

* * *

[*Translation*]

FOREST MANAGEMENT

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, I am proud to mention today the strength and determination of Gaspé people in the villages of La Rédemption and Marsoui, in the town of Matane, and in the Matapédia Valley who are fighting to protect their natural resources and their lifestyle by protesting the closure of their sawmill and demanding control over forest management.

These people show that Quebec's rural regions will never let themselves die. Often neglected by governments and having seen their young people move in large numbers to major centres, the inhabitants of rural regions are increasingly taking charge of their destiny and regaining their dignity through their courage.

We should applaud these examples of solidarity which are reviving our rural regions.

* * *

[*English*]

LETHBRIDGE PRONGHORN HOCKEY TEAM

Mr. Ray Speaker (Lethbridge): Mr. Speaker, the Lethbridge Pronghorn hockey team has matured into an outstanding representative of southern Alberta.

Last weekend for the first time in its history the hockey team advanced to the University Cup national championship tournament in Toronto. The team's accomplishments did not end there. The Pronghorns went on to capture the national CIAU title after a five to two win over the University of Guelph in Toronto's Maple Leaf Gardens.

I would like to commend the Pronghorns for their hard work throughout the season. The University of Lethbridge is a small university but clearly has produced a team from southern Alberta that we can be proud of.

It must be noted the Pronghorns have claimed the CIAU victory in the face of serious budget cuts in the athletic department. For this reason I believe Sunday's win is a double victory for the team.

I would like to congratulate the Pronghorn members. Their win displays their ability to do what they do best despite difficult circumstances.

* * *

BERNIE NICHOLLS

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, it is with great privilege that I rise today and salute a recent milestone attained by a gentleman born and raised in West Guilford in Haliburton county, Mr. Bernie Nicholls.

A few weeks ago Mr. Nicholls became the 39th player in the history of the National Hockey League to attain 1,000 points in scoring. He has joined the elites in the game: Gordie Howe, Jean Beliveau, Bobby Hull, Stan Makita and others who have reached the millennium mark and beyond in the NHL.

Bernie has achieved this level while enduring a great number of changes in his life both professionally and at home. He started his career in Los Angeles, was traded to the New York Rangers where he played for a short time, was moved to Edmonton and is now with his current team, the New Jersey Devils. Add to this movement from team to team the loss of a child this past fall.

That Bernie has been able to play this long and with such high skill is a testament to the perseverance, ability and commitment to hockey. He recognizes that his family obligations are first and foremost in his mind.

* * *

NEW BRUNSWICK

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, at the end of this month there are several important co–operative agreements due to terminate between the federal government and my province of New Brunswick. The co–operative agreements in such areas as agriculture, forestry, mining and economic development are extremely important to the citizens of New Brunswick.

• (1410)

Both my government and the Government of New Brunswick are emphatic about the importance of jobs and the dignity they bring to our citizens. These agreements are extremely important to New Brunswick in its efforts to maintain current employment and work toward future job creation.

I urge all parties involved to expedite a successful conclusion of the negotiations to extend these agreements for the benefit of the citizens of my constituency of Carleton—Charlotte and all of New Brunswick.

* * *

CANADIAN JUNIOR CURLING CHAMPIONSHIPS

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I am very proud and very pleased to rise in this prestigious House today to welcome young Canadian curlers to Truro, my hometown, where they will compete in the 1994 Canadian Junior Curling Championships.

I wish to congratulate the Truro Curling Club in hosting this national competition and Pepsi–Cola Canada Ltd. in sponsoring the Canadian junior curlers. I congratulate as well the young athletes as they are already winners to have qualified at the national level.

Some 24 teams from the provinces and territories will enjoy Nova Scotian hospitality this week. I invite members of this House to join me in wishing these young Canadian curling champions a week of good friendship, good competition and good curling. This is Canada at its best.

* * *

[*Translation*]

YOUTH SERVICE CORPS

Mr. Antoine Dubé (Lévis): Mr. Speaker, as you know, over 400,000 young Quebecers and Canadians under the age of 25 are presently unemployed. To remedy this problem, this government intends to set up the youth service corps. But the first year, this new program will be available to only 2,500 young people, or 0.6 per cent of all the young unemployed.

Also, the youth service corps is similar to the old Katimavik program the Conservatives abolished in 1986 in that very few activities are directed to the labour market and allowances are paltry. How can one imagine that a young graduate can live on a mere $61 a week.

I submit that the federal government should review its plans with respect to young Canadians and consider putting into place a genuine employment program for them.

S. O. 31

[*English*]

FOREIGN POLICY COMMITTEE

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, tonight this House will vote on a motion to establish a special joint committee on foreign policy.

Yesterday my colleague from Red Deer moved an amendment to the motion that would exclude members from the other place from sitting on that committee.

Individuals from that other place have a valuable contribution to make and should be able to appear before the committee as witnesses. However, members from that other place, a place that is unelected, unaccountable and undemocratic, have no business sitting as members on this important committee.

I encourage all members of this, the elected and accountable House, to vote in support of the amendment. I hope the government will allow its members to vote freely on this issue.

* * *

[*Translation*]

SIXTH PARALYMPIC WINTER GAMES

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, like the traditional Olympic Games, the paralympics held in Norway this week are a symbol of nations gathering in a spirit of brotherliness and peace.

[*English*]

Canada is a major force in a world of paralympic sport. Like all athletes, our paralympic athletes head into Lillehammer full of hope and optimism, ready to realize the dream of a lifetime.

[*Translation*]

I am proud to see that a Canadian from Restigouche—Chaleur, Mr. Denis Lord, is representing not only Canada but also northern New Brunswick in these games. We are proud of the determination he is displaying on the slopes and in his everyday life.

[*English*]

On behalf of all the citizens of Restigouche—Chaleur and the members in this House, I wish to congratulate Denis and all our paralympic athletes for their strength and courage and for representing so well the spirit of the games.

[*Translation*]

Good luck to all our paralympic athletes.

[*English*]

SPEED SKATING CHAMPIONSHIPS

Mr. Janko Peric (Cambridge): Mr. Speaker, on March 20 the city of Cambridge will proudly host the 1994 World Short Track Speed Skating Championships.

The high speed and aggressive edge of short track have been attracting a worldwide following. What started out as individuals lacing animal bones to their wooden footwear and skating across the frozen canals and waterways of Scandinavia has evolved into one of the fastest growing sports in the world.

Despite its relatively short history, short track speed skating has produced many proud moments for Canadians. We are proud of our skating talent in Canada, including Frederic Blackburn, Marc Gagnon, Nathalie Lambert and especially Cambridge's very own Derrick Campbell, who recently participated in the winter Olympics in Lillehammer, Norway.

• (1415)

I would like to extend my best wishes to all participants in Sunday's competition, as well as to the organizers, who have been working so hard to make this event in Cambridge a real success.

* * *

SAINT JOHN

Mrs. Elsie Wayne (Saint John): Mr. Speaker, the *Telegraph–Journal* reported today that the Liberal member for Fundy—Royal stated that he and the Minister of Transport felt a "double duty" to look after my riding of Saint John because it is not aligned with the government.

I look forward to any help I can receive from the transport minister and from the member for Fundy—Royal in settling the issues I have been raising as the lone opposition MP from Atlantic Canada.

I look forward to their help in reversing base closures that I have spoken out against, as well as any support for my efforts to ensure support for our shipyard and VIA Rail. I look forward to their help in reversing hurtful budget measures brought in by their government against Atlantic Canada.

I will continue to work diligently for the people of Saint John as I always have.

ORAL QUESTIONS PERIOD

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

The government's decision to close the military college in Saint–Jean is ill–advised. The government knows it yet obstinately refuses to reverse its position, despite the fact that it has now had to adjust downward the reported savings it would make as a result of this decision.

Furthermore, in an awkward attempt to save face, it is proposing to strike a fool's deal with Quebec whereby it would lease the college facilities to the province for $1 a year. Since the college would be stripped of its very soul, this is indeed a poisoned gift.

Does the Prime Minister not recognize that there is something shameful about this proposal to lease the empty facilities in Saint–Jean for $1 a year and that in so doing, the government would be shifting the burden of the college's operating costs onto Quebec's shoulders, without even giving the province the opportunity to buy the facilities?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have discussed this matter with the Premier of Quebec who told me that he could make use of the facilities at Saint–Jean. The federal government no longer needs them because the strength of our military work force is being reduced to 65,000. One can easily understand why the United States, with two million soldiers, has three military colleges. However, with a military work force of 65,000, Canada does not need three military colleges.

However, if these facilities can be of some use to the provincial government or to other agencies, we will be happy to make some arrangements with them because this would save some jobs in Saint–Jean–sur–Richelieu. We are proposing a reasonable solution to a specific problem. The government had no choice but to close some of Canada's military colleges because it had to reduce defence spending. Had we listened to the Leader of the Opposition, not only would we have closed Collège militaire royal de Saint–Jean, but we would also have shut down CFB Bagotville located in his region.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I am convinced that, despite telephone pressure from the leader of the government, the Quebec Premier will put Quebec's interests before those of the two Liberal parties.

Will the Prime Minister admit that, in case of a likely and quite advisable refusal by Quebec to become a mere tenant of the federal administration, his government will save much less than expected by closing the college in Saint–Jean, as it will have to continue shelling out at least $6 million a year in taxes and upkeep for the white elephant it created?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if that were the case, no military base should ever be closed. Sure, it creates problems. But to hear the Leader of the Opposition say that we should not try to maintain a certain level of employment at the military college with the provincial government's co–operation, when he went over there to take part in a demonstration with people who, only 22 years ago, were opposed to a Quebec university awarding a diploma to Saint–Jean graduates because it was a federal presence of the Canadian armed forces in Quebec, and to see that Quebec nationalists and the Saint–Jean–Baptiste Society would do such an about–face, that is too much for me!

• (1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I will give more of it to the Prime Minister.

Some hon. members: Hear, hear.

Mr. Bouchard: I find it very strange to hear him say, in sugary tones, "Who will criticize us for creating a minimum of jobs in Saint–Jean?" It is like the fox saying, "We should still keep a few chickens in the henhouse" after it just finished eating a few of them.

An. hon. member: Right on.

Mr. Bouchard: Mr. Speaker, I would like to make a constructive proposal to the Prime Minister by guaranteeing the Bloc's full support for a decision to keep a French–language college in Saint–Jean and an English–language college in Kingston by reducing in an equitable fashion the number of officer cadets in both colleges, so as to maintain the opportunity for francophones to prepare for a military career in their community and in their language.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, as we said, only 16 per cent of French–speaking officers in the Canadian Forces graduated from the college in Saint–Jean. They are giving the impression that officers who attended Laval University, the University of Sherbrooke, the University of Montreal, the University of Quebec in Chicoutimi or the University of Quebec in Trois–Rivières instead of the college in Saint–Jean are not as good because they did not go to a military college.

With our smaller armed forces, the military college is no longer necessary. The Leader of the Opposition told us we should cut defence spending by 25 per cent. If we had followed his advice in Quebec, we would have closed not only the military college in Saint–Jean but also the military base in Bagotville and probably other bases in Quebec. But we found the Opposition Leader's proposals unacceptable under the current circumstances. We must maintain a certain level of employment and a higher level of military forces than he recommended.

Mr. Michel Gauthier (Roberval): Mr. Speaker, it is rather strange to learn that French speaking officer cadets can obtain their training in civilian universities, whereas it is not the case for English speaking cadets. According to the Prime Minister's reasoning, Kingston should also be closed.

An hon. member: Absolutely.

Mr. Bouchard: This is a double standard.

Mr. Gauthier (Roberval): Mr. Speaker, on several occasions last week, we demanded that the government provide specific figures concerning the closure of the Collège militaire de Saint–Jean. We did not get a satisfactory answer from the minister who, yesterday in committee, only gave incomplete figures, with no breakdown whatsoever, which do not reflect.

Some hon. members: Hear, hear.

Mr. Bouchard: Keep going.

Mr. Gauthier (Roberval): Before making the regrettable decision—

I realize that it hurts to hear the truth—

Mr. Bouchard: They cannot take it. They find it so hard.

Mr. Chrétien (Saint–Maurice): It does not hurt.

Mr. Gauthier (Roberval): Mr. Speaker, before making the regrettable decision to close the only French speaking military college, did the Minister of National Defence ask for a complete review of the financial impact of maintaining two colleges with a reduced number of cadets, based on established objectives? Did the minister have a complete and accurate review done?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, first, the Collège de Saint–Jean and the Royal Military College in Kingston are both bilingual institutions. Yes they are.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): Yes they are. As I said in this House, there are graduates from Kingston who took all their courses in French and also wrote their exams in French. The hon. member once again showed his ignorance earlier when he said that English–speaking cadets will have to go to Kingston to become officers. This is not the case.

• (1425)

They will do just as well in Vancouver, Calgary, Winnipeg, Toronto or Halifax. They will attend local universities and obtain the required officers' training. In fact, only a small proportion, approximately 15 per cent, of English–speaking cadets currently receive their degree from Kingston, Saint–Jean or Royal Roads. In other words, the college only serves to train a very small fraction of officers.

Those are the facts. But we did not listen to the opposition. I do not think the hon. member is very committed to defending Saint–Jean. Yesterday, he made a big fuss at a press conference which lasted five minutes, and when the media people were finished taking pictures, he left.

Mr. Michel Gauthier (Roberval): Mr. Speaker, what the Prime Minister does not realize is that it did not take longer than five minutes to see through the government and its charade.

Since, by his own admission, the Prime Minister cannot provide us with a satisfactory answer—and neither can his Minister of Defence who has been "shut out" of this matter—since he admits not having commissioned a study on the costs of maintaining both colleges with a smaller student population, how can he seriously talk about saving $23 million? On what basis can he make that statement?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have told this House several times—never mind how loudly the hon. member puts his question—that it does not take endless studies to see that in the United States, they have three military colleges for two million servicemen and women. We have reduced our military spending as suggested by the opposition and the Canadian Armed Forces now have a strength of only 65,000.

I do not need to spend more money to see or to have experts tell me that we do not need three military colleges for 65,000 members. We will have one good bilingual college in Kingston instead of two, one in Kingston and the other in Saint–Jean, as we had before.

* * *

[*English*]

THE ECONOMY

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

I would like to move beyond this family feud between Quebec Liberals and Bloc members over the College Saint–Jean to something of national importance.

Yesterday the money markets drove the Canadian dollar to a seven year low and forced interest rates up. This is something that hurts us all. Analysts say the markets were reacting to two factors: first, foreign borrowers' concerns about the bombing of the Quebec hydro tower; and second, the failure of the federal budget to reverse the choking trend of public debts and deficits.

What is the Prime Minister prepared to say to investors and lenders to alleviate their fears concerning these two factors?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the Canadian economy continues to be very strong. Of course I am not going to make

any comment on the value of the Canadian dollar, which fluctuates.

The hon. member is a little late. I spent 27 years of my life commenting on the prospective value of the Canadian dollar. He missed it by four months. I am sorry but he is four months too late.

I have been told by the Prime Minister not to comment on the value of the Canadian dollar. However I will comment on the Canadian economy. It is strong. We have had manufacturers' shipments up 7 per cent year over year. We have had business confidence improving over the last little while and consumer confidence has been improving somewhat as well.

● (1430)

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, there is nothing new and nothing substantive in what has been said. All of this was said before and yet investors and lenders are not reassured.

Will the Prime Minister say something more substantive? Does he or does he not have a contingency plan to deal with foreign perceptions of political and financial instability in Canada?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, Canada is a very good and very stable country. We have had a good budget presented and we have a plan that is very clear.

The market can speculate all it wants. However we are not changing the policies of the government on speculation in the market from one day to the other because investors from abroad know very well that there is not a better place in the world to invest than Canada.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the Prime Minister mentions the budget but the budget is part of the problem. The fall of the dollar and the rise in interest rates for whatever reasons call into question the most basic assumptions in the budget.

Will the Prime Minister as a bare minimum direct the finance minister to prepare a fiscal contingency plan including a moratorium on all new spending programs to increase international confidence in the Canadian dollar?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker the Minister of Finance presented a budget in this House. It will be voted on in a few days. We are not going to have a budget every time the leader of the Reform Party wants one.

We need political stability. We need a good plan. We said to the market that we will be reducing expenditures and we are doing that. Today some people are complaining because we are reducing expenditures, but we are keeping to our plan. We have a good plan and we will achieve our goal of 3 per cent of GDP for the deficit within three years.

* * *

[*Translation*]

HEALTH CARE

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, the government is desperately trying to broaden the tax base and regularly puts out feelers on how this could be done. Its latest effort came yesterday when some Liberal members supported applying the GST to health care and medication, which I think is pretty outrageous.

Does the Prime Minister share the position taken by his members who, in the course of their work on the GST review, came out openly in favour of taxing health care and medication?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we appointed a committee to review the GST, as we said we would, and its members received submissions. All parties are represented on the committee. In the end we will have a report, and we will examine that report and then decide whether it will become government policy.

We do not want to act without consulting the members of this House. The hon. member complains that Liberal members are not afraid of having ideas; I am very proud of members who go to committees and are not afraid of exploring new avenues. I need their help, but in the end, the government makes the decision.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, these developments are very disturbing, and I would ask the Prime Minister to be a little less flippant in his answers, because this particular issue is fundamental. We are not talking about submissions by witnesses but about his own members who came out in favour of applying the GST to health care and medication.

I will direct my question again to the Prime Minister. Does he or does he not support applying a new GST to health care and medication? That is what people want to know.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the hon. member knows perfectly well that all taxes collected by the government go into the government's consolidated fund and that this money is used to pay for all the government's programs.

Perhaps some people will suggest that we should compartmentalize expenditures and revenues, but that is pure speculation. The government intends to go on collecting taxes and taking these taxes to maintain health care programs. Furthermore, our party has made a clear commitment to maintaining a free and universal health care system for all Canadians.

• (1435)

[*English*]

THE ECONOMY

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Prime Minister.

Yesterday the Prime Minister stated that the business community reacted positively to the recent budget. I believe he is overstating the case. The fact is that the business community gave qualified acceptance based on the finance minister's promise of a second round of spending cuts. The Prime Minister has publicly contradicted the finance minister, saying that all the cuts for the next three years are in this budget.

What assurances can the Prime Minister give business people that promises made by the finance minister will be kept by this government?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the budget was quite clear in its representations as to what budget cuts would be made. Those budget cuts will reach our goal of a deficit of 3 per cent of GDP in the third year of our mandate. That was a clear and unequivocal statement in the budget and that remains. It was well received by the business community despite what the member says.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, the government's failure to seriously address Canada's deficit and debt problem directly contributed and contributes to the increases in interest rates and a drop in the dollar.

On behalf of business people and Canadians who want real jobs, when will the Prime Minister recognize the real problem, the high cost of financing the national debt? When will the government begin to lower its spending so that we can lower taxes and really help the economy?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the last employment statistics indicated that jobs went up in this country in every region.

It is this government's budget that has contributed to that strength in employment. It is this government's budget that is going to contribute to the strength of this country's economy in the future.

* * *

[*Translation*]

SOCIAL PROGRAMS

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Prime Minister. Last Saturday, along with more than 1,200 people representing labour, community and citizens groups as well as the assembly of bishops, I attended the forum on social solidarity in Quebec. These people have joined forces to counter rising poverty in Quebec and cuts to social programs.

Will the government admit the obvious and will it recognize that cutting programs at a time when people are in dire straits is not the way to curb the deficit?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): To begin with Mr. Speaker, the opinions expressed by the demonstration last week express the concerns we all have about ending poverty in this country. We as a government are very committed to that goal.

It is for that reason we have undertaken a major review and reconstruction of most of our programs. In so doing we can enable those who are presently long term unemployed, who have been out of the workforce for a long time and who do not receive proper training, to have the resources dedicated to their ability to get back into the workplace.

The Prime Minister has said many times that the best solution to poverty is a job. We are very much dedicated to reorganizing and reallocating the resources of this government along with the co–operation of the provinces to tackle this very serious problem and to give some real hope to those people who were demonstrating last weekend.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, in spite of his magnanimous remarks, will the minister not concede that what unemployed workers need is a real employment strategy, not sermons, but jobs? Will he not admit that he needs to implement an employment strategy instead of a deficit reduction policy which calls for cuts to social programs?

• (1440)

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I am fully aware of the responsibility to help create employment.

The budget presented by the Minister of Finance took a number of initiatives: Stimulating growth in the areas of high technology and small business by developing a whole new strategy for giving access to capital. Funding a major infrastructure program that will kick–start the economy. Funding a number of initiatives to deal with the unemployment problems of young people. Initiating reductions in payroll taxes so that we give further incentives to small business.

I attended the job summit held during the last two days where the seven most powerful industrial countries were looking at this problem of the 35 million people who are unemployed. The prescriptions that came out of that meeting were to stimulate

growth in our industries, to reduce payroll costs and to invest in people. Those are exactly the things this government has done.

* * *

THE ECONOMY

Mr. Ray Speaker (Lethbridge): Mr. Speaker, my question is for the Prime Minister.

The Prime Minister sits here today and tells us that he is not going to do anything with the budget. The minister of state sits here and says that everything is okay and everything is great in Canada.

It is time we recognized there are signals not only from this government that are harming the marketplace, but there are signals from the marketplace that the Prime Minister and the ministers of this government should take into consideration, and they should do it today.

I wonder if the Prime Minister recognizes, and this is one of the signals that he should recognize, that interest rate spreads on 10–year Canada–U.S. bonds have increased since the budget came down and continue to increase. This government must act.

The Speaker: Order. Would the hon. member please put his question.

Mr. Speaker (Lethbridge): Mr. Speaker, does the Prime Minister recognize those signals from the marketplace and if he does, what is he going to do about them in terms of rearranging, changing and adjusting the fiscal plan of this government?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I commend the hon. member for his reading of the marketplace and how interested he is in interest rate spreads. I have studied them quite considerably over the years and would tell him that interest rate spreads at the present time are not much different from what they have been. Indeed, the short term rates are very much lower than they have been in the recent past. Our budget is a dead–on plan.

We look forward to seeing that budget and the Canadian economy prosper considerably in the year to come.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, does the government recognize there are other signals out there?

Long term rates are on the increase, 1 per cent above what was projected in the budget. We have a drop in the dollar value. There are foreign investors that have lost confidence in investing and have taken their money out of this country.

What is the Prime Minister prepared to do under those conditions to adjust the budget to meet the needs of the signals in the marketplace?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I suggest that the hon. member look at the budget a little more carefully.

The interest rate assumptions in the budget for long term rates are, as he states, a little bit low but short term rates are where the changes take place. Long term bond rate changes affect maybe a seventh of the total over any year.

I would say that our budget is dead on in that. With the interest rate assumptions that we have made in the budget and if the interest rates continue where they are right now, we will come in at a lower cost of interest than we had in our budget.

* * *

[*Translation*]

NATIONAL DEFENCE

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, we heard this morning, in relation to the inquiry into the murder of a young Somali and the actions of certain Canadian peacekeepers in Somalia, that the military police is considering charging several other members of the Second Commando of the Airborne Regiment in Petawawa.

• (1445)

My question is for the Minister of National Defence. Can the minister confirm that the military police is indeed about to lay charges against several other members, including senior officers?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am glad the hon. member has raised this question. We will be going through a difficult period in the next few months. It will be totally impossible for me, as minister of defence, to make any comment surrounding the courts martial that are now under way as a result of alleged actions by members of our forces a year or so ago in Somalia.

I know it will be difficult for the House, but I hope members will understand that I cannot, as the minister, do or say anything that may impede the cause of justice.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, it would nonetheless be interesting to hear what the minister thinks of this. On a different note, how can the minister explain that senior officers tolerated that a squadron called the "Rebels Squadron" displayed for several months on the base, in Petawawa, the white supremacists' flag? How could they do that with complete impunity?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, again for the same reasons I will not be able to comment on the chain of command or anything to do with the Canadian Airborne Regiment, anything that could be construed as interference in the judicial proceedings.

* * *

NATIONAL REVENUE

Mrs. Rose–Marie Ur (Lambton—Middlesex): Mr. Speaker, the government's budget plan states that a single registration number for businesses dealing with the government will be available in May 1994, eliminating current government duplication and overlap and reducing costs for businesses in their dealings with government.

My question is directed to the Minister of National Revenue. How does the government plan to fulfil its promise to introduce the single business registration number by May 1994 and how will this number reduce costs?

Hon. David Anderson (Minister of National Revenue): I thank the hon. member for her question, Mr. Speaker. It will be possible to introduce this program in May of this year on a pilot basis in eight cities across the country. In January of next year we will introduce it Canada–wide. Over the succeeding two years businesses will have the opportunity right across the country of opting into the single business number.

It will make a substantial difference, although it is a relatively straightforward and simple change, to the cost of compliance with National Revenue's requirements with respect to a number of taxes. It will thus increase the efficiency of the system and reduce the paperwork for businesses across the country.

I thank the hon. member for her interest in the matter.

* * *

GOVERNMENT CONTRACTS

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I direct my question to the Minister of Health.

Would the minister tell us briefly what safeguards are in place to ensure that political patronage is not a factor in the awarding of advertising contracts within her department?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I thank the hon. member for his question. I want to reassure him that patronage is not something we wish to use, either within my department or anywhere within government, when it comes to awarding any kind of contract.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, perhaps the minister would table later in the House of Commons the actual guidelines within her department.

It has been reported that the minister's department awarded McKim Advertising from Winnipeg a contract with a potential value of $184 million just two weeks after Drew Cringan, a former Liberal aide and long time campaign manager, purchased the company.

Was the minister aware of these facts when she approved that contract?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for raising the matter on the floor of the House of Commons, the details of which I am not overly familiar with.

However the broad based principle which the government has been following and will continue to follow in the weeks and months ahead as it relates to advertising for government programs is based on competency and on the track record of the various companies involved.

I am sure the hon. member would want me to say that there is a necessity for the Government of Canada to advertise government programs so that Canadians from coast to coast will become aware of the benefits of particular programs and can take advantage of particular programs.

* * *

● (1450)

[*Translation*]

COURT OF QUEEN'S BENCH IN SASKATCHEWAN

Mrs. Pierrette Venne (Saint–Hubert): On January 20, 1994, the only French–speaking judge on the Court of Queen's Bench in Saskatchewan was declared surplus. As a result, of 27 full–time judges, not one is French–speaking.

My question is this: Can the Minister of Justice tell us whether he has taken measures to appoint without delay at least one francophone judge to the Court of Queen's Bench in Saskatchewan?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, in response to the question I can assure the hon. member I am very much aware of the fact that the one member of that court who is able to hear proceedings in the French language is no longer sitting and that the need continues.

I have reviewed the situation in terms of the applicants who have been approved by the provincial advisory committees. I can tell the hon. member I have the matter under active advisement. I am very much aware of the need to serve the francophone

population of Saskatchewan with judicial services in both official languages.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, according to our information, only Judge Sirois, now declared surplus, could hear cases in French in the Court of Queen's Bench in Saskatchewan.

My question is this: Does the minister not consider the proportion of francophone federal judges in Saskatchewan to be clearly insufficient?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, without engaging in a numbers game let me simply make clear to the hon. member and to the House the commitment which the minister of agriculture from Saskatchewan and I have. We are committed to ensuring that not only in that province but across the country we have persons on the judiciary capable of providing services in languages as may be necessary to ensure that justice is done.

I will approach my responsibilities in Saskatchewan as I do in Ontario, in New Brunswick and in other provinces to ensure that is so.

* * *

MINISTERIAL REGIONAL OFFICES

Mr. Ted White (North Vancouver): Mr. Speaker, yesterday I attempted to ask the Deputy Prime Minister how she could justify 10 lavishly appointed ministers' regional offices across Canada.

On April 25, 1986 in the House, when she was in the opposition, she called these offices regional powder rooms from which ministers could expand their own political bases and their political propaganda machines.

What political propaganda is going to be coming out of these powder rooms now that they are under Liberal ministerial control?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I do not want to comment on the remarks of the hon. member when he refers to powder rooms. The ministerial regional office in Halifax has a washroom; it does not have a powder room. Perhaps I could use one.

However I want to say to the hon. member that the purpose of ministerial regional offices is to cut costs so that ministers of the crown can carry out their responsibilities across the country. That is why in Quebec City, Montreal, Halifax and elsewhere across the country ministerial regional offices are put in place. It is to service the people of Canada at a much lower cost, as opposed to going to private hotels to retain the services therein.

Mr. Ted White (North Vancouver): Mr. Speaker, expenditure figures which I could only obtain under access to information seemed to confirm that a propaganda based spending spree took place in one of these regional offices just prior to the 1993 election.

Will the government not admit that the real reason it supports these offices now is that they allow the government to hide propaganda spending out of sight of the public where it can only be accessed through the Access to Information Act?

• (1455)

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, it would be inappropriate for me to comment on what the previous administration has done. However I am glad the hon. member has raised the issue. Perhaps his colleague and friend in the back row might be able to provide him with the necessary information.

Surely the hon. member is not suggesting to Canadians that ministers of the crown who have to travel across the country extensively to carry out their responsibilities are not to meet with Canadians, are not to meet with various groups, regardless of what their socioeconomic standings are. Those are the purposes of ministerial regional offices.

I hope the hon. member will take note that all he has to do to find out the costs associated with ministerial regional offices is to draft a letter to me or to the President of the Treasury Board. All the information will be provided and he will see clearly and unequivocally the costs we have saved.

* * *

PEDOPHILIA

Mr. Tom Wappel (Scarborough West): Mr. Speaker, my question is for the Minister of Foreign Affairs.

On January 26, 1994 the Senate of the United States of America voted 99 to 0 to withhold funds for contributions to international organizations until the President certifies that no United Nations agency or affiliated agency grants recognition to an organization that condones pedophilia.

Will the minister declare such an unequivocal policy for Canada and instruct our diplomats to ensure that we never again vote to recognize an organization that condones pedophilia or admits as members those who condone the sexual exploitation of children?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, my answer is an unequivocal yes.

[*Translation*]

INDIAN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my question is for the Minister of Indian Affairs. Yesterday, I put a question to the minister concerning the eviction notice issued to 143 families living on the Kahnawake reserve. The minister did not answer the question, arguing that the case was before the courts.

Can the minister confirm to us whether this case is still pending because of the stalling tactics of the federal government, as one of the parties involved, the purpose of which is to delay a decision in this case?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the case is before the courts. The number is T184389. Nothing much has happened on it since 1989.

I was concerned that nothing would occur until trial. I did check and there is an injunction in place that prevents anything from happening to the people living there until after the litigation is completed.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, that was not the question. Therefore, it is not surprising that I did not receive an answer.

There is, however, one question that the minister can surely answer, as it relates to a matter that is not before the courts. I will speak slowly so that the minister hears it clearly.

This question relates to the argument of genetic purity used to justify the eviction of the families from Kahnawake. Does the minister not recognize that this kind of argument reflects a discriminatory attitude which blatantly contravenes the Canadian Charter of Rights and Freedoms?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not really care if the hon. member speaks quickly or slowly; I understand the question.

The question that he asked is before the courts in the sense that the charter of rights will be addressed along with the Indian Act. If there is an adverse reaction it is the responsibility of the House and the government to come back with legislation that reflects these things. At that time the member may have to deal with it.

Hopefully it will be dealt with to the hon. member's satisfaction before the courts in which I have more faith than he does.

• (1500)

EMPLOYMENT

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, my question is for the President of the Treasury Board.

Why is the federal civil service offered the six months' pay in lieu provision of the workforce adjustment plan and in the case of the military up to two years' pay for adjustment for base closures when we already have a UI plan in place as a safety net for people who become unemployed?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, as the member knows, a significant number of people from the defence department are being asked to leave, to retire, and they are being given departure incentives to do so. This is normal when dealing with some 16,500 people in jobs that we need to remove in order to meet the budget commitments with respect to reducing the deficit.

That program has been put in place. They can choose not to accept it if they do not wish to, in which case the workforce adjustment policy would come into play and they would be offered an alternative job. I am talking about the civilians who are roughly 50 per cent of that group.

We have dealt with these people in a most fair and equitable fashion in an attempt to reduce the size, to reduce the budget. At the same time we are providing some protection for our employees which is a priority of the government. If they can be retrained and go into something else, we want to ensure they will have an opportunity to do so.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I point out it is a very rich program and I would argue it is a two–tier system of unemployment insurance.

Considering that the Auditor General has been very critical of the application of the workforce adjustment program, will the Treasury Board president commit to reconsider the need for this program and the new adjustment plan for the military, considering that we will soon have a reformed UI plan to deal with these types of problems.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, I can only repeat that in a very short period of time we have to reduce the size of the military in order to meet our deficit reduction plan.

Does the Reform Party not want us to meet our deficit reduction plan? Does it not want us to get spending down? That is what we are trying to do.

We cannot move that many people that quickly without some incentive program to help them and that is exactly what we are doing. The costs of the program will be met and we will still

meet our deficit reduction program of getting to 3 per cent of GDP in three years.

* * *

POINTS OF ORDER

QUESTION PERIOD

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I wonder if I could raise a point of order with you to get your guidance for the entire House during question period.

It has been the tradition of the House that questions arising from committees not be raised during question period. That is consistent with Beauchesne's section 411(3).

A pattern has been developing among all members of raising matters with ministers of the crown that are in fact before committees. I wonder if you could give us some guidance as to what your expectations are.

The Speaker: As a general rule the Chair would of course discourage any questions on matters which are before a committee at that time and the Chair will try to see to it that if there are questions on matters before a committee that they not be put in the House.

That would be the intention of the Chair.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I appreciate that you are trying to clarify this and I appreciate the parliamentary secretary for bringing it up.

Maybe you could also clarify something for him. In his answer to me yesterday during question period he raised the fact that the matter had been brought up in committee. I wish you would clarify that as well, both the question and the answer.

• (1505)

The Speaker: I refer the hon. member to Beauchesne's section 411(3):

> Some further limitations seem to be generally understood. A question may not:
>
> (3) seek information about proceedings in a committee which has not yet made its report to the House.

We are dealing here with the proceedings themselves. If there are general questions the Chair would be more apt to permit them. That is why many times when questions are put I ask hon. members to rephrase them so they will be more general in nature. I hope this will be of guidance to all hon. members.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, I simply want to emphasize that of course we can refer to what is going on in a committee. It is customary to be able to refer to it in a question and not necessarily to deal with an issue under discussion. That is the nuance which the hon. member should respect.

The Speaker: It is not only a nuance; it is understood that we can ask general questions about committees, but I would prefer that we not ask questions about committee procedures because that is now covered by our Standing Orders.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to five petitions.

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[*Translation*]

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Parliamentary Secretary to the Leader of the Government in the House of Commons): Mr. Speaker, there have been discussions between the parties, and I believe you will find unanimous consent in the House for the following motion:

> That the deferred division on the motion on the Budget scheduled for Tuesday, March 22, 1994, be further deferred untill Wednesday, March 23, 1994, at the end of the time provided for the consideration of Government Orders.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: No.

[*English*]

Mr. Milliken: Mr. Speaker, if I may continue. The reason for the motion is to accommodate the minister and the opposition critics, some of whom were unable to be here on the previous dates for deferral of this vote. I may say that while this is not the first time it has been deferred—members of the public may be wondering why this is happening so often—it is to accommodate these people and I am seeking the unanimous consent of the House on that basis. However, if it is refused it is refused.

The Deputy Speaker: Bearing in mind that we have just heard a reason, is there unanimous consent based on the explanation we have just heard?

An hon. member: No.

The Deputy Speaker: There is no unanimous consent.

* * *

INTERNATIONAL WATER DAY

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I am very pleased on the National Capital's Celebration of International Water Day to be

able to rise to inform the House that another red book commitment of the government is being kept. It proves that as a government we mean what we say and we are serious about governing in a new and sustainable way. It is particularly significant on the National Capital's Celebration of International Water Day because water is the basic form of sustenance that each human being needs to live.

Earlier today I wrote to the able chair of the Standing Committee on Environment and Sustainable Development to ask that the committee study the ways in which the concept of an environmental auditor general might be instituted to ensure that our government's actions are carried out in a sustainable manner. In doing so the government keeps several of the Prime Minister's commitments. By seeking the advice of the standing committee we recognize in a non–partisan manner the importance of consulting members of Parliament before we introduce legislation. By asking the committee to hold hearings we recognize the importance of consulting Canadians.

• (1510)

[*Translation*]

In *Creating Opportunity*, we stated clearly that the environmental agenda can no longer be ignored and that government needs to recognize the fundamental link between a healthy economy and a healthy environment. We said that all government departments need to adopt economic and environmental principles that converge, integrate, are accountable and show leadership.

[*English*]

On February 22 my colleague, the Minister of Finance, kept our first red book promise. He announced a task force of government, industry and non–governmental organizations to carry out a review of the barriers and disincentives that currently exist in the tax system to sound environmental government practices, and to find effective ways to use economic instruments to support sustainable development.

Canadians are justifiably proud to have a Minister of Finance who recognizes that economics and the environment are not competing agendas but complementary realities. I congratulate him and I know that the members of this House feel as I do.

"Creating Opportunity" laid out our plan for an environmental auditor general as the second task of the government's move toward sustainability. That is why I have asked the committee to look at what the focus of an environmental auditor general might be. Members of the committee will consider how an assessment of current government practices and policies and departmental policies and practices should be incorporated into the functions of an environmental auditor general.

[*Translation*]

I have asked the committee to consider means by which we can achieve our objective properly, keeping in mind the government's commitment to budgetary restraint. In particular, I want to avoid duplication and overlap.

The committee might consider whether we can learn from the experiences of provinces or other countries which have created similar offices.

[*English*]

It is the government's hope that the committee will be able to report to the House of Commons by the end of May.

The point is simple. The government under the leadership of the Prime Minister is determined to place environment at the top of Canada's agenda, determined on this National Capital's Celebration of International Water Day to make our country a leader in sustainable development.

If we are serious then our government must show leadership in getting our own house in order. We cannot expect high standards of others, whether they be business, labour or other countries, unless we impose and demand high standards from ourselves.

[*Translation*]

I am continually grateful for the serious and non–partisan manner in which all members of this House approach the important environmental issues facing our country.

[*English*]

I am sure it is in that non–partisan spirit that the standing committee will examine the role of an environmental auditor general. I look forward to the wisdom of all the members of the committee and indeed all the members of the House of Commons on this serious initiative which will start the government on the road to putting sustainable development into action, not only by our words but also by our deeds.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, I want to thank the Minister of the Environment for sending us a copy of her ministerial statement this morning, and I urge her to keep doing so.

As vice–chairman of the Standing Committee on Environment and Sustainable Development, I am pleased to be able to discuss in a non–partisan manner the role of a future environmental auditor general.

I believe that the announcement made this afternoon by the Minister of the Environment clearly demonstrates her desire to keep the commitments made in the red book. So, the government

promises it will consult us, as well as Canadians and Quebecers through public hearings.

• (1515)

It is a good thing to consult, but the recent budget tabled by the Minister of Finance was a very concrete opportunity where the government could have demonstrated its will to do something about the environment.

Of course, the Department of the Environment is one of the few whose budget was increased. We can only be thankful for this 4.1 per cent increase. However, some measures go against sustainable development, even if the minister alluded to a committee which will try to promote it. The best example of this short–term vision, which is the opposite of the objective of sustainable development, is the fact that the government increases—listen to this—the government increases by $18.4 million the budget to clean up the St. Lawrence River, but reduces by $5 million the budget to clean up the Great Lakes, when we know that 40 per cent of the pollution in the St. Lawrence River comes from the Great Lakes. So much for sustainable development. On the one hand, the government increases the budget to clean up the river, while on the other hand it reduces the one for the polluted waters which flow into that river. Whatever happened to cohesion and co–operation between departments?

The Minister of the Environment says that she wants to put an end to overlapping. Right now, the most obvious overlapping is the one blocking any action concerning the *Irving Whale*. Transport Canada commissions study after study that Environment Canada never sees and they keep sending the ball back and forth. In the end, nothing concrete comes of it. When you see two federal departments get in each other's way like that, thus delaying concrete action, it is easy to understand that the people of Quebec want to have in their own hands the power to make decisions.

In her speech, the hon. minister stated, and I quote: "The government is also determined to make our country a leader in sustainable development. The government will be able to show leadership in getting our own house in order". The Official Opposition is prepared to believe these fine words except that, when we hear from Statistics Canada that this country exported 200,000 tons of hazardous waste to Asia and Latin America from 1990 to 1993, we wonder if that is the kind of house cleaning involved in the ministers plans.

The minister told us that the government and the Prime Minister must recognize the fundamental link between economic health and a healthy environment. She also praised the Minister of Finance for recognizing that economy and environment are not competing, but complementary.

It is true that environmental considerations are prominent is the red book. It is also true that it conveys the importance of integrating the economy, and thus the industry, with the environment. This spirit of co–operation was made manifest by organizing consultations on the environmental industry last January.

Why is there nothing then to that effect in *Growing Small Businesses*, the information booklet on new programs and guidelines for small business?

• (1520)

I was quite surprised, Mr. Speaker, to see there is no mention of environmental concerns anywhere in the document's 52 pages.

The government must give its support to this sector, either by implementing programs or by promoting initiatives to encourage the private sector to adopt a sustainable development approach.

It makes good sense, politically, to table a budget allocating more money to the Department of the Environment. Unfortunately, these inconsistencies show that it is only a smoke screen.

In closing, the Bloc Quebecois draws a parallel between the Auditor General of Canada and the environmental auditor general. Before rejoicing and showing off, we should know what kind of follow–up the government will give to the recommendations made by the environmental auditor general. If they are treated the same way as those made by the Auditor General of Canada, the situation is not very encouraging.

[*English*]

Mr. Jim Abbott (Kootenay East): Mr. Speaker, I compliment the Minister of the Environment on the initiatives announced today.

The Reform Party looks forward to assisting the minister and Canadians in achieving her well intentioned objectives. I compliment the minister on asking advice from the standing committee because it is a non–partisan manner of consulting with members of Parliament and through them, Canadians.

She has spoken about her government's commitment to budgetary restraint. I applaud her efforts to avoid overlap and duplication of environmental standards and enforcement between jurisdictions. Completing the process by May 31 will minimize the costs and frustration of a long drawn–out process.

The Reform Party supports ensuring that all Canadians and their descendants dwell in a clean and healthy environment. The party supports sustainable development because without economic development and the income generated therefrom the environment will not be protected or enjoyed.

The Reform Party supports the view that environmental considerations must carry equal weight with economic, social and technical considerations in the development of a project.

The Liberal Party's red book statement on the environment closely parallels ours. On page 64 of the red book it states: "It is past time for the federal government to act on this understanding by adopting economic and environmental agendas that converge". However in appointing an auditor general the red book also states: "Individuals could petition the environmental auditor general to conduct special investigations when they see environmental policies or laws being ignored or violated".

I acknowledge that in the minister's statement she said she wants the standing committee to look at the focus of an environmental auditor general. I believe this is exceptionally important because as a result of over eager activities of some extreme protectionists, some businesses are beginning to express concern about the potential of what I call green tape. Green tape is rules and regulations that could unnecessarily tie up reasonable, productive economic activity. They have expressed concern that the office of an environmental auditor general could easily become the captive of narrow interest groups.

Members of the Reform Party will be active participants in the process of examining the role of an environmental auditor general. As stated, we support sustainable development, recognizing that without economic development and the income generated therefrom the environment will not be protected or enjoyed.

I agree with the statement the minister made about two months ago in this House that we all want to guarantee a prosperous economy, a healthy environment and a bright future for Canada.

● (1525)

Hon. Charles Caccia (Davenport): Mr. Speaker, on a point of order. With your permission I would like to seek consent of the House to make a brief statement as chair of the committee of the environment and sustainable development.

The Deputy Speaker: Colleagues, is there unanimous consent for the hon. member to speak briefly on this matter?

Some hon. members: Agreed.

The Deputy Speaker: Hearing no nays, the hon. member for Davenport.

Mr. Caccia: Mr. Speaker, I would like briefly to thank the minister for her kind words and for the statement that she made earlier. I would like to thank also the colleagues who have spoken before me.

On behalf of the members of the committee, namely the member for York—Simcoe, the member for Simcoe North, the member for Lincoln, the member for Lachine—Lac–Saint–Louis, the member for Thunder Bay—Atikokan, the member for Oxford, the member for Frontenac, the member for Terrebonne, the member for Kootenay East and the member for Comox—Alberni, I would like to assure the House that we are looking forward very much to completing this assignment.

We will put our efforts into completing it in the spirit that has been expressed in this House in recent minutes. We will certainly endeavour to report to the House within the time limitation indicated by the minister. We look forward to implementing this promise contained in the red book of the last election campaign.

We also look forward to the fact that in future Canada will have either an auditor general for the environment or a commissioner for the environment. We look forward very much to keeping other promises we made in the last campaign.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour to present the 11th report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Transport.

If the House gives its consent, I intend to move concurrence in the 11th report later this day.

* * *

BUSINESS OF THE HOUSE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, while I am on my feet, I would like to move:

[*Translation*]

That the deferred division on the motion on the budget scheduled for Tuesday, March 22, 1994, be further deferred untill Wednesday, March 23, 1994, at the end of the time provided for the consideration of Government Orders.

Mr. Speaker, this motion had been moved by an hon. member earlier today.

[*English*]

The Deputy Speaker: Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

(Motion agreed to.)

* * *

BUDGET IMPLEMENTATION ACT, 1994

Hon. Lloyd Axworthy (for the Minister of Finance) moved for leave to introduce Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

(Motions deemed adopted, bill read the first time and printed.)

* * *

LANGUAGE JURISDICTION ACT

Mr. Darrel Stinson (Okanagan—Shuswap) moved for leave to introduce Bill C–225, an act to amend the transfer of language rights to provincial jurisdiction.

• (1530)

He said: Mr. Speaker, I rise to introduce my private member's bill, an act respecting the transfer of language rights to provincial jurisdiction.

Its purpose is to add the words "freedom of speech" to the Charter of Rights and Freedoms and to transfer all questions of language out of federal jurisdiction into the control of the provinces.

My bill recognizes that the courts will be obliged to provide services in the language of those bringing matters before them and that Parliament will still be free to choose bilingualism.

I hope my bill will spark debate on the socially divisive, multibillion dollar boondoggle of official languages so that residents of B.C., Quebec and all provinces of Canada come closer to being masters in their house on the vital question of language.

(Motions deemed adopted, bill read the first time and printed.)

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I move that the 11th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

[*Translation*]

PETITIONS

SOCIAL HOUSING

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition initiated by several Quebec organizations and signed by 628 people in the riding of Trois–Rivières.

These petitioners ask the Parliament of Canada to refrain from any rent increases for low–cost housing, housing co–operatives and non–profit housing and that it reverse the freeze on the budget of the Canada Mortgage and Housing Corporation, to provide for the construction of new social and co–operative housing.

The situation is becoming increasingly difficult for tenants in social housing, and the answer to our problem is not to attack them but to review tax shelters that allow Canadians who are better off to get rich at the expense of people on low incomes.

[*English*]

THE SENATE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have about 1,300 more names on a petition to add to the several thousand that have already been presented from my riding.

These petitioners draw to the attention of the House of Commons that sections 41 and 42 of the Constitution Act, 1982 provide that an amendment to the Constitution of Canada in relation to certain matters may be initiated by a resolution of the House of Commons.

The petitioners therefore call upon the House to urge the government to abolish the Senate.

* * *

PRESCRIPTION DRUGS

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a petition which has been duly certified by the clerk of petitions of the House of Commons as to form and content.

The petition is signed by Canadians from my constituency of Regina—Lumsden and from other parts of Saskatchewan, including Estevan, Kamsack, Moose Jaw, Biggar, Saskatoon, North Battleford and Sturgis, to name a few.

These petitioners are extremely worried about the impact of Bill C–91 which was passed in the last Parliament. It extends the patent on some prescription drugs for up to 20 years and guarantees drug manufacturers monopoly prices and substantial profits at the expense of Canadians. Prescription drug prices in Canada are the highest in the world as a result of this bill.

These petitioners are calling for the repeal of Bill C–91 to reduce the financial burden on health care consumers in need of prescription drugs and on provincial government drug plans.

* * *

JUSTICE

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, today I rise to present a petition on behalf of 25 constituents of my riding of Okanagan—Shuswap.

The petition requests Parliament to enact legislation to change our criminal justice system to provide greater protection for children against sexual assault and also to provide greater assurance that offenders will be convicted.

This petition has been duly certified by the clerk of petitions.

• (1535)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the following question will be answered today: No. 11.

[*Text*]

Question No. 11—Mr. Easter:

How many new appointments were made between June 1992 and January 1994 to the personnel of the Department of Agriculture at the level of director and above? How many were internal transfers within Agriculture Canada? How many were transfers from other federal departments? How many were designated as exempt staff? How many new personnel were retained by the department on the basis of contracts? What were the names of the individuals involved, the positions they held previously, the positions to which they had been appointed and the dates of their appointments?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food): Between June 1992 and January 1994 there were 44 appointments to Agriculture Canada at the level of director or higher. Of these, 33 were appointments from within the department, 10 were from other federal government departments, and one was from the Quebec provincial government.

Details concerning the appointees, their current and former positions and the dates of appointment are listed below. None of the employees appointed at these levels were exempt staff. This list does not include any contract employees, since people retained under contract are not appointed to specific classified positions in which case it cannot be determined whether their assigned duties are at the director level or higher.

Name	Current Position	Former Position	Date of App.	Former Dep.
Richardson, G.	Dir., Int'l Mark. Serv.	Dir., Agricultural Office	01.03.93	AGR.
Larmond, E.	Director, Industry Service	Dept'l Dir., Gr. Res. Lab.	27.09.93	CGC
Miller, D.	D.G., Fin. & Res. Mgmt	Dir., Gov. Serv. Prog.	01.07.92	TB
Ray, R.	D.G., Communications Br.	Senior Policy Advisor	18.12.92	AGR.
Cleghorn, E.	Director, Racetrack	Assist. Dir., Ops. FP&I	17.11.92	AGR.
Ide, P.. R.	Director, Anim. Dis. Res. Inst.	Dir., ADRI (Lethbridge)	22.02.93	AGR.
Yates, W.	Director, Anim. Dis. Res. Inst.	Dir., Health of Anim. Lab.	26.03.93	AGR.
Mackenzie, A.	D.G., Food Inspection	Reg. Dir., FP&I (Atl.)	16.08.93	AGR.
Panasuk, C.	Director, Mgt. Services	Sen. Adv. Consult. & Audit	22.06.92	DSS
Jarjour, V.	Director, Cereal Grains	Dept'l Dir., Food Aid Cen.	17.08.92	CIDA
Lachance, A.	Dir., Food and Animal Res.	Dir., Special Projects	17.08.92	LABOUR
Guttormson, R.	Dir., Tech. Serv. Div.	Dir., User Services	29.11.93	ISTC
Lavoie, J.Y.	ADM, Joint Market, Initiatives	ADM	04.01.93	P.Q. Gov't
Ballantyne, R.	D.G., Human Resources Br.	D.G., HRB, Health & Welfare	29.11.93	H&W
Charron, R.	Exec. Dir., Net Income Stable.	D.G., Ops. Western Divers.	22.11.93	WDO
Lavoie, G.	D.G., Commodities, Prod. & Mark.	D.G., Farm Fin. Prog.	08.11.93	AGR.
Bard, L.	Director, Informatics Serv.	Dir., Corporate Informatics	19.10.92	AGR.
Blewett, R.	Director, Client Services	Special Adv., Stratégic Plan.	01.11.93	AGR.
Stemshom, B.	Dir., Animal Health	Dir., ADRI	19.02.93	AGR.
Gravel, A.	D.G., FP&I Atlantic Reg.	Dir., Meat & Poultry, Ottawa	16.08.93	AGR.
Gifford, M.N.	D.G., Trade Policy	Sen. Pol. Adv., Trade Negoc.	19.07.93	AGR.
Bulmer, W.S.	Dir., Anim. Health Lab (Sask.)	Dir., Anim. Health NCR	26.03.93	AGR.
Comeau, M.	ADM, Market & Industry Serv.	D.G., Human Resources	07.09.93	AGR.

Name	Current Position	Former Position	Date of App.	Former Dept.
Jensen, P.	Dir., Trade Access Mgt.	Consult., Can. Mission Euro. Comm.	21.06.93	AGR.
Wright, R.	Deputy Minister	Dept'l Secy to Cabinet (Plans)	07.10.92	PCO
Price, K.	Dir., Mgt. Serv., FP&I (Atl.)	Project Leader	10.08.92	DPW
Davidson, W.	Dir., Food Insp., FP&I (Atl.)	Dir., Meat Hyg., FP&I (Atl.)	10.08.92	AGR.
Piette, D.	Dir., Health of Anim. (Qué.)	Program Veterinarian	22.06.92	AGR.
Kiley, C.	Dir., Anim. & Plant Health (Alta)	Training & Sp. Project Officer	24.02.92	AGR.
Spencer, J.	Dir., Mgt. Services (B.C.)	Manager, Prog. Serv.	01.09.92	AGR.
Chong, K.	Dir., Anim. & Plant Health (B.C.)	Coastal District Mgr.	13.01.92	AGR.
Finnan, D.	Dir., Food Inspection (B.C.)	Manager, Meat Prod.	01.06.92	AGR.
Walzak, J.	Dir., Ops. Parimutual Agency	Research Officer	01.07.93	AGR.
Fraser, A.	Dir., Research	Research Scientist	01.04.93	AGR.
Desroches, M.	Dir., Exec. Group Services	Resourcing Officer, HRB	10.06.92	AGR.
Stolarik, K.	Director, Info. Mgt. Serv.	Co-ord., Access to Info.	01.04.93	AGR.
Bélanger, Y.	Program Director	Dir. for Program Mgt.	06.07.93	AGR.
Baltacioglu, Y.	Director, Policy Coordination	Sen. Policy & Prog. Analyst	16.11.92	AGR.
Kranendonk, C.	Dir., Food Inspection (Man.)	Dir., Meat Hygiene	02.10.93	AGR.
Strachan, A.	Dir., Mgt. Serv. (Midwest)	Manager, Program Services	01.07.93	AGR.
Bedwei, F.	Dir., Food Inspection (Ont.)	Dir., Meat Hygiene	13.04.92	AGR.
Clark, B.	Dir., Health of Animals Lab.	Res. Scientist-Bacteriology	30.04.93	AGR.
Stone, P.	Corporate Secretary	Dir., Trade Anal. and Negoc.	26.11.93	AGR.
Stone, P.	Dir., Trade Anal. and Negoc.	Dir., Bilateral Affairs	24.06.93	AGR.

[*English*]

* * *

The Deputy Speaker: The question as enumerated by the parliamentary secretary has been answered.

Mr. Gagnon: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General): Mr. Speaker, I ask that the notice of motion for the production of papers be allowed to stand.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

MESSAGE FROM THE SENATE

The Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S–2, an Act to implement a convention between Canada and the Republic of Hungary, an agreement between Canada and the Federal Republic of Nigeria, an agreement between Canada and the Republic of Zimbabwe, a convention between Canada and the Argentine Republic and a protocol between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes and to make related amendments to other Acts, to which the concurrence of this House is desired.

[*English*]

I wish to inform the House that pursuant to Standing Order 33(2)(b), because of the ministerial statement Government Orders will be extended by 18 minutes.

Supply

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—CANADA'S PUBLISHING INDUSTRY

Hon. Lucien Bouchard (Leader of the Opposition) moved:

That this House urge the government to follow up on its election promise to protect and strengthen Canada's publishing industry by renewing the Baie Comeau policy adopted in 1985 and by declaring that a public investigation will be held into the circumstances surrounding the takeover of Ginn Publishing by Paramount.

He said: Mr. Speaker, there are many different reasons for submitting a question for debate. For instance, a decision was made and one feels it should be questioned because it was wrong, or it may be necessary to shed some light on the circumstances surrounding the decision–making process or on what was actually done. Or again, one would want to prevent a recurrence of something that just happened and which was unacceptable.

We have here a situation where all these reasons converge to require a public debate on a transaction that has just been authorized by the government. We are, of course, referring to the decision made by the government and the Minister of Canadian Heritage on February 18 to authorize the sale of Ginn Publishing Canada, a Canadian publishing company based in Toronto, to Paramount, the American communications and publishing giant.

The conclusion of this transaction is shrouded in mystery. I would say it is an enigma. Consider the following sequence of events: everything started in July 1985, when Cabinet met in Baie–Comeau and adopted, at the request of the Minister of Communications at the time, the so–called Baie Comeau policy which was aimed at further protecting the Canadian publishing industry.

The gist of the policy was, first of all, to authorize the creation of new Canadian publishing companies or the acquisition of Canadian publishing companies, provided, and I quote, "the proposed investment takes place within the framework of a joint enterprise controlled by Canadians".

Second, the policy provided that in the case of the direct acquisition of a company controlled by foreign interests but operating in Canada, the transaction could be authorized, provided that control over ownership was transferred to Canadians within two years, at a price reflecting market value. Third, the strongest component of the Baie Comeau policy, in my opinion, is the section pertaining to indirect transactions which ensures that in the case of foreign takeovers, Canadian publishing houses controlled by foreign interests are returned to Canadian owners. This means that 51 per cent of the shares of these Canadian subsidiaries must be transferred to a Canadian owner in the event the parent company operating abroad undergoes a change of ownership.

• (1540)

What are the objectives of this policy? Many members of the cultural community have congratulated themselves for supporting it. The following assessment was made by the hon. member for Mount–Royal, the Liberal Party critic at the time, who had been following this issue very closely. On June 7, 1993, she delivered in this House a speech in which she assessed the implications of this Baie Comeau policy. She asked what the results of this policy were? She stated the following and I quote: "Initially it was very exciting. It was very positive".

And she goes on to give examples. "The major retail chain, W.H. Smith, became Canadian controlled. An important book wholesaler, John Coutts Ltd., returned to Canadian ownership. The Doubleday Book Clubs were brought under Canadian control with a resulting fivefold increase in sales of Canadian authored books. For the first time"—still according to the Liberal critic at the time last year—"Canadian controlled publishers handled an increasing share of the distribution of imported books".

Let me continue to describe the sequence of events. In 1986, one of the first effects of the policy was—and here we are getting to the heart of the matter—to require Paramount to return Ginn Publishing and G.L.C. Publishers to Canadian control. And events continued to unfold.

In 1989, after the expiration of the two–year period required by regulation following Paramount's decision to put Ginn Publishing and G.L.C. Publishers up for sale, since no private buyer had expressed an interest in these companies, the federal government, acting through the Canada Investment Corporation, intervened to acquire 51 per cent of the shares of these two companies at a cost of $10 million. The government had no choice but to act to ensure that Paramount did not retain control over its shares following the expiration of the two–year waiting period.

A very important event occurred in January 1992, namely the amending of the Baie Comeau policy. This came about as a result of the enormous pressure exerted on the federal government and on the Conservatives, primarily by the Americans. The Conservative government caved in to these pressures and watered down its Baie Comeau policy which had achieved excellent results since 1985, even according to the Liberals in the House. So, the policy was amended. While the direct takeover of Canadian publishing houses by foreign interests was still prohibited, as far as indirect takeovers were concerned, however, foreign investors could now acquire ownership of a Canadian publishing house, provided that they made commitments likely to benefit the Canadian publishing industry. They were required to demonstrate that Canada was likely to derive a net benefit from this transaction. This change occurred in 1992.

We can ask ourselves what all of these provisions mean and why the fuss over the publishing sector? The answer is that we wanted to step in to protect the publishing industry, a cultural industry that is clearly very much at risk in Canada. In 1991–92, Canadian publishers controlled only 50 per cent of a $1.2 billion market. During this same period, 80 per cent of Canadian

authors had their works published by Canadian book publishers. The imbalance between the two is clear. Canadian publishers are far more likely than foreign controlled publishing houses to publish the works of Canadian authors.

Therefore, since the publishing industry is important to Canada and to Quebec and indeed to all Canadians and since it plays a meaningful role in the protection of our cultural identity, it must be protected. And that was what the Baie Comeau policy purported to do.

Of course, when the policy was watered down, howls of protest arose from cultural circles. Everyone in cultural circles—I would say it was a rare case of unanimity in Canada and Quebec—protested, including the Liberal Party now in office.

• (1545)

On February 14, 1992, we heard in this House the hon. member for Mount Royal, who is now a member of the Liberal Cabinet, complain about what happened and ask very tough questions to the then Minister of Communications, and I quote: "Is the government going to permit the foreign takeover of Canadian publishing subsidiaries like Harper–Collins, Collier–Macmillan and Grolier which are presently before Investment Canada? Is it going to sell off $150 million of our book publishing industry to foreigners?" That amount was worth a lot more back then.

So here we are today with a new government whose members harshly criticized the watering–down by the Conservatives of the very welcome measures they had taken in July 1985.

We would have thought that this government would tighten the screws in line with the old Liberal tradition to defend Canada's cultural identity. We thought that a Liberal government more sensitive to the important realities and symbols of cultural identity would come to the rescue of this threatened industry. The red book even contained a very explicit commitment in this regard, that the government does not like to quote very often but that I will quote today: "A Liberal government will help Canadian books, films, and sound recordings to increase their share of the domestic market through the establishment of policies and legislation with respect to marketing, distribution, and exhibition". They talk about culture in very lyrical terms that must have won them many votes in the last election.

And I quote: "Culture is the very essence of national identity, the bedrock of national sovereignty and national pride. At a time when globalization and the information and communications revolution are erasing national borders, Canada needs more than ever to commit itself to cultural development".

Nobody could have put it better. But as for honouring its commitment to protect cultural industries, the first time this government was put to the test, it failed miserably and disappointed a lot of people.

I am talking, of course, about Ginn Publishing that Paramount had to return to Canadian interests in 1989 under the Baie Comeau policy. We do not know exactly what happened, we may find out in this debate, but Paramount eventually managed to get Ginn back with the agreement, I would say the complicity or the complacency at least, of the heritage minister. How could a great victory for Canadian cultural identity be erased with a stroke of a pen by the minister who must defend Canada's heritage, a member of a government that promised to do the opposite? How is it possible?

Because the current legislation and even the 1992 guidelines contained the policies considered by the Liberal Party to be diluted, feeble, insufficient. Even the Liberal Party had, through its heritage minister, violated the Tories' already very diluted rules. In other words, they were more lax than the Conservatives themselves by allowing Paramount to regain Ginn Publishing. Under the rules in the 1992 policies, it should have been demonstrated that Ginn was in financial trouble, which is not the case. It should also have been demonstrated that Canadian buyers had the opportunity to make an offer. Nothing of the sort happened, no matter what the people opposite are saying. All Canadian publishers feel they have been pushed aside. All Canadian publishers are unanimous in their complaints. We would have found people to buy this publishing house but everything was done on the sly to allow the American company to reclaim Ginn quickly.

I would like to table a letter proving that at least one Canadian buyer expressed interest on May 7, 1993. This letter was addressed to the then owner of Ginn by Canada Development Investment Corporation.

• (1550)

[*English*]

I would like to file this letter before the House because it is evidence that there was at least one Canadian interested.

[*Translation*]

The Deputy Speaker: Is there unanimous consent for the member to table the letter?

Some hon. members: Agreed.

[*English*]

Mr. Bouchard: This letter is very important because it gives irrefutable evidence that there was at least one Canadian owner who was very much interested in buying the interests in Ginn. The letter is dated May 7, 1993 and is signed by Mr. Ronald Besse, chairman and president of Canada Publishing Corporation. It is addressed to Mr. Patrick Keenan, then chairman of CDIC, and reads as follows:

> Dear Mr. Keenan:
>
> I would like to formally express my interest in purchasing the 51 per cent equity held in Ginn Publishing by the Canadian government. We are a successful educational publisher, 100 per cent Canadian owned, and we have identified Ginn as a company with excellent synergies with our future business plans.
>
> Would you please have someone contact me if you are interested in selling this equity position.

We have this evidence. The government felt obligated to say no to the transaction. Why did it not say yes? The only answer is that—

Mr. Mills (Broadview—Greenwood): The previous government.

Mr. Bouchard: This government had the decision to make. We all know we have a new government and the decision was in the hands of this government.

Why did the government say no? The excuse was a previous verbal commitment by someone existed that might go back as far as 1989. We do not know exactly. There are many questions to ask.

The first question would be: Where is the legal advice that the government is invoking? The government is basing its decision on the fact it has been provided with a legal opinion from the justice department supporting the decision to let the transaction go, the sellout. We never saw this legal opinion. I think we should have it. It should be tabled.

Second, where is the contract confirming the deal between CDIC and Paramount dated 1989? We have never seen it. If it exists we feel it would be very important for us to see it.

Third, who has made this commitment? This is quite a mystery. Is it possible for a national government policy decision to have been taken because someone we do not know said something to someone else in a meeting on a date we do not know? Is it possible that everything has swerved because of that? The question has been asked and I think the government should answer it.

We must ask ourselves whether there effectively was a sale of Ginn to Paramount in 1989. Where is the contract to establish that?

There was an interesting sequel to the letter sent to CDIC by Canada Publishing Corporation. It is very interesting because the letter was sent on May 7, 1993 and on August 13 of the same year the corporate counsel of Canada Publishing, Mr. John Evans, met with Mrs. Benita Warmbold of CDIC to express Canada Publishing's interest in acquiring the 51 per cent equity in Ginn in accordance with what the letter said before. There was a meeting, a letter, and another meeting.

Then what happened? On August 19 the chairman of Canada Publishing Corporation who signed the letter, Mr. Ronald Besse, received an answer from Paramount. The answer came from Paramount through a phone call inquiring: "Why are you doing that? What are you trying to do? We are not interested in selling our equity in this company. We would like to control the whole company". That was the answer from the American company.

• (1555)

Those are the facts. The government used its ministerial discretion to get out of the obligations under the guidelines. The only motive was that he had a verbal agreement, a verbal commitment. We should know the name of the person. Is it a minister? Is it a public servant? Who is it? We should know it.

I do not think the minister is right when he says in answer to a question in the House that we should protect the name of the person. I do not think this man, this person, has a right to anonymity. Surely the public has the right to know who killed the Baie Comeau policy and who was instrumental in depriving Canada of one of its publishing companies.

I see that my time is coming to an end. We are asking the government to table the legal opinion. We are asking the government to table the contract between CDIC and Paramount. The government should not be afraid to confront anyone in court with the facts, with the public policy and the fact that only one man or one woman would have reached an anonymous, hidden, secret verbal agreement on behalf of Canadians, throwing aside the policy of government discussed in Parliament.

As far as legal opinions are concerned, I am a lawyer and I have seen many legal opinions in my life. There is always one legal opinion against another legal opinion. I respect the people in Department of Justice but we would like to see the legal opinion. I know lawyers; there must have been some nuances in the legal opinion. They should describe the full circumstances wherein such a commitment would have been made.

We have the right to ask for it. We have the right to ask the government to change its policy and go back to the Baie Comeau policy. We would like the House of Commons to vote on the question of knowing if there should be, as we think there should be, a public inquiry into those obscure circumstances.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I thank the leader of the Bloc Quebecois for his speech.

There is no question the Ginn Publishing scandal leaves many unanswered questions. It is proper to pursue it to find out exactly what transpired in the sale of Ginn Publishing.

To me that is not the largest issue. The largest issue is whether or not we should be erecting barriers to protect Canadian culture. I personally believe the Canadian publishing industry can stand on its own two feet. All aspects of Canadian culture and the people behind it—the creators, the singers, the writers and the performers—are more than capable of standing up and competing with culture from around the world.

I have a question for the Leader of the Opposition, a person who would have his own country if he could and presumably would be part of a free trade agreement. Why would he want to return to a Baie Comeau type policy if he believes strongly that his own people can compete in the world?

Mr. Bouchard: Mr. Speaker, I thank my colleague for asking a very relevant and important question.

We are free traders. We think there should not be any economic barriers between our partners, that we should have completely free exchanges in every aspect of our economic life. When it comes to cultural identity, when it comes to the soul of a country, whatever country it is, we have a duty to protect it.

• (1600)

That is why one of the main victories won by Canada during the negotiations with the Americans on the free trade agreement was the cultural exception. It was a great victory. It was the first time that Americans had to accept from any country in the world, from any of their partners, that they should respect the cultural identity and the cultural sector of a country. It was taken out of the scope of the free trade agreement.

We should not forget also that this question has been very much at the heart of the political landscape and preoccupations of Canada. For example if you look at the Investment Canada Act you will see two provisions where it is really strongly affirmed that the cultural sector is a special case. For example section 20 of the Investment Canada Act states that one of the criteria to approve transactions is the "compatibility of the investment with national, industrial, economic and cultural policies".

If you look more precisely at section 15, which is a very strong provision, it states very clearly that cultural activities are very special and that we should assess quite differently any transaction that would bear on this sector when it comes to be reviewed by Investment Canada. Subsection (a) of section 15 reads: "It falls within the prescribed specific type of business activity that in the opinion of the governor in council is related to Canada's cultural heritage or national identity".

To resume my answer, there is a wide consensus from every part of Canada, from every walk of life, that we should protect our identity from a very strong and invading neighbour. The Americans have a universal civilization and culture. It is quite dynamic. We admire them. But in a way we have a duty to protect what we are. If we do not protect what we are we will never be in a position to do anything right. There would never be any dialogue if we have nothing to say. We have a contribution to bring to the universal realities, to the universal values, and it stems from what we are so we have to protect what we are.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I am sure other members besides myself and indeed Canadians are somewhat amused at what the Leader of the Official Opposition is doing.

He just said a few moments ago that he wants to protect our identity. We have to protect what we are. I find it passing strange that someone who is dedicated to separating from the rest of Canada would want to protect what we are.

I was wondering if the Leader of the Opposition, a dedicated separatist, can explain exactly why he is standing up today defending Canadian culture. Can it be interpreted as a change in his basic philosophy? Can he explain to Canadians and indeed to Canadians in the province of Quebec what he is doing fighting for Canadian sovereignty, Canadian identity?

Mr. Bouchard: Mr. Speaker, I would like to say that the main reason, maybe the sole reason for which I am a separatist, as my colleague just said, is exactly because I want to protect what I am. I want to protect Quebec sovereignty.

I fully expect the rest of Canada to protect its own identity. It happens there are two identities in this country. That is my feeling. That is my vision of the future for us and of the present reality.

The rest of Canada is perfectly legitimate in fighting for its sovereignty against the Americans for example. It is perfectly legitimate to fight for your own identity. No one is better placed to understand that than a Quebecer. We think that Quebecers have won a great victory for the last 350 years in protecting their identity.

• (1605)

In this case, both our identities are threatened. If any government allows the invasion of the American publishing industry into Toronto it should be possible also in Montreal. As long as we are in the federation in Quebec, we are exposed to the same threat. I do not accept that.

This is a case where we have a common cause. This is a case where the interests of the rest of Canada and of Quebec are the same. Therefore we should act together. I would expect the national government which made such strong commitments to respect that.

This is a case where the government can fight the good fight for Quebec and the rest of Canada, for our own respective identities.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to begin by picking up on my colleague's remarks.

For a moment it sounded hopeful when we heard the Leader of the Opposition speak about Canada's interests. I know that this member who has fought for Canada and has a deep feeling for Canada must have moments of doubt, especially when we are dealing with an issue like this one today. Maybe eventually he will convert back to his Canada–first policy, which he once had. I say that sincerely and hopefully. I hope it is a temporary difference we are having.

My question has to do with the actual transaction. The original transaction on this Ginn Publishing deal stemmed from when Gulf and Western had to offload it. When there was no

Canadian purchaser, the CDIC purchased it for $10.2 million. However there was a condition attached to that transaction and it was that if the policy of the government changed, if the Baie Comeau policy changed, then Paramount had the option to buy back Ginn Publishing.

Can the leader not see that there was a sale and agreement that was consummated in 1986? This was really a conclusion to that deal because of the policy shift. As a government, in effect, we were boxed in.

Mr. Bouchard: Mr. Speaker, I would very much like to assure my hon. colleague and friend that there is nothing personal in our differences. It is really a question of collective perception of what the future should be, what should be best for our two collectivities, what kind of political structures would achieve in the best way the welfare and development of Quebec and the rest of Canada. Therefore, it is nothing personal but just personal consideration.

If it were possible to bridge our differences through personal appreciation, through friendship, I am sure it would already have been done. However even though we have all those good feelings and respective consideration for each other, it was not possible when it came time to table collective and concrete proposals to satisfy Quebec's aspirations. It is collective and it is the political dynamics of the country that has conducted us where we are.

Coming back to the specific deal, the hon. member said there were conditions attached to the 1989 transaction. There might be but we do not know. How come there was a very extensive contract? I suppose it exists. That is why we asked for it. There was a very extensive and comprehensive written contract as there always is when there is a transaction where all the conditions were stated and clearly expressed. How can we explain that one of the main conditions of the contract, one of the main considerations of the contract was taken out of the document? How can we explain that? It never happens.

• (1610)

I practised law for 22 years. I was involved in these kinds of deals. It never happened in my life that someone took the liberty of contracting a verbal agreement which was not couched in the contract. It is very dangerous too because chances are that the court would not sanction the commitment. That is why I do not believe for one moment that the legal advice is binding on the government. It is quite possible if the government hired good lawyers, and they have lots of good Liberal lawyers, it could go to court and fight for Canada and fight for the cultural interests of Canada.

Why does the government not do that? It did it for a $6 billion contract when it cancelled the helicopter deal in Quebec. It did it for the Pearson International Airport with a $1.6 billion contract which will be brought to court now. We read in the papers that the government will be sued for close to $200 million, but it did it anyway because it thought it was in the interest of the people.

Why does the government not do that with something which amounts to about $10 million, which is not a very big amount of money for a government, but so huge, so symbolic and with cultural interest?

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, the motion before us today calls for the reinstatement of the Baie Comeau policy which was adopted by the previous government in July 1985.

The late Conservative government introduced a foreign investment policy for the book trade in July 1985 which came to be known as the Baie Comeau policy. The objective of the policy was to Canadianize the book publishing and the book distribution industry by flowing distribution revenues from imported books through Canadian controlled firms. More specifically when a foreign investor acquired a book publisher or distributor in Canada it was obliged to divest control of the business to Canadians.

While I am sure all members of the House, including I might add rather ironically the leader of the Bloc, would agree that Canadianizing the book trade is a laudable objective, the chosen instrument of the previous government, the Baie Comeau policy, simply did not work. It is patently absurd to demand a reinstatement of that policy.

To begin with the policy was implemented through the Investment Canada Act, a statute also instituted by the Conservatives. This legislation was designed to attract foreign investment into Canada, not to discourage it. This led to a situation in the publishing industry in which foreign investors created sham Canadian corporations; that is firms which met the technical definition of Canadian control under the act but which effective control continued to rest with the foreign investor.

Under the free trade agreement the guarantee of fair, open market value to investors obliged to divest control exposed the government to significant financial risks without any benefit to Canadian publishers. Furthermore the policy was not linked to any incentives for Canadian ownership. To put it another way the Canadian control sector of the industry was too weak to profit from any opportunities provided by forced divestiture.

There was nothing to prevent foreign publishers who acquired these Canadian subsidiaries from withdrawing to the U.S. and serving Canadians directly from there. This completely undermined the objective of supporting a strong Canadian based industry and a strong east–west distribution system. For example Grolier Canada and Doubleday Canada were both implicated in indirect acquisitions between 1985 and 1992. A significant portion of their warehousing and fulfilment operations were transferred to the United States. A government cannot simply rely on indirect acquisitions, that is transactions in which

Canadian businesses are incidentally involved in international mergers and acquisitions to achieve domestic policy goals.

• (1615)

The track record of the Baie Comeau policy was an extremely disappointing one. The one instance in which Canadians gained a 51 per cent interest in a foreign book publisher occurred because the taxpayers themselves stepped in and made the purchase.

I refer, of course, to the CDIC's purchase of the 51 per cent interest in Ginn Canada for which the taxpayers paid $10.3 million to a hostile foreign partner. As a result of the government's recent decision to resell its interest in Ginn back to Paramount, the taxpayers will recover this investment.

The publishing community has criticized the government's decision to resell Ginn and company to Paramount. Let me underline the fact that the government weighed all the facts before it made its decision.

In January 1992 the previous government announced a new package of measures for the book publishing industry. I use the term new advisedly. What the government did in fact was claim for itself a longstanding Liberal approach to book publishing policy. That approach was based on a mix of program and policy instruments which together formed the basis of a comprehensive and coherent industrial and cultural strategy for the book publishing and the book distribution sector.

The two key elements of the 1992 announcements were, first, a revised foreign investment policy and second, increased funding for the book publishing industry development program. The revised foreign investment policy marked a return to the regime which prevailed under the Foreign Investment Review Act and which had been introduced by a Liberal government in the 1960s. The book publishing industry development program was initially introduced by a Liberal government in the late 1970s.

Increasing Canadianization of the book trade in Canada has always been an objective of the Liberal government and it continues to be so today. Foreign investment policy is one instrument for achieving that objective but it must be applied in a way which will achieve tangible results.

[*Translation*]

The guidelines of the amended foreign investment policy are as follows: new investments in the book publishing industry will be limited to joint ventures under Canadian control; takeovers of Canadian–controlled companies will not be allowed.

Under extraordinary circumstances, the government might consider an exception to this guideline. In such a case, the government must have credible evidence from the vendor that the company is in obvious financial distress and that Canadians really had an opportunity to buy it.

If a non–Canadian is chosen as a potential buyer, his proposed investment will be subject to a net benefit review.

If a foreign investor wishes to sell a Canadian company regardless of any other transaction, Canadians will have an opportunity to bid; indirect acquisitions by foreign companies will be allowed provided that they are of net cultural and industrial benefit to Canada and to the Canadian–controlled publishing industry.

More specifically, Investment Canada will normally seek to obtain one or more commitments from the foreign investor, such as the commitment to support Canadian authors, in particular by establishing joint ventures with Canadian–controlled publishers so that the Canadian authors whom they publish have access to new national and international markets; the commitment to support the book distribution infrastructure, for example by distributing imported titles through an exclusive Canadian–controlled publisher/distributor; by maintaining in Canada fully integrated warehousing and fulfilment operations for recent publications and back–list items; by participating actively in co–operative projects with the industry on marketing, distribution and order fulfilment operations.

• (1620)

Contractual access to the company's marketing and distribution infrastructure in Canada or its international network by Canadian–controlled publishers whose interests are compatible;

Financial and professional assistance to institutions that offer teaching and research programs in the publishing field.

Mr. Speaker, I would like to draw your attention to the results obtained by this government for the Canadian–controlled publishing sector by applying this policy on indirect acquisitions.

In the case of Maxwell Macmillan, this government was able to obtain a commitment from Paramount to entrust the distribution of high–volume imported books, a Canadian market estimated at some $4 million in 1993, to Canadian–controlled publishers and agents. This is a very important precedent because the previous government was unable to obtain similar commitments for indirect investments, as in the Harper–Collins case.

[*English*]

In announcing the Baie Comeau policy the previous government was effectively putting all its eggs in one basket. The megaproject approach to automatic forced divestiture has proven to be illusory. The focus on automatic forced divestitures as a cure for the ills of the publishing industry has been proven to be counterproductive. The only time it ever worked was when the taxpayer was forced to send money to a large U.S. multinational

corporation whose need for Canadians' hard–earned cash was at best questionable.

Surely Canadian taxpayers' money, increasingly limited as it is, ought to be spent in Canada on the Canadian–owned publishing industry. The Liberal approach to book publishing policy has been seen to strike a balance between financial and foreign investment policy, providing publishers with the financial resources to grow and seeking undertakings from foreign investors which will benefit the Canadian–owned and controlled sector of the industry. It is a longer term strategy but ultimately a more effective one.

No policy is ever perfect. There is always room for improvement. This government does not question the objectives underlying the instruments now in place to support the book trade. As far as the foreign investment policy is concerned we are more than willing to sit down with the publishers and discuss what improvements could be made to the guidelines.

I would like to make this as clear as possible: This government strongly believes in the economic growth of the Canadian–owned publishing industry and in the industry's progressive Canadianization. Any improvements to the policy guidelines would be made in the spirit of these policy objectives.

[*Translation*]

I would like to talk to you briefly about the publishing industry development assistance program.

The main purpose of this program is to strengthen the ability of the Canadian–held and controlled sector of the industry to publish and market Canadian literary works, nationally and internationally.

• (1625)

This program was implemented especially to encourage Canadian–held and controlled publishing houses to increase their efficiency and to reward those that are able to improve their long–term economic viability; to give Canadian–held and controlled companies the tools they need to become more competitive so that they can build up capital and finance their growth and development; to facilitate the development of the market, in particular through new publishing technologies; to promote Canadian ownership; to ensure the continued diversity of types of books by Canadian authors that are published.

The beneficiaries of the program are publishing houses that are at least 75 per cent Canadian–held and controlled, as well as industry groups and associations. The annual budget for the program is about $24 million.

[*English*]

The government also provides significant financial support to Canadian–owned and controlled publishers, distributors and booksellers for the physical distribution of books across the country as well as for the marketing in Canada of Canadian titles. This is of crucial importance in a domestic market which is small, linguistically fragmented and spread across a vast geographical area.

Indeed, national and international marketing support is also crucial to enable companies to recoup their production costs in our small domestic markets.

[*Translation*]

Now I would like to say a few words about the copyright policy.

At present, exclusive publishers and agents have no official legal protection for enforcing contractual book publishing or distribution agreements in Canada. This very regrettable situation makes us almost unique among our main trading partners. It results in a loss of income for Canadian publishers and makes it more difficult for them to maintain a solid financial footing.

In an effort to consolidate the financial base of Canadian publishers and distributors, we intend to make two amendments to the Copyright Act as part of Phase II of the review.

The Copyright Act should be amended to strengthen the protection of copyright holders from pirate works, to provide better protection to exclusive licence holders for their publishing rights on the Canadian market, and to give better protection to exclusive distributors for their distribution rights on the Canadian market.

These changes will not create new rights under the Copyright Act; however, they will give exclusive licence holders and exclusive distributors the possibility to sue for enforcement of their territorial rights.

[*English*]

If I may, I would like to draw a parallel with magazine publishing. The government's objectives in this sector are the same as they are for the book trade: to strengthen the Canadian industry and ensure that Canadians have access to a wide range of Canadian writing.

The report of the task force on the Canadian magazine industry is expected very shortly. I can assure the House that the government intends to respond quickly to the task force report in a way which will strengthen the Canadian magazine industry's economic foundation.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I thank the hon. Parliamentary Secretary to the Minister of Canadian Heritage for her comments.

She mentioned in her speech several measures that the government is taking to protect Canadian publishing and Canadian

culture. I would point out that the effects of protective-type measures like that are very punitive, particularly for the consumer of culture. They lead to higher taxes, higher costs and less choice. They uphold inefficient businesses and they really do imply that somehow our culture is inferior to the culture that comes from other countries.

• (1630)

I also point out that culture is very dynamic and it is always moving and really is subject to change. The borders cannot stop that influence any more. We see a lot of that coming in anyway. I would argue that it is also necessary to have that type of influence to keep a culture fresh. Without that we get an inbred culture and a very nationalistic, very petty and very mean culture. That is a problem that a sovereign Quebec would have to deal with.

I also believe that when governments interfere and make arbitrary decisions on what constitutes culture it is extremely inappropriate. Culture is a very personal matter and we must let the consumer be sovereign.

Why does the government not want to let the consumer drive the cultural industry in Canada? Why is it afraid to let consumers make those types of decisions? Why is it afraid to let consumers decide what constitutes art, what constitutes a good novel and what constitutes the type of culture they want to be a part of and enjoy?

Ms. Guarnieri: Mr. Speaker, I heard the hon. member earlier applauding the initiative of the Leader of the Opposition when he mentioned that this government should not have proceeded with the sale of Ginn.

In purely financial terms which the Reform Party is always harping on, the Reform Party should be applauding the initiative taken by this government. In its own very narrow terms, the sale of Ginn gives the Canadian government $10 million for its coffers.

This is an interesting twist because the Reform Party is always preaching that the government should get out of the business world except when it becomes an issue in the media.

Let me reassure the hon. member that if any responsible government wants to tailor a sound cultural policy, and I hope the hon. member wants a sound Canadian cultural policy, if it chooses not to lose its shirt on one deal, it is sound judgment and sound cultural policy. This government will not be throwing Canadian taxpayers' money away.

Mr. Solberg: Mr. Speaker, I appreciate the chance to respond and to suggest some other possible approach for the government.

We are not advocating that we return to the Baie Comeau policy at all. We do not believe in that. What we are saying is that if there were a policy in place and there were some rules to be followed, then those rules should be followed. If we are going to set some guidelines, then let us make sure that everybody knows what they are and follow them.

Having said that, we support moving away from cultural protectionism and we would hope the government will realize that is no longer appropriate in the world. The type of protectionism we have in this country today simply is not working. It leads to some division in the country in that the government makes arbitrary decisions about what constitutes something as personal as culture.

I would argue that is an inappropriate role for the government. That is why we have an uproar when the National Art Gallery buys paintings with taxpayers' money that most people cannot see the value of.

My comments are to encourage the government to move away from that type of protectionism and to let the consumer decide what constitutes culture.

Ms. Guarnieri: Mr. Speaker, Canadians had the good judgment to elect a Liberal government.

It is the intent of this government to present Canadians with sound cultural policy initiatives which I hope even the hon. member will come to appreciate.

I am still confused about the apparent contradiction in his statements. Is it the member's intent that we should buy back Ginn? Is that what he is suggesting by his earlier statements?

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I will refrain from entering into the debate between the government and the Reform member about Canadian culture, consumer choice, other than to say that we can only have consumer choice if there is something to choose from.

• (1635)

If multinationals occupy all of our theatres, all of the bookstores, all of the magazine racks and Canadians do not have a choice, how in the hell can one have choice? That is my question, pardon the language, to the member of the Reform Party.

In the same vein, I would like to ask the member of the government about enhancing Canadian choice and at the same time allowing the sale of both Macmillan and Ginn to Paramount which will reduce choice.

Would the government be in agreement to have a full and open investigation on this since obviously it was the former Conservative government that entered into this bad deal? Obviously there were not written agreements but verbal agreements, some say by a cabinet minister making a phone call.

There are indications that when a publisher visits Ottawa enquiring about Ginn and gets a response from Paramount there is something very odious and very fishy going on here.

Would the parliamentary secretary agree that a full and open inquiry is needed to bring the body on the table to properly look into what happened so that we and the rest of Canadians would know what exactly the former government undertook to sell out Canadian cultural interests?

Ms. Guarnieri: Mr. Speaker, the publishing world must be looking at this debate to rank the abilities of the aspiring mystery writers in this Chamber.

There is no mystery surrounding Ginn. The Minister of Canadian Heritage and the Minister of Industry have both been rich in their explanation on the sale of Ginn. They have provided us with the richest details on the sale. The deal is transparent.

I must be suffering from a lapse of memory because I do not recall the hon. member's speaking up in defence of Canadian cultural industries when his party went to the U.S. to produce a campaign video. Perhaps he is gripped with the culture of convenience or the convenience of the cultural issue.

The Deputy Speaker: The hon. member for Regina—Qu'Appelle will have the floor in a few moments, as I think he is aware.

[*Translation*]

Since time allotted for questions and comments has expired, I now give the floor to the hon. member for Rimouski—Témiscouata.

[*English*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, the motion we are debating today is probably one of the most important that we have had to deal with in this House since the beginning of the session. It concerns Canadian identity and cultural sovereignty and its consequences, and the identity and cultural sovereignty of Quebec.

In effect, the motion refers directly to that important form of cultural expression represented by the book publishing industry.

[*Translation*]

Let us look at a few facts, Mr. Speaker. In 1985, Mr. Masse, who was commucations minister at the time, announced a new policy regarding investments in publishing companies in Canada and Quebec. This policy became known as the Baie Comeau policy and its goal was to ensure that the Canadian publishing industry can play its role fully in all regions of Canada.

To this end, Mr. Masse declared his department would view favourably transactions to create new companies as well as corporate acquisition initiatives, so long as the proposed investment were mostly Canadian. Direct or indirect acquisition of companies by foreign concerns would be authorized provided that the control of these companies was returned to Canadians or Quebecers within two years.

In 1986, the federal government authorized Paramount to take over Prentice–Hall on condition that Paramount divest itself of its shares in Ginn Publishing for the company to become Canadian–controlled.

In 1988, the government bought 51 per cent of Ginn's shares through Canada Development Investment Corporation to make sure Paramount would not hold the stock indefinitely, in accordance with the Baie Comeau policy. Observers did point out the high cost of the transaction at the time, CIDC having negotiated the acquisition price directly with Paramount instead of through an adjudicator as required in the Baie Comeau policy. Furthermore, at the time of purchase, CDIC stressed that it intended to sell the company back to Canadian interests.

• (1640)

In 1992, the Baie Comeau policy was reviewed by Perrin Beatty. The imperative was maintained, in that a non–Canadian was not authorized to acquire an existing company under Canadian control. However, foreign investors were allowed to acquire Canadian and Quebec publishing companies if they were able to prove that these companies were in dire financial straits and that Canadians and Quebecers had had a fair chance to bid on the companies.

In the U.S., on February 14, Viacom purchased Paramount. Investment Canada will soon be looking at the repercussions of this transaction in Canada.

Four days later, hardly five months after they came to power, the Liberals agreed to sell two publishing companies to Paramount: Ginn Publishing, whose shares were sold back to Paramount at the price paid in 1989, that is, $10.3 million, and Maxwell Macmillan, purchased by Prentice–Hall Canada, a Canadian subsidiary of Paramount.

Here are some of the issues raised by these transactions.

Let us start with Ginn Publishing. Since February 18, the government has said repeatedly that it had to sell back to Paramount the shares it had purchased in this company in 1989, at the price paid in 1989, on the basis of a verbal agreement made by someone in the previous government.

The question we have been asking since the beginning of this affair has remained unanswered so far. I will ask it again today: Who made a commitment, when, and where, to sell the Ginn Publishing shares back to Paramount? A ghost who haunts the office of the Minister of Canadian Heritage and leaves verbal traces? I am inclined to believe this when I read in *Hansard* what the minister said last Thursday in reply to one of my questions, and I quote: "I said that I did not see the contract, since it was an oral one and naturally could not be seen".

Why does the government continue to abide by verbal agreements supposedly made by the previous government? Why, in this case, is it making a decision that goes against the interests of the publishing industry and violates Canada's policy on foreign investment in this industry?

Why does the government not rescind that decision? After being sworn in, it courageously fulfilled one of its promises and cancelled the helicopter contract, even though it knew that there would be costs involved. And the government did not hesitate to cancel the privatization of Pearson Airport, even though it ran the risk of being prosecuted.

Why does the Liberal government so directly and openly violate Canadian policy on foreign investment in the field of publishing? This policy clearly states that the takeover of an existing company under Canadian control by a non–Canadian will not be authorized. This is as clear as can be.

Why does the Liberal government violate so wilfully this policy by rejecting all the offers and requests for information it has received regarding this issue? Why did it not follow up on the representations made by Reidmore Books in Edmonton, and by Canada Publishing Corporation, McClelland & Stewart and Fitzhenry & Whiteside, in Toronto, to name but a few?

These Canadian companies have publicly stated their interest in buying Ginn Publishing. Why did the Liberal government not call for tenders, in compliance with the intentions stated in 1989 by the Canada Development Investment Corporation?

Unfortunately, the list of questions is incomplete. But the real lesson to be drawn from this episode is that as soon as the government has the possibility to choose between Canadian interests and those of some mysterious entity influencing what goes on behind the closed doors of the Cabinet meeting room, it forgets Canadian interests. Tell me then: What weight do those cultural exemptions included in agreements signed with the United States carry? This political decision is a national disgrace.

• (1645)

In the end, one wonders if Ginn Publishing was ever really under Canadian control. The Parliamentary Secretary to the Minister of Finance said in this House that, technically speaking, CDIC had indeed bought Ginn Publishing in 1989, but that a number of legal issues still had to be settled with Paramount before shares could be offered to Canadians. The parliamentary secretary added that, in fact, CDIC was not in a position to actively look for someone to buy its shares in Ginn, as long as some issues remained unsettled.

The situation appears to have been such that, according to Jamie Portamn, a journalist with the *Ottawa Citizen*, Paramount retained veto power over the choice of the eventual buyer. And when Ron Besse sent his lobbyists to the Liberal Party, it was Paramount that phoned him to find out what he wanted.

Could it be that those legal issues still to be settled, mentioned by referred the Parliamentary Secretary to the Minister of Finance, are only excuses used by the government to have time to amend its nationalist policy on ownership of publishing companies?

Could it be that this delay between the coming and going of shares from Paramount to Paramount was only to allow CDIC to make an interest–free loan of $10.3 million to Paramount, with money paid by Canadian and Quebec taxpayers? In this episode, Canada lost, while Paramount won.

How can the government claim that federalism is the best way to protect Canadian and Quebec cultures when it is prepared to so openly violate its own policy and sell our publishing industry to Americans? Are there two policies regarding investments in the publishing industry: The one which Canadians know but which is not implemented, and the one which non–Canadians know and which is dictates government action?

As regards the takeover of Ginn Publishing, I agree with Mr. Karl Siegler, the President of the Association des éditeurs canadiens, when he says that what is at stake here are Canadian cultural sovereignty and identity.

[*English*]

Every country in the world protects its cultural industry. At the first opportunity that presented itself in Canada to the ministers of Canadian heritage, industry, finance, and finally to the cabinet as a whole, they preferred to abandon the defence of Canadian cultural interests. That does not bode well for the future. We must continue, therefore, to watch this bunch of Don Quixotes very carefully as they cannot count on the presence of essentials to bring them down to earth again.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I want to begin by saying through you to the hon. member that in no way, shape or form are we defending the previous government's Baie Comeau book publishing policy. I believe the parliamentary secretary to the minister of heritage stated that quite clearly in her previous remarks.

The difficulty that we have in this particular transaction is the fact that in 1986 when Gulf and Western committed to sell 51 per cent of Ginn within two years, it could not find a Canadian buyer. At that time the government directed the CDIC to offer to buy the 51 per cent. We are talking now in 1986. This is not three weeks before an election date, like when you compare it to the helicopter transaction where we had taken a public policy

position during the campaign. It is not like Pearson International Airport where the deal was done two weeks before the final vote and we declared our position. This was a transaction that emanated in 1986.

• (1650)

We inherited this completed transaction. Does the member think that when a transaction went back that far that there is some responsibility on us or is the member suggesting that we just ignore all of these contracts, some of them going back three, four and five years?

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): The problem with my hon. colleague's question, Mr. Speaker, is that it makes reference to several questions we have asked in this House, to which contradictory answers were given. We have never been able to get a clear answer from this government. They duck questions, claiming that it was the previous government that had entered into an agreement with Paramount. We ask to see this agreement, but it cannot be produced. We are told it was a verbal agreement. What is a verbal agreement worth? Who made it? We have asked that question over and over. Who spoke to whom, when, why? Basic stuff. We never got an answer.

The Baie Comeau policy was changed by Mr. Beatty, a member of the Conservative government, in June 1992 I believe. The government, which may or may not carry out a given transaction, can still keep an eye on things. It did not hesitate to expose itself to a $200 million lawsuit from Pearson International Airport. So do not try to delude me into believing that decisions in cultural matters are not as political as those regarding helicopters! I think that they are hiding behind something; I think that they are trying to protect someone. What is to gain? For whom? It is suspicious! That is why we are requesting a public inquiry into this matter.

[*English*]

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I am truly delighted that the Bloc is taking such an interest in Canada's identity and cultural situation. I find myself lacking considerable sympathy with the member for Medicine Hat who seems to think our cultural industries can survive entirely on their own. I wish I could ask him whether or not he has bought a Canadian book recently but I do not have that opportunity.

My question to the hon. member opposite is this. In the context of the powerful cultural invasion from the United States does she feel that we are better off, both anglophones and francophones, united against cultural aggression from the United States rather than separate?

[*Translation*]

Mrs. Tremblay (Rimouski—Témiscouata): Mr. Speaker, I would say that a degree of commonality will continue to exist between us as Canadians even if we become separate in Quebec. Our goal in this debate is to protect Canadian culture. When we leave, we want Canada to be strong and have a strong cultural identity. We do not want it to be assimilated by the United States. We want it to be able to sell us and continue to trade with us elements of our cultures. Part of our heritage will not just disappear. We will not cut all trade relations with Canada just because we have gained sovereignty. On the contrary! We will want to continue to trade with Canada, but if we get a better price in the United States for books, Canada will starve culturally because we will buy directly from our neighbour to the south.

The Deputy Speaker: The time allocated to questions and comments has now expired. My apologies, hon. colleagues.

[*English*]

I was following the exchange between the member for Regina—Qu'Appelle and the parliamentary secretary too closely and I misread my list. Before the member for Rimouski—Témiscouata, it should have been the turn of the Reform Party, the member for Calgary Southeast. It seemed easier, rather than interrupt the member, to let her finish and then to go back to the Reform Party which should have had the floor. I will have the second round for the Bloc after the member for Calgary Southeast has spoken. With your permission I will call on the hon. member for Calgary Southeast.

• (1655)

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I rise today to speak with deep concern on an issue that has been percolating in the news for weeks and has come to the floor of the House numerous times in question period. I am talking specifically about the sale of Ginn Publishing Inc., what I call the Ginngate affair.

The Bloc Quebecois has put forward a motion that appears to protect the Canadian cultural identity. It is appearing to champion Canadian culture. However, the BQ represents no cultural, political or economic interests outside of Quebec. It is hoping that Canadians will believe that the Bloc Quebecois, a separatist party, actually cares about the interests of the whole country.

The members of that party have stated unequivocally that they are in the House to look after the interests of Quebec and to set the stage for separation.

This motion is not about culture. This motion is about how business is conducted in this country. The motion of the Bloc calls for an investigation of the process that was followed in the sale of Ginn Publishing.

The Baie Comeau policy will not protect Canadian culture. What will protect Canadian culture is an open and competitive marketplace. However, I do agree with my Bloc colleagues that there is a need for a thorough investigation, a complete one, of the sale of Ginn Publishing, not to protect Canadian culture but to ensure that the marketplace is fair and open.

It is clear that the former Tory government violated its own policy. But this government has done worse. It has lacked the political will to halt the sale, claiming that some vague and tenuous legal obligation requires it to sell. This is in direct conflict with the stance these members took when they were in opposition.

Let us look at the history of the sale because this is where it becomes clear that there are many irregularities within the process of the sale as it unfolded. Let us look first at the players.

There is the past Tory government that began the cover–up. There is the current Liberal government that has continued the cover–up. There is the Canadian book publishing industry, the Canadian public and the members of this House, all of whom are the victims of this whole affair.

Here is a brief history of Ginngate. In 1985 the Tories implemented the Baie Comeau policy. In 1985 Paramount bought Ginn. In 1988 the CDIC bought Ginn from Paramount. In 1992 the Tories abandoned the Baie Comeau policy. In 1994 the CDIC sold Ginn back to Paramount. This is an innocuous history. But let us dig a little deeper.

During the 34th Parliament when some members of the present government were in opposition, Gulf and Western, an American company, bought Ginn Publishing Incorporated. When this sale occurred the Baie Comeau policy of the former government was in effect.

The Baie Comeau policy required that a foreign owned business which had acquired a Canadian magazine or book publishing company must sell controlling interest back to a Canadian firm within two years. If the foreign company was unable to do this the Canadian government would buy the controlling interest of the Canadian firm. The government would direct the Canadian Development and Investment Corporation, CDIC, to buy controlling interests and then it in turn would attempt to sell that interest to a Canadian firm.

In 1988 the federal government ordered the CDIC to buy Ginn. This sale appears to be in keeping with the Baie Comeau policy. However, there are two problems here. First, Investment Canada never investigated Paramount to determine if it had made a real and earnest attempt to sell Ginn to a Canadian buyer.

• (1700)

Second, the CDIC was supposed to pay only a fair market value for Ginn. However the government would not disclose how much was actually paid for Ginn. The amount of the original sale has never been officially reported to the House or to the Canadian taxpayer. It has been alleged that CDIC offered and paid a value much higher than what Ginn was worth, an estimated $10.3 million, the same amount that it is now reported to be getting from Paramount for Ginn.

Experts in the industry and competitive bidders suggest that the company was worth only about $3 million or $4 million in 1985. Why then did CDIC pay up to three times the fair market value for this company? The Canadian taxpayers have the right to know.

The former government would not tell the House the amount that was paid, and this government seems quite content to follow in those footsteps despite its commitment to open and honest government. Small wonder, is it not, that a poll released today shows that only 2 per cent of Canadians believe what their parliamentarians say?

If the government continues to show this kind of disdain for all the members of the House and the people of Canada, it will suffer the same fate as that of the previous government.

The facts raised thus far in and of themselves merit an investigation. However the fiasco continued. Once the CDIC controlled Ginn, it was required to find a Canadian buyer. Under the Tories the minister of regional industrial expansion guaranteed to the House that every effort would be made to respect the principle of Canadian ownership and primacy within our book publishing industry. However, between 1988 when CDIC bought Ginn and 1994 when Ginn was sold to Paramount, no Canadian buyer was able to acquire a controlling interest in the company.

I know of three Canadian companies that tried to buy Ginn Publishing. All of their attempts were thwarted. Gage Distribution Company, McClelland & Stewart and Edmonton's Reidmore Books all made efforts to buy Ginn. None of their efforts were taken seriously. In one instance when a bidder wished to discuss the sale he was directed to the board of Paramount, not to CDIC. Who was conducting the sale? CDIC or Paramount?

The Reform's position is clear. We do not oppose foreign ownership. We do oppose the former government violating its own policy. We oppose the process of a sale that treats Canadian firms unfairly and precludes them from bidding on a company. We oppose the government's willingness to weakly follow suit and to keep Canadian companies from competing fairly in the marketplace. Instead the government undertakes a weak decision and watches specific expertise in the book publishing industry become compromised and lost. Job redundancy in Ginn means job loss for Canadians.

The Liberal red ink book becomes gasping rhetoric. The government claims that it wishes to create jobs. We have heard it all before: "We have a plan: jobs, jobs, jobs". But the plan in this instance seems one that destroys job opportunities. We need to keep the jobs we have in Canada.

On another point, when the Liberal Party was in opposition it spoke vociferously against the sale of Ginn. Now that it is the government all that was said seems to have been forgotten. Let me take a few minutes to remind the House and members of the government when in opposition of the position they took on the sale of Ginn. I have some historical statements from the Minister of Human Resources Development, the Minister of Industry and the Secretary of State for the Status of Women. All these ministers when in opposition spoke at great length against the sale of Ginn.

• (1705)

In 1985 the member for Winnipeg South Centre pleaded with the minister of regional industrial expansion, and I quote from *Hansard*, "to give a very clear signal to foreign investors that at least in this one area we are not going to accept foreign ownership; in this one area we are going to protect our Canadian culture". He went on to ask:

> Will the government establish a very clear statement in the publishing industry that the dominant element must be Canadian? Will he reject the application for Ginn and Co.? If he believes in Canadian culture, why did he not make a decision today and turn down the application?

That same member made another plea in 1985. He stated:

> Surely if the legislation denotes a consideration for cultural industries, then sufficient time should be allocated to ensure that all the questions pertaining to the acquisition are properly examined, and, most important, that the minister has sufficient time to make arrangements for alternative buyers in the Canadian marketplace.

This sentiment could not mirror any better the intent of what we would like to see accomplished. We are not calling for the government to reject outright the sale of Ginn. We simply want to ensure that from 1985 until today all reasonable means have been followed to allow Canadian companies a fair opportunity to bid on Ginn Publishing. This is about business.

The minister's comments clearly demonstrate his support once upon a time for our position. We anticipate his support and that of his colleagues on our motion.

Further, the member for Mount Royal expressed a concern that bears investigation. She asked:

> Is the government prepared to admit that it is betraying its own policy, that it is backing off under pressure from the Americans in the interests of free trade?

The member thought the question deserved an answer in 1988. Now that she is a minister surely she is able to provide for the House the answer to the question she asked.

The member for Mount Royal stated that the government paid too much for Ginn when she said that the equity was purchased at an incredibly inflated price. If the sale bothered her in 1989, does it not bother her today? When the member was in opposition she appeared concerned about how taxpayer dollars were spent. How can she now show such a lack of willingness to investigate the misuse of taxpayer dollars? The government is contemptuous in the extreme.

The next statements demonstrate perfectly why an investigation is needed. They demonstrate that the government does not know what has transpired regarding the sale of Ginn. The government should have access to all pertinent information needed to clarify the situation and to answer all the questions. Yet it still does not have its story straight, or so we are led to believe.

On February 22 of this year the Minister of Industry admitted to the House that Ginn was up for sale but that no acceptable offers were made. Just two days later the Parliamentary Secretary to the Minister of Finance stated that CDIC was at no time in a position to market its interest in Ginn.

The government first admitted that the company was up for sale but two days later it admitted that it had never been up for sale. This blatant contradiction staggers me. Which of these stories is true? These glaring inconsistencies cause great suspicion. The government claims there is a verbal commitment requiring the sale of Ginn to Paramount, but the government will not tell the public who made this alleged legal commitment and it will not tell the public what that legal commitment was.

What is this government hiding? If all these commitments are legitimately legal and binding as the government suggests, why will it not demonstrate this to the House and to the people of Canada?

Since it has come into office the government has broken at least two legal commitments. It is facing legal action for cancelling the Pearson International Airport contract. That has been mentioned before in the House today. The government also moved quickly to cancel the EH–101 deal. That decision cost millions of dollars in compensation and many Canadian jobs. This is precedent setting. Where is the consistency?

We need a public investigation of the government's contradictions and inconsistency to determine what has really happened with Ginngate.

• (1710)

It is clear that many questions need to be answered by the government. I sent a letter to the Prime Minister asking five questions. It has not yet been acknowledged. I conclude from this that either no one knows the answers to my questions or, if known, there is no desire for full disclosure. Whatever the case, the only way to get clear answers is for a public investigation. Such an investigation would answer the preceding questions and the five following ones that I put to the Prime Minister.

First, how can the government explain the contradictions evident in this sale with the red book policy on the protection of Canadian arts and culture?

Second, how does the government explain away the offers to purchase Ginn by several members of the Canadian business community during the period from 1989 to 1994?

Third, what happens to our Canadian publishing industry after February 15, 1999 when Paramount's investment agreements cease?

Fourth, why was a specific job loss figure not included in the press release of February 18, 1994? I understand that job losses could reach as high as 60 per cent.

Fifth, how can the government ignore the provisions of the Investment Canada Act and undertake a private agreement which precludes the sale of a Canadian firm to a foreign company except in extraordinary circumstances?

Again Reform supports the notion of an investigation to allow for freer competition in the Canadian cultural marketplace. This motion is not about protecting Canadian culture from within or from being co–opted by foreign cultural influences from without. It is about allowing the market to run its due course without needless and harmful protection or undue government regulation.

The Reform Party believes that a strong Canadian cultural community has a positive influence on Canada's national identity. We will not help to develop this community by implementing protectionist measures. Canadian magazine and book publishers should be allowed to flourish in an open competitive marketplace.

Erecting barriers to protect this industry implies that Canadians produce a mediocre or inferior product and cannot compete. This is simply not the case. Canada has a magazine and book publishing industry that is capable of competing with any market. I propose that we let it do so.

I move:

That the motion be amended by deleting the words "by renewing the Baie Comeau policy adopted in 1985 and"

The Deputy Speaker: The table officer indicates the amendment that has been moved is in order. It is an acceptable amendment.

Before returning to debate, there is still the period of questions and comments to the hon. member for Calgary Southeast.

Mr. John Godfrey (Don Valley West): Mr. Speaker, the hon. member had five questions for the Prime Minister and now I have three for her.

First, the hon. member refers to the fact that three Canadian companies were willing to bid for Ginn. Does she have any idea whether each of them is willing to pay $10.3 million or not?

Second, if they were not willing to pay that sum but something closer to $3 million, where does she propose the $7 million difference might come from? Does she propose adding it to our national debt?

• (1715)

The third question is really a more philosophical one. I would like a little understanding of whether we or the previous government should have intervened or not intervened on the sale of Ginn.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I do appreciate the questions from the hon. member. I will take his questions in order.

The hon. member asked about the three Canadian companies that were prepared to purchase Ginn. In telephone conversations that we have had with those companies there was a willingness and a searching for an opportunity to become involved in the tendering process. There is some question about the inflated value at this point about Ginn and that answer will also suffice with respect to question number two.

I have a sense that when we look at that inflated price it comes back to the lack of revelation in terms of the actual purchase price of CDIC of Ginn Publishing in the first place. There is some real confusion with respect to how that was initiated and took place.

Because there are still so many questions surrounding the initial sale and the moneys that exchanged I have to say to the hon. member that he too is speculating on those numbers with respect to the many millions of dollars paid.

On the matter of philosophy, I do believe that entrepreneurship is a spirit in this country that needs to be generated and promoted. I am very much in favour of competition in the free marketplace. I do believe that governments should get out of business. That is my bottom line.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, first of all, allow me to congratulate the hon. member of the Reform Party on her speech which, in my opinion, was very sound. I want to thank her for recognizing the timeliness of the motion put forward by the Bloc and by my colleague from Rimouski. I would, however, like to make two brief comments.

First, I would just like to gently remind my hon. colleague that the official opposition is very concerned about Canadian culture. The proof of this is that we initiated and welcomed a debate on this subject.

As the official opposition, we are acting responsibly and with conviction. And if we are here in this House reaffirming our primary goal, which is to create a francophone country in the Americas to complement the Canadian, American or Spanish cultures and all countries of the Americas, it is only because we wish to put a new country on the map.

[*English*]

Mrs. Brown (Calgary Southeast): I am not sure, Mr. Speaker, if there was really a question to answer there. However, I have to say to the hon. member that it is a very difficult issue when we are looking at cultural identity. I feel great concern when we have a challenge put forward to us almost daily on the floor of this House from a party that is bent on separation. Those opening remarks in my presentation were placed there because of the very different ideologies through which we came to this discussion.

I do acknowledge that the Bloc Quebecois has been adamant and unceasing in its search for an answer to this question. However, I acknowledge it on the basis of process. Like we are trying to do, it is trying to uncover process. That has very little to do, in my view, with the differing cultural ideologies that we bring to the floor.

• (1720)

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I would like to make a brief comment on the hon. member's answer to the last question.

It was clear that there were no offers made to purchase Ginn from these three Canadian companies. What she told us was that they may have expressed an interest in that which is very well and good but it is a long way from actually making an offer. CDIC has told us clearly that there was no offers ever received for the purchase of these companies from anybody. There were opportunities on several occasions for offers to be made but there was never an offer made.

The hon. member has said she might be interested, that might be nice. It is nice after the fact when one never has to cough up the $10.3 million, but there was never really an offer made and the hon. member has just stated that.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I really question the tone and tenor of the hon. member's question.

I question whether CDIC is telling the truth. There were three companies that were contacted by telephone by my office and they indicated that they had wanted to purchase Ginn Publishing Incorporated.

An hon. member: Did they make an offer?

Mrs. Brown (Calgary Southeast): Mr. Speaker, I am trying to answer this question to the best of my ability and I would like to do that without interruption.

I do not recall saying that would be nice or this would be nice. I stated in my text that all of their attempts had been thwarted. The three companies again are Gage Distribution Company, McClelland & Stewart and Edmonton's Reidmore Books Inc. They all had made efforts to buy Ginn Incorporated. They are Canadian companies and should have had an opportunity to participate in the tendering process. They did not have that opportunity.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I find the question from the government side either naive or misleading. Even the minister and CDIC have admitted that they could not accept any offers because there were so many technicalities that still had not been resolved.

For the government member to now stand up and say they never received any concrete offers is ludicrous to me. That is my statement.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I would like to acknowledge the hon. member's comments and express my appreciation for his support on this last question.

The Deputy Speaker: Colleagues, this is quite complicated now. We are going back, with your permission, to the time allotted to the Official Opposition. The Official Opposition allotted part of its 20 minute slot to the hon. member for Regina—Qu'Appelle. Accordingly, I call on the member for Regina—Qu'Appelle.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I wish to sincerely thank the members of the Bloc for giving me an opportunity of participating in the debate.

It is an issue that I have been following. I had the privilege of raising it the first time in the House. I think it is an important issue that affects the cultural well–being and cultural future of this country and one that deserves a full debate.

I do not quite understand how government members are putting down the Bloc for showing its interest and concern about Canadian culture. I ask the government how can it argue that federalism is the preferred system under which to protect and enhance the unique cultural make–up of Canada and Quebec's distinct culture and society in Canada as a unique whole when it is willing to sell off the country's cultural markets to the Americans?

I am more concerned about what these people are doing across the way in terms of the viability and future of Canadian culture than I am right now about the Bloc.

• (1725)

These are the folks who are selling them off to the United States. They are the ones who should be hanging their heads in shame. It is quite amazing that they are still in the House and willing to protect and defend a decision that the former Tories made.

We have asked about this over and over again in this House, particularly the Bloc members because they have had the opportunity of revealing some of the specific details, including who made this verbal agreement. The government keeps stonewalling. We have been pressing and asking for a full public inquiry. There are things that have occurred here that demand a full and public inquiry. Let us bring it all out in the open. Let us see what the former Tories entered into in this wicked, wicked affair.

Surely anybody who is interested in Canadian culture can smell a rat here. Why not bring it out in the open? Why not expose the rat for what it is? My basic question to the Liberals is who are they trying to protect in this? Why are they so adamant about not bringing this out into the open?

To tell the truth, I was deeply shocked—and I do not say this in a rhetorical manner but in full sincerity—when I heard what the government had approved. I really expected something much different. I had worked with the Liberals in opposition, particularly on the communications and culture committees, trying to defend Canadian culture against those Tory years of rape and plunder and total unconcern for Canadian cultural identity. We worked shoulder to shoulder when the sale of Prentice–Hall and the whole episode with Ginn occurred. We stood shoulder to shoulder in opposition to this.

Now I must say there is no difference. The same show goes on. What is going on here? Initially I was concerned that the bureaucrats had misinformed the ministers. I could understand that with a new government coming in. Although, I expected a little more of the Liberals, the natural ruling party, since they after all had some experience in government and knew how to take control over the public service to make sure that the political agenda and not the bureaucratic agenda was the one in control.

I had been assured by the parliamentary secretary and everybody not to blame the bureaucrats, the ministers knew what they were doing. Let the ministers, then, be responsible.

Again I ask why not bring it out in the open? Why not have a parliamentary inquiry? Why not get to the bottom of it? There are numerous questions that remain unanswered and that deserve answers.

As well, this may be a case study of how a large American multinational like Paramount is able to exercise its will over an area that is so important to us as a nation, our cultural identity.

We fought the free trade agreement and we fought NAFTA and we tried to ensure that there were provisions in there through which we would protect our Canadian cultural identity, unlike the Reform position of letting the market take care of everything. When the market takes care of everything it takes care of Canadian culture all right because we do not have a chance at all of being heard. The mass marketing of music, film, video and books and magazines will swamp Canadian culture and Canadian musicians and writers and publishers' ability to get in and be heard by other Canadians will totally diminish.

I hope this will be an education for the Reform Party in the years it is in Parliament where this begins to sink in, where it begins to realize that there are limits as well to where the market can flourish. The national interest precedes the notion of the free market when it comes to cultural institutions. Because once a nation loses its sense of identity, when Canadians cannot hear and see other Canadians, we have lost ourselves as a nation. That is why book publishing policy, particularly textbooks, is so essential, so important. That is why I plead with the government to please allow this to go forward as a proper inquiry.

• (1730)

Let us make certain if, and I underline the word if, the Ginn decision is not reversible that this will never, ever happen again. The only way of ensuring that is to put the body on the table and dissect it. Let us see who and what created the situation we find ourselves in where foreign owners of our book publishing industry now are producing most of our textbooks that we use in our schools in this country.

I understand that around a quarter per cent of all the textbooks in Canadian schools are published by Canadian publishers.

There is so much to get into. I am just filled with notes here on all the different questions to be asked. I could go on for several hours on this. We have been talking about Ginn. There are all sorts of questions about the other approval that the government made when it also approved the acquisition by Paramount of Maxwell Macmillan.

There are contradictions here. CDIC approved this. If CDIC approved this, that means it has to be treated as a direct acquisition and not as an indirect acquisition. If it is a direct acquisition, then we should be able to ask CDIC "Did you find or did you attempt to find a Canadian purchaser?" The law now states that if there is a direct acquisition, and I believe the parliamentary secretary read it: "If a non–Canadian wishes to sell an existing Canadian business independent of any other transaction, the vendor will be expected to ensure that potential Canadian investors have full and fair opportunity to purchase".

The good question is: Did the government go out and look for a potential Canadian to purchase Maxwell Macmillan before the government approved Paramount's takeover of Maxwell Macmillan?

That is one of the many questions that have to be asked and answered. Only in a full, open and public inquiry will we be able to ask these questions and try to get the answers that are needed.

Other questions have to be asked. For example, all of Paramount's operations in Canada, including its film distribution, will have to—

The Deputy Speaker: Excuse me. I am sorry to interrupt the member but it is now 5.33 o'clock. It is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply proceedings now before the House under the provisions of Standing Order 81(16).

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

(The House divided on the amendment, which was negatived on the following division:)

(*Division No. 13*)

YEAS

Members

Abbott
Benoit
Breitkreuz (Yorkton—Melville)
Chatters
Epp
Frazer
Grey (Beaver River)
Hanger
Harper (Simcoe Centre)
Hart
Hill (Macleod)
Hoeppner
Manning
Mayfield
Meredith
Morrison
Ramsay
Scott (Skeena)
Solberg
Stinson
Thompson
White (North Vancouver)
Ablonczy
Breitkreuz (Yellowhead)
Brown (Calgary Southeast)
Cummins
Forseth
Gouk
Grubel
Harper (Calgary West)
Harris
Hermanson
Hill (Prince George—Peace River)
Johnston
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mills (Red Deer)
Penson
Ringma
Silye
Speaker
Strahl
White (Fraser Valley West)
Williams—44

NAYS

Members

Adams
Anawak
Arseneault
Asselin
Axworthy (Winnipeg South Centre)
Baker
Barnes
Bellehumeur
Berger
Bertrand
Bevilacqua
Bonin
Boudria
Brushett
Bélisle
Campbell
Canuel
Catterall
Chan
Chrétien (Saint-Maurice)
Cohen
Collins
Copps
Crawford
Culbert
Daviault
de Jong
DeVillers
Discepola
Dubé
Duhamel
Dupuy
Eggleton
Fewchuk
Finlay
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Ottawa—Vanier)
Godfrey
Goodale
Gray (Windsor West)
Guarnieri
Guimond
Harper (Churchill)
Hickey
Hubbard
Iftody
Jackson
Jordan
Kirkby
Lalonde
Langlois
Laurin
Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Leroux (Richmond—Wolfe)
Lincoln
Loubier
MacLaren (Etobicoke North/Nord)
Maheu
Maloney
Marchand
Marleau
McCormick
McKinnon
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
Nault
O'Brien
Ouellet
Parrish
Patry
Peric
Peterson
Picard (Drummond)
Althouse
Anderson
Assadourian
Augustine
Bachand
Bakopanos
Beaumier
Bellemare
Bergeron
Bethel
Bodnar
Bouchard
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Caron
Chamberlain
Chrétien (Frontenac)
Clancy
Collenette
Comuzzi
Cowling
Crête
Dalphond-Guiral
Debien
Deshaies
Dingwall
Dromisky
Duceppe
Dumas
Easter
English
Fillion
Fontana
Gagliano
Gagnon (Québec)
Gauthier (Roberval)
Godin
Graham
Grose
Guay
Harb
Harvard
Hopkins
Ianno
Irwin
Jacob
Keyes
Knutson
Landry
Lastewka
Lavigne (Beauharnois—Salaberry)
Lebel
Leblanc (Longueuil)
Lefebvre
Leroux (Shefford)
Loney
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marchi
Massé
McGuire
McLaughlin
McTeague
Mercier
Milliken
Minna
Murphy
Ménard
Nunziata
O'Reilly
Pagtakhan
Paré
Payne
Peters
Phinney
Pickard (Essex—Kent)

Pillitteri
Pomerleau
Péloquin
Regan
Rideout
Robichaud
Rocheleau
Rompkey
Scott (Fredericton—York Sudbury)
Shepherd
Solomon
St-Laurent
Steckle
Stewart (Northumberland)
Terrana
Torsney
Tremblay (Rosemont)
Valeri
Venne
Volpe
Whelan
Young
Plamondon
Proud
Reed
Richardson
Ringuette-Maltais
Robinson
Rock
Sauvageau
Serré
Skoke
Speller
St. Denis
Stewart (Brant)
Szabo
Thalheimer
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Verran
Wappel
Wood
Zed—204

PAIRED MEMBERS

Members

Allmand
Bernier (Mégantic—Compton—Stanstead)
Cauchon
Gerrard
Sheridan
Bernier (Gaspé)
Brien
Finestone
Nunez
de Savoye

● (1805)

The Speaker: I declare the amendment lost.

I know from time to time during votes that some of us have to absent ourselves for personal reasons. I would ask that if it is at all possible when hon. members come in to vote they stay in their seats until the votes are completed. That way there is no question whether someone is here or not.

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: Call in the members.

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

(*Division No. 14*)

YEAS

Members

Althouse
Bachand
Bergeron
Bélisle
Asselin
Bellehumeur
Bouchard
Canuel
Caron
Crête
Daviault
de Jong
Dubé
Dumas
Gagnon (Québec)
Godin
Guimond
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
McLaughlin
Ménard
Picard (Drummond)
Pomerleau
Robinson
Sauvageau
St-Laurent
Tremblay (Rosemont)
Chrétien (Frontenac)
Dalphond-Guiral
Debien
Deshaies
Duceppe
Fillion
Gauthier (Roberval)
Guay
Jacob
Landry
Laurin
Lebel
Lefebvre
Leroux (Shefford)
Marchand
Mercier
Paré
Plamondon
Péloquin
Rocheleau
Solomon
Tremblay (Rimouski—Témiscouata)
Venne—54

NAYS

Members

Abbott
Adams
Anderson
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Benoit
Bertrand
Bevilacqua
Bonin
Breitkreuz (Yellowhead)
Brown (Calgary Southeast)
Brushett
Caccia
Campbell
Catterall
Chan
Chrétien (Saint-Maurice)
Cohen
Collins
Copps
Crawford
Cummins
Dingwall
Dromisky
Dupuy
Eggleton
Epp
Finlay
Forseth
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Godfrey
Gouk
Gray (Windsor West)
Grose
Guarnieri
Harb
Harper (Churchill)
Harris
Harvard
Hickey
Hill (Prince George—Peace River)
Hubbard
Iftody
Jackson
Jordan
Kirkby
Lastewka
LeBlanc (Cape Breton Highlands—Canso)
Lincoln
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (Esquimalt—Juan de Fuca)
Mayfield
McCormick
Ablonczy
Anawak
Arseneault
Augustine
Baker
Barnes
Bellemare
Berger
Bethel
Bodnar
Boudria
Breitkreuz (Yorkton—Melville)
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Chamberlain
Chatters
Clancy
Collenette
Comuzzi
Cowling
Culbert
DeVillers
Discepola
Duhamel
Easter
English
Fewchuk
Fontana
Frazer
Gagliano
Gauthier (Ottawa—Vanier)
Goodale
Graham
Grey (Beaver River)
Grubel
Hanger
Harper (Calgary West)
Harper (Simcoe Centre)
Hart
Hermanson
Hill (Macleod)
Hoeppner
Ianno
Irwin
Johnston
Keyes
Knutson
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacLaren (Etobicoke North/Nord)
Maheu
Maloney
Manning
Marleau
Massé
McClelland (Edmonton Southwest)
McGuire

McKinnon
McTeague
Meredith
Milliken
Mills (Red Deer)
Mitchell
Murphy
Nault
O'Brien
Ouellet
Parrish
Payne
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Richardson
Ringma
Robichaud
Scott (Fredericton—York Sudbury)
Serré
Silye
Solberg
St. Denis
Stewart (Brant)
Stinson
Szabo
Thalheimer
Ur
Vanclief
Volpe
Whelan
White (North Vancouver)
Wood
Zed—191

McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Broadview—Greenwood)
Minna
Morrison
Murray
Nunziata
O'Reilly
Pagtakhan
Patry
Penson
Peters
Phinney
Pillitteri
Ramsay
Regan
Rideout
Ringuette-Maltais
Rock
Scott (Skeena)
Shepherd
Skoke
Speller
Steckle
Stewart (Northumberland)
Strahl
Terrana
Torsney
Valeri
Verran
Wappel
White (Fraser Valley West)
Williams
Young

PAIRED MEMBERS

Members

Allmand
Bernier (Mégantic—Compton—Stanstead)
Cauchon
Gerrard
Sheridan

Bernier (Gaspé)
Brien
Finestone
Nunez
de Savoye

● (1815)

The Speaker: I declare the motion lost.

* * *

CANADIAN FOREIGN POLICY

The House resumed from March 15 consideration of the motion and of the amendment.

The Speaker: The House will now proceed to the taking of the deferred division on government business No. 9 regarding the appointment of a special joint committee to consider Canada's foreign policy.

The question is on the amendment.

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 15)

YEAS

Members

Abbott
Althouse
Bachand
Benoit
Bouchard
Breitkreuz (Yorkton—Melville)
Bélisle
Caron
Chrétien (Frontenac)
Cummins
Daviault
de Jong
Dubé
Dumas
Fillion
Frazer
Gauthier (Roberval)
Gouk
Grubel
Guimond
Harper (Calgary West)
Harris
Hermanson
Hill (Prince George—Peace River)
Jacob
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
Marchand
Mayfield
McLaughlin
Meredith
Morrison
Paré
Picard (Drummond)
Pomerleau
Ramsay
Robinson
Sauvageau
Silye
Solomon
Stinson
Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)

Ablonczy
Asselin
Bellehumeur
Bergeron
Breitkreuz (Yellowhead)
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Dalphond-Guiral
Debien
Deshaies
Duceppe
Epp
Forseth
Gagnon (Québec)
Godin
Grey (Beaver River)
Guay
Hanger
Harper (Simcoe Centre)
Hart
Hill (Macleod)
Hoeppner
Johnston
Landry
Laurin
Lebel
Lefebvre
Leroux (Shefford)
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mercier
Mills (Red Deer)
Ménard
Penson
Plamondon
Péloquin
Ringma
Rocheleau
Scott (Skeena)
Solberg
St-Laurent
Strahl
Tremblay (Rosemont)
White (Fraser Valley West)
Williams—96

NAYS

Members

Adams
Anderson
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Berger
Bethel
Bodnar
Boudria
Brushett
Calder
Cannis
Chamberlain
Chrétien (Saint-Maurice)
Cohen
Collins

Anawak
Arseneault
Augustine
Baker
Barnes
Bellemare
Bertrand
Bevilacqua
Bonin
Brown (Oakville—Milton)
Bryden
Campbell
Catterall
Chan
Clancy
Collenette
Comuzzi

Copps	Cowling
Crawford	Culbert
DeVillers	Dingwall
Discepola	Dromisky
Duhamel	Dupuy
Easter	Eggleton
English	Fewchuk
Finlay	Fontana
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gauthier (Ottawa—Vanier)
Godfrey	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Harb	Harper (Churchill)
Harvard	Hickey
Hubbard	Ianno
Iftody	Irwin
Jackson	Jordan
Keyes	Kirkby
Knutson	Lastewka
Lavigne (Verdun—Saint-Paul)	LeBlanc (Cape Breton Highlands—Canso)
Lee	Lincoln
Loney	MacDonald
MacLaren (Etobicoke North/Nord)	MacLellan (Cape Breton—The Sydneys)
Maheu	Malhi
Maloney	Manley
Marchi	Marleau
Massé	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murphy	Murray
Nault	Nunziata
O'Brien	O'Reilly
Ouellet	Pagtakhan
Parrish	Patry
Payne	Peric
Peters	Peterson
Phinney	Pickard (Essex—Kent)
Pillitteri	Proud
Reed	Regan
Richardson	Rideout
Ringuette-Maltais	Robichaud
Rock	Rompkey
Scott (Fredericton—York Sudbury)	Serré
Shepherd	Skoke
Speller	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Terrana	Thalheimer
Torsney	Ur
Valeri	Vanclief
Verran	Volpe
Wappel	Whelan
Wood	Young
Zed—149	

PAIRED MEMBERS

Members

Allmand	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Brien
Cauchon	Finestone
Gerrard	Nunez
Sheridan	de Savoye

• (1825)

The Speaker: I declare the amendment lost.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I believe you will find that there is unanimous consent to apply the result of the last vote to the main motion, but in reverse.

The Speaker: Is it agreed?

Some hon. members: Yes.

Some hon. members: No.

[*English*]

The Speaker: The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

Some hon. members: On division.

(Motion agreed to.)

The Speaker: It being 6.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1830)

PRIVATE MEMBERS' BUSINESS

[*Translation*]

SAINT LAWRENCE SEAWAY

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies) moved

That, in the opinion of this House, the government should take the necessary measures to ensure that the St. Lawrence Seaway remains navigable on a year-round basis, namely through a more effective allocation of the ice breakers in operation in eastern Canada.

He said: Mr. Speaker, the St. Lawrence River and the Seaway are a major asset for Canada and Quebec. Historically, this huge river and its network of tributaries has been a major route of penetration into North America.

Not surprisingly, the first towns were founded on its shores and their prosperity came from their shipping activities. This is the case for Montreal which developed mainly because of its port facilities.

Today, the St. Lawrence Seaway, with an operating budget of $78 million and almost 900 employees, has an annual volume of more than 30 million tonnes. More than 5,000 ships go through the system every year. It provides a major transport infrastructure, not only for Canada and Quebec, but also for the whole of North America.

Today as in the past, the river remains the main corridor for the transportation of goods into the interior of the continent.

The motion I introduced today asks the government to provide for measures that will ensure the St. Lawrence Seaway remains navigable on a year–round basis, namely through a more effective allocation of the ice breakers in operation in eastern Canada.

The Canadian Coast Guard is responsible for navigation on the St. Lawrence. It has enough ships, ice breakers, helicopters and communications equipment to carry out that mission.

However, last winter, ice jams paralysed traffic on the river. During 29 days in February and early March, some 40 ships were held up for various periods of time. A dozen ships had to be sent to St. John harbour, in New Brunswick because they could not moor in Montreal. The Coast Guard had simply not installed the booms that control freeze–up and ice flow, thus preventing ice jams.

Needless to say that the losses resulting from this incident were catastrophic and enormous. Of the 560 longshoremen who normally work in Montreal harbour during the winter, barely 200 were called in sporadically during that period and those who did not work were not paid because this was an act of God.

The port of Montreal alone incurred losses estimated to $1.5 million during those few weeks.

Substantial losses were also incurred by road and rail carriers awaiting delivery of merchandise on board the immobilized cargo ships and consignees suffered inventory and production problems.

As for ship owners, water carriers and insurers, according to Frank Nicol, the president of the Shipping Federation of Canada, their losses totalled tens of millions of dollars. And that does not include the losses due to flooding incurred by individuals, particularly along the shore, where the ice jams occurred.

Aside from these immediate, short–term losses, the port of Montreal now finds itself under the obligation to defend its reputation as a port open on a year–round basis in front of potential users who may well decide to land their cargo elsewhere, and this at a time when transportation infrastructures and communications are playing a major strategic role in the positioning of regions. It was a terrible blow for the entire east side of Montreal, which has already been hard hit by unemployment and job losses.

I will remind this House that, based on a document prepared by the greater Montreal mayors' convention, forty or so shipping lines connect the port of Montreal to over 200 ports around the world. It creates tens of thousands of direct jobs, and more than 20 million tonnes of goods, or 40 per cent of the total volume for Montreal, transit through the port".

• (1835)

The Coast Guard blamed the ice jam phenomenon on climatic conditions, and Mr. Frank Nichol added: "We were hit hard by the weather and we were not ready".

Yet, it is not the first time that the Coast Guard is blamed. In 1980, the commission investigating the circumstances surrounding the collision of the *Athanasia Comninos* with the railway and roadway bridge in Quebec City said this: "If federal authorities want the St. Lawrence River to remain navigable in winter, it is unacceptable on their part to tolerate at any time that ship captains be faced with ice jams such as the one which the pilot of the *Comninos* had to dealt with. The solution calls for the river to remain free of ice and, seemingly, this implies a greater use of the ice breakers in operation". Again, this report goes back to 1980.

In 1982, another commission, this time on the *Hudson Transport* tragedy in the St. Lawrence River, headed by Judge James K. Hugessen, was even more critical of the Coast Guard. It said: "Obviously, the Coast Guard attaches a low priority to its search and rescue responsibilities. The Coast Guard is certainly renowned, but not because of its role in this particular case'.' Following part of the testimony given by the then regional director of the Coast Guard, Judge Hugessen added this: "His admiration fills us with deep contempt. It is symptomatic of the need for a fundamental review of priorities and attitudes in the management of the Coast Guard".

The report concluded with those comments: "Winter navigation in the river and the gulf has now reached a level such that it can no longer be considered an exceptional occurrence. Hundreds of men and thousands of tons of goods use this waterway, which is dangerous in the best of circumstances, and particularly so in winter. We assume that Canada reaps an important economic advantage of winter navigation in the St. Lawrence. Otherwise, this waterway should be closed in the wintertime. If the seaway is to remain open, Canada must arrange for adequate search and rescue services". And this involves icebreakers.

The effectiveness of the Coast Guard in Quebec and in eastern Canada, notably as regards the allocation of vessels and land personnel, leaves something to be desired. Of the 19 icebreakers operated by the Canadian Coast Guard, 11, or roughly 60 per cent of the fleet, are based in the Maritimes. This figure includes the only three heavy icebreakers operated by the Coast Guard.

Yet, ice jams virtually never occur in this region and we fail to understand why the majority of our icebreakers—including all of our heavy icebreakers—are based hundreds of kilometres away from the locations where the ice jams occur, either because the seaway is too narrow or the water flows more slowly, as is the case in the Montreal area. Only two medium icebreakers and three light icebreakers are based on the St. Lawrence. They account for only 25 per cent of the Canadian Coast Guard's fleet of icebreaking vessels.

When an icebreaker moored in Dartmouth, Nova Scotia, is deployed to break up an ice jam on Lac St. Pierre, it should come as no surprise if the damage intensifies before the vessel manages to arrive on the scene.

• (1840)

Mr. Speaker, the port of Montreal should have been better protected last winter. We really did not need to have these problems.

This glitch, which could have been avoided, only adds to the problems already encountered by the port of Montreal and the St. Lawrence Seaway.

Since 1977, the overall tonnage of goods shipped has steadily decreased. In fact, tonnage declined from 57.5 million tonnes to 31.4 million tonnes in 1992, an especially catastrophic year, primarily because of a marked decline in wheat shipments.

We know that, in the last two years, Ottawa has spent hundreds of millions of dollars on direct and indirect subsidies to Western rail carriers for the transportation of grain to West Coast ports under the Crow's Nest Pass agreements and that a direct effect of this has been a considerable reduction of activities in the port of Montreal.

We also know that the maritime industry as a whole is in decline and that, at a time when the MIL Davie shipyard in Lauzon is in its death throes, Canada is still wondering whether it will ask this shipyard to build the Magdalen Islands ferry or buy a ship from a foreign supplier.

The Japanese would never do such a thing. They would build the ship themselves and provide work for their own citizens rather than putting them on unemployment. In this day and age, Canada would be well advised to follow the Japanese example.

In 1945, Japan was a third world country. It is much smaller than Canada, with five times the population, few natural resources and no energy sources; it is very far from its markets and yet, in a 40–year span, it became one of the world's major economic powers.

In contrast, Canada, with its huge territory, abundant natural resources, nearly inexhaustible energy sources and the world's biggest market on its doorstep, managed to accumulate a $500 billion debt and to kill the job market.

The only certainty in the government's recent budget is that the debt will reach $600 billion in three years and that the unemployment rate will remain high. Under these circumstances, it is important to go ahead and make the changes that can be made right away.

Under these circumstances, it is imperative to maintain maritime activity in the St. Lawrence on a year–round basis and to have the Coast Guard simply do its job. That is why we are recommending to the government to ensure a more effective allocation of the ice breakers in operation in the St. Lawrence, specially in February and March, to avoid these preventable events in the future.

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thank the hon. member for Anjou—Rivière–des–Prairies for raising this motion.

Let me begin by informing the House, as the previous member has, that the St. Lawrence seaway is truly a national treasure. He pointed out that it is one of the transportation corridors and an important link in the economic well–being of all of Canada.

The hon. member indicated, and should understand, that the 2,000 miles of the waterway extend from the Atlantic Ocean all the way to Thunder Bay, which is located at the head of the Great Lakes. Aside from the lakes and rivers of the system, ships traverse 6 canals and 15 locks, of which 13 locks are Canadian and 2 locks are American, before they reach the end of the seaway.

[*Translation*]

Since the St. Lawrence seaway opened in 1959, Canada has not stood still in advancing navigation in the seaway.

[*English*]

Indeed, we have been able to take advantage of much new technology that has been developed to combat ice formation in locks and canals. This technology has allowed the St. Lawrence Seaway Authority to add a number of days to the shipping season. The navigation season on the waterway from Thunder Bay to Montreal now extends from late March to late December.

• (1845)

Current technology, however, does not permit us to keep every lock and the canal system open to navigation throughout the entire year. In order to sail the seaway in winter we would need to keep the locks and canals ice free, have buoys in place year round, as well as have many additional icebreakers to escort vessels and keep the broken ice moving throughout the system.

It is quite simply impossible for an icebreaker, and the member should understand that his motion is faulty in this respect, or any other vessel to enter a lock filled with ice without causing extensive damage to the lock infrastructure.

Therefore escorting vessels above the first lock at St. Lambert would be next to impossible, even with extensive retrofitting of the lock and canal structures.

As my hon. friend may be aware, the federal government has a primary mandate to provide flood control services on the upper St. Lawrence River. The Canadian Coast Guard is responsible for providing these services and has done so since 1904.

Icebreakers operate in the river throughout the winter to keep a channel open as far as Montreal for the unobstructed movement of broken ice downstream. This activity prevents ice jams from forming and also permits the passage of ships except for the periods, and I am sure that the member would recognize this, when there have been abnormally severe weather and ice conditions.

The river has been kept open year–round since the late 1950s.

Flood control is not a by–product of keeping the port of Montreal open, as some would have us believe. The opposite is the case.

I think it is very important that people understand that icebreakers are in the St. Lawrence to prevent potentially devastating floods.

By ensuring that the St. Lawrence River remains navigable year–round as far as the port of Montreal, the Canadian Coast Guard does support the maritime commerce and consequent industry and port employment along the St. Lawrence and the Saguenay River.

There is also a need, then, to keep the maritime traffic moving through the Gulf of St. Lawrence to allow vessels access to the St. Lawrence River.

In the motion presented before this House my hon. friend refers to the effective allocation of the icebreakers in operation in eastern Canada.

I am happy to report to the House that a fleet resources review study was undertaken by the Canadian Coast Guard in 1990 to respond effectively to broad responsibilities in high priority areas of safety and environmental protection while improving efficiency and reducing costs.

Following this study, a fleet restructuring plan was enacted. The plan was phased over a three year period and involved increasing multi–tasking and double crewing which is known in the trade as lay–day system.

To improve our resource utilization the coast guard removed 10 ships from active service and reallocated fleet units between the regions. The reallocations were based on achieving the best match of operational requirements and equipment capability in each region to ensure multi–tasking capability nationwide.

The Canadian Coast Guard has retained the ability to redeploy icebreaking resources where and when needed as the situations dictate while it has trimmed excess capacity.

For example, last year from February 3 to March 5 two powerful icebreakers were redeployed in the maritime region to assist three icebreakers and one air cushion vehicle from the Laurentian region to break up the ice jams in the Lac St. Pierre region which were causing extensive flooding along the river between Montreal and Trois Rivieres.

The east coast icebreaking fleet consists of one heavy icebreaker, one heavy icebreaking supply tug, four medium icebreakers, 13 light icebreakers and one icebreaker hovercraft. Of these, eight are based in the maritime region of the coast guard, six are based in the Laurentian region, four are located in the Newfoundland region, and two are located in the Great Lakes region.

All of these icebreakers are in full operation at this time in eastern Canada, preventing flooding and escorting ships on the St. Lawrence River.

• (1850)

Historically problematic ice conditions begin in the upper St. Lawrence River and progress through the season eastward to the Gulf of St. Lawrence, as the hon. member would know. Heavy ice conditions can simultaneously occur in different areas such as the east coast of Newfoundland and in the Gulf of St. Lawrence depending on the influence of weather systems.

As a result of the ice jams experienced during the winter of 1993, the Canadian Coast Guard developed an action plan to implement short and long term solutions to try to prevent a similar occurrence, Mother Nature's abilities to surprise notwithstanding.

Several studies of the St. Lawrence River and Lac St. Pierre were done to evaluate methods of increasing water currents and ice evaluation in problem areas, constructing and placing more efficient steel booms and repairing man–made islands to help maintain a solid ice coverage outside the main shipping channel and analyzing the links between snow and ice coverage, river currents, water levels, wind and tide in the developments of ice jams.

[*Translation*]

The Canadian Coast Guard is absolutely committed to the provision of icebreaking services on the St. Lawrence River up to Montreal in support of year–round accessibility for shipping and in order to provide the necessary flood control measures for the safety of the local population along the St. Lawrence River.

[*English*]

There are no plans at this time to change the number or capacity of Canadian Coast Guard icebreakers in eastern Canada. As my hon. friend can see, we are actively addressing the most important aspects of service delivery to Canadians.

Mr. Randy White (Fraser Valley West): Mr. Speaker, it is interesting that some of the things I have to say were already mentioned by the hon. member. He gave a very good speech indeed.

I rise to speak to the motion that the government take measures to ensure that St. Lawrence Seaway remains navigable on a year–round basis by reallocating icebreakers in operation in eastern Canada.

Before we get too excited about such an idea, it is necessary to determine the future of the Great Lakes–St. Lawrence Seaway system. We also have to look at the cost impact of such a move and whether once again we redirect much needed resources from the maritimes to Quebec and Ontario.

An essential part of the Great Lakes seaway system is the St. Lawrence Seaway proper. This was a joint venture of Canada and the United States which was opened in 1959. It extends from Montreal to Lake Erie and is composed of a system of 15 locks and canals divided into two sections, the Montreal–Lake Ontario section consisting of five Canadian and two U.S. locks, and the Welland Canal with eight Canadian locks.

Since the early eighties there has been growing concern and considerable debate over the future of the seaway. This has occurred for several reasons. One of the reasons is a significant decline in grain and iron ore traffic because of persistently weak and changing market conditions for grain and steel exports. Another reason is the fragile financial state of the lake carrier industry, and finally the continuing requirement on the part of the St. Lawrence Seaway Authority, the pilotage authorities and ports to be financially self–sufficient.

Many a study has been undertaken on the future of the seaway and the redirecting of our east coast icebreaker fleet has little to do with the issue of demand for the ports along the waterway.

The motion before us suggests that the way to stimulate more traffic in the seaway would be through a significant extension of the system's shipping season beyond the current eight and a half to nine month operating period.

Many reports have pointed out that it is technically possible to do this even in heavy ice and poor weather conditions. However, it is acknowledged that there would be an increased cost to keep the system open. This is a cost which will be borne by the Canadian taxpayer once again.

Do we need an already overburdened taxpayer paying more for a cause that is somewhat dubious at best? Should we not clarify the future of the waterway before making costly adjustments to the way it is being managed?

The federal government, the provincial governments and the municipal governments have entered into an infrastructure program which will cost us $6 billion.

• (1855)

They are committed to a child care program that will cost us $1.5 billion. They are overspending their annual budget by $40 billion. I ask again whether one needs to give this government a licence to spend more money.

Since the seaway opened there has been an extension to the shipping season of four weeks on the Montreal–Lake Ontario section and two weeks on the Welland. In addition, cost benefit studies have been done which indicate that an extension of the season cannot be justified on economic grounds alone.

It simply makes no economic sense for the seaway system to remain in operation during the period of cold weather and heavy ice. There is not sufficient icebreaking capacity to do the job and because of the narrow channels it is very difficult to keep them open as the ice closes in behind the icebreaker very quickly.

Furthermore, there are large questions regarding the required flow of water for hydroelectric plants during the winter season in periods of heavy ice. Broken ice is also a serious problem as it can damage hydroelectric generators. Ice booms are placed across the seaway under the control of the power authority to ensure that ice does not damage its generators.

Therefore the seaway is not opened until March 28 for that reason. What the authority is concentrating on doing is providing at least eight and a half months of safe, trouble free and efficient navigation while giving at the same time consideration to gradual incremental extensions of any season based upon the weather, facilities, costs and the amount of business.

This common sense approach to business is more practical and economical than launching a major effort to provide a longer winter navigational season. There would be considerable extra cost and it is by no means clear that a sufficient amount of extra traffic would be generated to justify the greater cost and effort.

Let us look for a moment at the two main responsibilities that the Canadian Coast Guard has. The first responsibility is to provide route assistance by escorting vessels through the ice on the St. Lawrence. The second responsibility is flood control on the upper St. Lawrence.

Flood control is necessary because when the ice gets thick it acts as a dam. It backs up the water and floods over the banks. Therefore it is necessary for the icebreakers to get through, open it up and release the pressure on the head of the ice.

Escorting costs $7.9 million each year. Out of a total of about 3,000 hours dedicated to escorts, 566 hours were attributed to vessels running into Montreal. The flood control costs are about $10 million a year.

There are various types of Canadian Coast Guard ships. Six types are classified as icebreakers providing year–round operations or heavy ice control. The others are used for small and medium vessel escort in light ice or shallow water conditions or

they are used for life boat class for all–weather operations in semi–sheltered waters.

Let us look at the actual number of ships and their locations. The hon. member from the opposite side mentioned similar numbers and I got mine from the coast guard this afternoon. The difference between the numbers from one speaker to the next is actually as fast as those ships are redeployed in different areas.

In the maritimes there are 26 vessels but many of those vessels are for shallow water or cannot really break ice. They are used for other operations. Six of those vessels are classified as icebreaking ships.

The maritime region is classified by the coast guard as the area around Nova Scotia, P.E.I. and some of New Brunswick. The Newfoundland region has 13 vessels, four of which are of icebreaking capability.

The west coast has 27 ships with only two icebreakers. In that climate icebreakers are not that necessary. The Laurentian region has 23 vessels and five icebreakers and the central region has 24 vessels and two icebreakers. That is a total of 83 vessels broken down into those various classes.

• (1900)

I want to emphasize some critical points in this discussion. The icebreaking fleet on our eastern seaboard totals 17. Of that total, seven are in central Canada and the others are in Newfoundland and the Halifax area. The ice is so dynamic where it shows up, and because of weather patterns and so on, the fleet is based in four places for ease of getting to the problem. The economy of these four bases is affected by redeployment.

Why do we have a motion before us that will have a negative effect on the maritimes to the benefit of the area located around the St. Lawrence, which is Quebec and parts of Ontario? The economy is not good in the maritimes and I do not think we should be trying to present a proposal that would harm the maritime economy.

The coast guard must have the say on temporary redeployment as the need arises, not the government. We should stay out of that business. It knows best where to redeploy its fleet. Perhaps if we concentrated on paying our bills, reducing our debt and eliminating our deficit we could expand the coast guard to look after such a problem and allow our young people the opportunities to restore the maritimes to its proud heritage as guardian of our seas.

I think the coast guard knows best. That is about all I have to say, except that I would not be in favour of this motion.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I welcome the opportunity to discuss this very important motion brought forward by my friend from Anjou—Rivière–des–Prairies that the government should take the necessary measures to ensure the St. Lawrence seaway remain navigable on a yearly basis and doing this through a more effective allocation of the icebreakers and their operation in eastern Canada.

I was interested in the comments just made by my friend from the Reform Party. He is interested in the costs of keeping the St. Lawrence open on a year round basis, the effect it would have on the coast guard and the impetus the coast guard could bring to this very important issue of icebreaking, not only along the St. Lawrence River but on the Great Lakes and their additional duties in the Arctic. If one considers the Great Lakes and the St. Lawrence system, Canada is really a country that is water bound on three sides and on the southern perimeter by half the length of Canada. Therefore, we are from sea to sea to sea to sea and therefore a maritime nation.

I was particularly interested in the remarks of my friend from Quebec who mentioned the unfair subsidies that create an artificial freight rate with respect to grain and oil seeds. This is generated because of sections in the Western Grain Transportation Act which create an artificiality in the movement of grains whether they are to the ports of Prince Rupert, the port of Vancouver or the port of Thunder Bay and eventually from the port of Thunder Bay to the downriver ports in which he has an extreme interest.

Our side has yet to make a decision about what we are going to do in the future, whether we continue to pay the shippers, in this case the Canadian Pacific Railways and the Canadian National Railway, or whether we pay the producer so that we can maximize the return to the farming community. More important, by withdrawing support of the subsidy paid directly to the railways in this country we can then create a level playing field for all transportation loads. We let the farmer, as we let the manufacturer of automobiles, furniture or any other commodities, make the ultimate decision on how to ship their product to market. If we take away that artificial subsidy that is creating distortion in our freight system now in Canada, we then allow the farmer to maximize his or her return and choose the most effective way to ship his or her product to market.

• (1905)

As my friend knows, at certain points in Canada we will find that it is more effective—and I think that point goes beyond the western boundary of Manitoba, to go beyond that point—to ship and use the Great Lakes–St. Lawrence seaway in order to transport those products of grain, oil seeds, potash and coal than by using other ports.

I respect that comment. It is one of the issues that we will be addressing in the very near future.

The issue that we are really talking about when we discuss the opening of the St. Lawrence seaway for a full 12 months is whether the St. Lawrence seaway–Great Lakes system is still a viable transportation route in Canada. It is an infrastructure that we have built and paid for, to answer my friend's question. It is a transportation route that was approved in 1954 and 1956 and completed in 1959. It was paid for through the Government of Canada. There was some support from the United States for the two locks that it owns and still operates.

In the last seven years there has been a complete refurbishing of the Great Lakes locks especially around the Welland canal in the amount $175,000. It has just been completed. The system in itself today is very viable and in good shape.

Your colleague in the front row who is going to speak after me is part of the subcommittee that we on this side of the House have formed to analyse whether the Great Lakes–St. Lawrence is a viable transportation route in this country. If it is not viable we want to know what we have to do as a government to make it a viable transportation route and what changes are needed that are presently obstructing the use of the St. Lawrence–Great Lakes system and the down river ports that create so much employment in Montreal, Quebec City, Baie Comeau, Sept–Iles and all of the other areas in the province of Quebec. There is an ability there to recreate those jobs that were lost because of the flow of grain going to other centres.

I look forward to your support on the subcommittee that has been formed on the viability of the Great Lakes–St. Lawrence seaway. Your colleague and our colleague from the Reform Party form part of committee that will be bringing all of these considerations together. We will be studying them. We will be visiting your area hopefully in the near future. We would very much like to discuss in depth all of the pros and cons to the motion you bring before this House today which is: Is it possible to maintain the St. Lawrence River on a 12–month basis.

We will be very interested to hear the proposals that will be forthcoming. I would like to continue this discussion at another time after we have had the opportunity to review all of the information and facts that are so necessary in order to make those vital decisions to ensure the stability of our maritime transportation system in Canada. Thank you, Mr. Speaker, for allowing me to make those comments.

The Deputy Speaker: I believe the member used the expression "you" a number of times. He was no doubt referring to the Speaker.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, my colleague, the hon. member for Anjou—Rivières–des–Prairies, submitted to the House a motion asking this Chamber to demand that the government take the necessary measures to ensure that the St. Lawrence Seaway remains navigable on a year–round basis, through a more effective allocation of the ice breakers in operation in Eastern Canada.

• (1910)

As the member for Beauport—Montmorency—Orléans, I wish to inform the House that I support this motion and that my Party as well as my constituents of Beauport—Montmorency—Orléans also support it. I will not repeat my colleague's arguments, I will only say that I endorse them, because they are sound, they are based on a reality we have faced year after year and that we have been denouncing since March 1993.

My riding borders on the majestic St. Lawrence river. Our ancestors were navigators and boat builders. Many people still are. That means that anything relating to the Seaway is of great interest to my constituents and they are concerned when problems arise.

My Party made me the official opposition critic for Transport. The St. Lawrence Seaway and the ice breakers allocated to this waterway are essential to the Canadian transportation industry.

On March 10 of this year, the Minister of Transport took the floor to support the budget presented by his colleague, the Minister of Finance, on February 22, and he said: "it is the government's intention to spend $619 million on the Canadian Coast Guard". It is precisely to the Coast Guard that I wish to draw the attention of the House, and not so much to the amount which will be spent on it, but on the way it will be spent.

The commissioner responsible for the Coast Guard mentioned several times that there were only two ways to go if we wanted to make the Coast Guard profitable: it must either become a government agency and receive grants or impose a user fee. The first option could be discussed if the government decides to present it to the House. It is not the status of the Coast Guard which is important, but its mandate and its budget. My party and myself do not wish to modify the Coast Guard's present status and we would very much like to be consulted if ever the government intends to change it.

As for the second solution, that is a user fee, it would be a national suicide. Canada is a northern country where winter is often rough and long. An important part of the country has no access to the Atlantic or the Pacific. Commercial and economic centres are inland and waterways leading to them are ice–bound in winter. The main role of the Coast Guard is to guard waterways that are open to traffic year–round so that ships can pass freely and respect delivery deadlines and shipowners can be competitive.

Year after year we have seen major problems and the number of ships assigned to those routes is quickly dropping. At the beginning of the eighties, 125 ships were assigned to transporta-

tion on the St. Lawrence; now, there are only 79 left. Just think for a minute about what the effect of a user fee would be. It would kill all activity in the ports of Quebec City, Trois–Rivières and Montreal and in those of the Great Lakes, including Thunder Bay.

It was mentioned that this fee could be based on the distance covered in Canadian waters. What do you think the shipowners would do? They would go to Halifax, Boston, New York maybe but certainly not to Quebec City, Montreal and Thunder Bay. The problem is a serious one. We must revive the St. Lawrence and assign to it all the ice–breakers that are required to keep it open. If we are to achieve that, the present government must take three main steps. First, it must distribute the ice–breakers equitably and reassure all employees of the Coast Guard about their future. Second, adopt a maritime policy for Canada; and third, examine the possibility of allowing shipowners to get a second registration.

The allocation will be fair ifas it allows free movement from the Gulf of Saint Lawrence to the Great Lakes. If ice–breakers have to be built, we are able to do it: we have shipyards, human resources and iron. When I have the time to do so, I will explain to my colleagues in this House the present allocation and composition of the Canadian Coast Guard fleet as well as its needs.

Montreal harbour should never again be closed, as happened between February 4 and March 2, 1993, which entailed astronomical losses. The Canadian Coast Guard is reputed to be the best in the world, so whose fault was it?

Canada does not have a real maritime policy like the United States which require that 60 per cent of the ships served by American ports be U.S. registered.

What are the conditions required to sail our waterways? What are the environmental protection requirements? All those answers should be put together in framework legislation; that is what is lacking in Canada.

Several countries, like England and Norway, allow shipowners to get a second registration for their ships. Why would Canada not do the same thing in allowing Canadian shipowners to serve ports other than ours, without having to pay tax? Among the benefits of such a policy, more than 300 unemployed deck officers, representing more than 50 per cent of our trained and qualified officers, could be put back to work. These workers would be able to feed their families and would spend their money in Canada.

In conclusion, it is not the time to think about changing the status of the Coast Guard and the ice–breakers. It is not the time to impose user fees, but rather to provide the ships needed by the Coast Guard to maintain movement all year long in the navigable waters of the St. Lawrence River.

Until Quebec becomes sovereign and takes back what it gave under contract to the federal government at the time of Confederation in 1867, we demand that the present government adopt a consistent transportation policy that will allow Quebecers to see ships from all over the world move freely on the St. Lawrence River 365 days a year and that will ensure the economic development of our cities, which badly need it in these times of recession.

The Deputy Chairman: Since no other member wishes to speak, the hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 86(1), the order is dropped to the bottom of the order of precedence on the Order Paper.

It being 7.20 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 7.19 p.m.)

HOUSE OF COMMONS

Thursday, March 17, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

SCRUTINY OF REGULATIONS

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I have the honour to present the first report of the Standing Joint Committee for the Scrutiny of Regulations. If the House gives its consent, I intend to ask that the report be concurred in later on today.

• (1005)

Mr. Speaker, I would like to propose that the first report, which has just been tabled in this House, be concurred in today.

(Motion agreed to.)

• (1010)

[*English*]

Mr. Nunziata: Mr. Speaker, on a point of order. I was delayed in coming to the House today. It was my intention to introduce a Private Members' Bill. I would seek unanimous consent to revert to the introduction of Private Members' Bills.

The Deputy Speaker: Is there unanimous consent to revert to introduction of Private Members' Bills?

Some hon. members: Agreed.

* * *

CRIMINAL CODE

Mr. John Nunziata (York South—Weston) moved for leave to introduce Bill C–226, an act to amend the Criminal Code.

He said: Mr. Speaker, I appreciate the opportunity to present this Private Members' Bill. Members will know that those convicted of first degree murder are sentenced to life imprisonment without eligibility for parole for 25 years and those sentenced or convicted of second degree murder can be sentenced to life in prison without eligibility for parole for 15 years or more.

Under section 745 of the Criminal Code of Canada, these individuals can apply to have their parole ineligibility dates reduced to 15 years.

The purpose of the bill I am introducing today is to delete section 745 of the Criminal Code. The net effect of this would mean that those convicted of first degree murder in Canada would be required by law to serve a minimum of 25 years and those convicted of second degree murder would be required to serve whatever the sentence of the court is.

I am pleased that the Minister of Justice is in the Chamber today. I would urge the Minister of Justice to take into serious consideration the bill I am introducing today. He knows that there have been a significant number of these applications over the last several years. Seventy–five percent of these applications have been successful. In effect, if someone commits first degree murder in Canada today it no longer means that person has to serve a minimum of 25 years.

I urge all hon. members to support this initiative.

(Motions deemed adopted, bill read the first time and printed.)

* * *

PETITIONS

CANADA HEALTH ACT

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, these petitioners point out that the intent of the Canada Health Act is to have health programs that are universal, portable, accessible and publicly administered.

They point out that the Canada Health Act, medicare if you wish, is a basic element or principle of the Canadian identity. These petitioners ask that the Canada Health Act be enshrined in the Constitution of Canada.

[*Translation*]

CANADA POST CORPORTATION

Mr. Raymond Lavigne (Verdun—Saint–Paul): Mr. Speaker, it is my duty to table in this House a petition bearing the names of more than 2,500 of my constituents. I join them in requesting that the Verdun post office remain operational.

The post office is a place that proudly flies the Canadian flag and where people come and feel truly Canadian, which is essential these days.

* * *

[*English*]

CRIMINAL CODE

Mr. John Nunziata (York South—Weston): Mr. Speaker, again on the question of section 745, as members know I have introduced in this House a significant number of petitions from Canadians requesting that the government delete section 745. I would like to introduce another with several hundred signatures today.

The petition reads as follows: We the undersigned residents of Canada draw the attention of the House to the following: If those individuals convicted of first degree murder are sentenced to life in prison without eligibility for parole for 25 years, that those convicted of second degree murder can be sentenced to life in prison without eligibility for parole for 15 years or more; that section 745 of the Criminal Code of Canada allows murderers to apply for a reduction in the number of years of imprisonment notwithstanding having been tried, convicted and sentenced in a court of law; that those individuals convicted of first degree murder or second degree murder and sentenced to life in prison can become eligible for parole after serving only 15 years by virtue of section 745 of the Criminal Code; that convicted murderers can be released after serving only 15 years in prison; therefore your petitioners request that Parliament pass legislation that would remove section 745 from the Canadian Criminal Code.

• (1015)

I should point out that as a result of this provision in the Criminal Code notorious killers such as Clifford Olson, for example, would become eligible to apply to be released from prison in less than two years.

NATIONAL ENERGY BOARD ACT

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, in presenting this petition the petitioners make reference to the fact that conversion of oil pipelines to natural gas pipelines presents a number of risks to landowners.

They face an environmental liability. They are faced with substantial costs to attend and to participate in National Energy Board hearings. The National Energy Board Act has no provision for the awarding of intervener funding or for the awarding of costs to landowners unlike provincial energy acts.

Therefore the petitioners humbly pray and call upon Parliament to urge the Government of Canada to amend immediately the National Energy Board Act to provide authority to the National Energy Board to award intervener funding and costs to landowners who intervene in proceedings before the board on issues of public interest relevant to the construction and operation of pipelines.

The petition is signed by some 100 constituents of mine and a couple of neighbouring ridings.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

* * *

PRIVILEGE

LANGUAGE USAGE

Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I simply want to comment on the report that was just read into the record from the table and to raise a question of privilege on the use of language in the House, in particular the use of the word chairman in the report.

For some time in the House we have tried to use gender neutral language. My point is simply that the use of male terms in this way diminishes my role in the House and the role of every other woman member of Parliament and therefore diminishes my ability to be taken seriously in the House and to perform my duties as a parliamentarian.

I do not want to make a long statement but I would like to make a few points. The use of male terms gives a status to the male sex and to male members of Parliament that it denies to women members of Parliament. I realize many members of Parliament may consider that these are traditional uses of the terms, and I grant that. They are traditional uses of terms that in fact have led to our understanding that certain jobs in society belong to men and certain jobs in society belong to women. This perception has for many years delayed the entry of more women into positions of decision making in our society.

We can all rationally say we know what we mean by the word chairman. It does not refer to a man. However, it does reinforce the perceptions that become ingrained in our society that the positions of authority and responsibility belong to the male gender. It may be possible for us to rationalize that is not the significance of the use of those terms.

However, we have a society in which it means that little boys and little girls grow up with a certain perception of where each of them belongs in society. As the Parliament of Canada I believe it is not worthy of us to continue that perception.

• (1020)

Therefore I come back to my original point that it undermines my ability to perform on an equal footing in the House. I would ask Your Honour to take this question of privilege under consideration to determine what measures are necessary and to ensure that we take all steps necessary to make sure we are using gender neutral language.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the point is quite valid and interesting, but I do not believe the member in question who tabled the report did anything improper; in fact our Standing Orders are presently worded in that way.

I refer the House to page 2 of the index to our Standing Orders wherein it describes a number of positions, for instance "Order and decorum, Chairman to maintain; See also Chairman of Committees" and so on.

Our Standing Orders are written in that way at the present time. If the House feels that the Standing Orders should be revisited in that regard, I am sure the standing committee on procedure would gladly examine those terms, if such a request were made of the committee, recognizing that the House has already referred a whole group of other matters to the committee. As one member of the committee I would certainly not object to revisiting that particular rule.

Just to conclude, I do not believe the member who made the comment did anything to affect the privilege of others. It is rather the Standing Orders themselves that are written that way, and perhaps it is grounds to revisit the Standing Orders at the appropriate time.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I have problems with the House's trying to control whether or not I ever use chairman as a term of reference in my discussions. I would like the flexibility to use whatever words I feel are appropriate, whether it is chairperson, chairman or chairwoman.

Mrs. Catterall: Mr. Speaker, I have asked that you take this item under consideration. I do not want your consideration to be limited to how reports are presented. I do not want the comments of the member for Glengarry—Prescott—Russell to necessarily limit your consideration of the question of privilege. I think it should go to the content of legislation presented before the House and a number of other things.

Individual members can choose to use whatever language they wish. However, my question of privilege goes to how the House operates generally and the formal instruments of the House.

The Deputy Speaker: The point will be taken under consideration. Before I come back to deliberate and make sense of the matter I will endeavour to advise all three hon. members who have spoken today.

Supply

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—CRIMINAL JUSTICE SYSTEM

Ms. Val Meredith (Surrey—White Rock—South Langley) moved:

> That this House condemn the government for its inaction with regard to the reform of the criminal justice system, in particular its allowance of the rights of criminals to supersede those of the victim.

She said: Mr. Speaker, while it is a privilege to lead off this debate in the House it is regrettable that it has to be to condemn the government for its inaction to introduce legislation to provide for victims' rights.

For years the criminal justice system has been geared toward the rights of the criminal. From the moment the offender is arrested to the moment of the expiration of the sentence, our justice system is built around the criminal. The victim has generally been ignored. If Parliament is intent on protecting society, it will have to recognize and codify victims' rights.

• (1025)

In all fairness there have been some minor steps in this regard. Some attention is now given to victim impact statements, but the courts generally view them as being secondary to the concerns of the criminal.

An example of this was the section 745 hearing Greg Fischer held in January of this year. Sixteen years ago Constable Brian King of the RCMP was kidnapped and murdered near Saskatoon. The motive of the two killers was simply that they wanted to kill a police officer. In January 1979 Fischer was sentenced to life imprisonment with no parole for 25 years.

At the hearing to determine if Fischer could apply for early parole, much was stated about how Fischer had improved himself in prison over the last 15 years. What had happened to the King family over the last 15 years was irrelevant. The King family was not allowed to address the court. It is time to give the victims of crime legal standing at all court and parole hearings.

While there are some other positive developments such as police departments creating victim assistance programs, they are partial measures. Programs such as these usually have to rely on volunteers for staff.

Is it not ironic that criminals receive professional legal advice, professional psychological counselling and education or job training skills all at taxpayers' expense, while the victims of crime have to rely on community volunteers or volunteer support groups for help in dealing with the trauma resulting from criminals' behaviour?

Criminal activity costs everyone, whether or not they are direct victims of crime. It may be easy to see the injuries of an assault victim, but we tend to forget that the Canadian taxpayer is paying for the medical treatment of that victim. Likewise the loss of the burglary victim or a car theft victim is fairly evident, but everyone ends up paying more through higher insurance premiums.

Each year motorists complain about their ever increasing insurance premiums. Over the past five years premiums have increased well beyond the rate of inflation. Much of the increase is due to criminal activity. Vandalism, car theft and insurance fraud account for a significant portion of every driver's insurance premium. Not only do Canada's drivers have to subsidize criminal activity but we as consumers are forced to pay the price as well.

Retailers across the country lose millions of dollars each year to shoplifter and employee theft. These losses are passed on to consumers in the form of higher prices. Not only are Canadian business people faced with these problems but some are being driven out of business by crime itself. Small independent convenience store operators and gas stations located in high crime areas are finding it impossible to get companies to insure them and, if they can, the premiums are unrealistic. It is a shame that some profitable businesses are being forced out of business by crime.

What is the solution to this problem? Let us start by making the criminal pay. Restitution to the victim or the insurance company should be automatic with a guilty verdict.

The cost of crime to society does not end with the direct costs of the victim. The cost of the entire criminal system itself is immense. The costs of policing, the courts, corrections and parole are spread over all three levels of government. When they are combined they are staggering. In this age of fiscal restraint many governments have created user pay systems. It is time to do the same with the criminal justice system: make the criminals pay.

If the government is serious about strengthening the laws to better protect society, it has to accept two basic concepts: first, that the protection of society has a higher priority than the rights of the criminal and, second, that the rights of a victim come before the rights of a criminal.

• (1030)

This philosophy has to be the guiding principle behind the drafting of any new criminal legislation or the amending of current legislation. Without this recognition any effort to combat crime and violence will fail. The problems we have with crime today are not due to a lack of legislation. The problems stem from a principle that places the rights of the criminal above all else.

The Charter of Rights and Freedoms has dramatically tilted the scales of justice in favour of the offender. The legal profession has created an industry from charter arguments in criminal cases. While this industry may be profitable for the legal profession, it has done nothing to protect the rights and security of society. Criminals are now routinely acquitted because of technicalities raised in charter arguments. How does this protect the average citizen?

In effect the charter has given the criminals more latitude. Recent court decisions have outlawed non–threatening police procedures such as one party consent recordings and the placing of an undercover police officer in a jail cell with an offender. These decisions and numerous similar ones have made it tougher for the police and easier for the criminals. They have given constitutional protection to the rights of the criminals that have done little if anything to protect society as a whole.

The charter of rights also guarantees Canadians the right to life, liberty and security of the person. Yet each and every day Canadians are deprived of these rights by the criminal element in our society.

Ordinary Canadians deserve to have their rights protected more than the criminals do. Those Canadians victimized by a crime deserve to have their rights considered as well. It may take a constitutional amendment at some point but we have to make it clear that when the rights of victims are in direct conflict with the rights of criminals, the rights of victims must prevail.

I believe that the majority of Canadians can accept the premise that criminals should lose some of their rights on conviction. Poll after poll shows that Canadians feel less secure in their own communities now than ever before. We must change this perception. We have to make it abundantly clear to Canadians that their protection is the main priority of our criminal justice system.

It is easy to criticize, it is more difficult to provide a construction alternative. As always my party is prepared to present such an alternative. The first thing we have to do is pass legislation that gives the victims of crime legal standing in court proceedings and parole hearings.

These changes do not infringe on the rights of the criminal but rather provide the court with a clear picture of the result of criminal activity. I would like to think that in many cases, especially those involving young offenders, it would be beneficial for them to hear what the results of their actions are. Even in the case of a simple break and enter, the offender should have to listen to the sense of violation the victim feels. If criminals still have a conscience maybe they can accept the fact that their activity has hurt another person and that it is not just a matter of insurance companies replacing stolen property.

In more serious crimes, it is important for judges and juries to hear the extent of pain and suffering that is being brought on the victim and the victim's family.

While some may argue that this is already in place, my response is that while the victim impact statements are no longer rare, they are still at the discretion of the court. We need to pass legislation that gives the victim legal standing in the process.

Likewise, the same legal standing needs to be provided to the victims in parole hearings. Presently the victim can attend these hearings but their participation, if any, is at the discretion of parole board members. While the parole board members should hear how the criminal has done since his incarceration, they should also hear about the effect that crime had on the victim.

• (1035)

The second major initiative of the House should be to pass legislation that makes the criminal financially accountable for his crime. Once an individual is convicted, there should automatically be a restitution order against the criminal. The criminal should have to make restitution to the greatest extent possible.

Obviously there will be cases in which the accused has no hope of ever repaying the entire debt. However if they were required to pay a certain percentage of their income in restitution, there would be that constant reminder of their criminal activity.

Even if criminals are sentenced to a correctional facility and their institutional income is minimal, they should still be required to relinquish a portion of that amount taken in a token bid of restitution. No matter how small the amount is, they should have that reminder of accountability.

At the other end of the scale there are individuals who have been involved in very profitable criminal activity. The illicit drug trade and some commercial crimes are prime examples. Restitution for their crime should go beyond the immediate offence of which they are convicted. While there is legislation in place to deal with the profits of crime, it has not been enjoying the success that it should.

Convicted drug dealers and other well to do criminals should have all their assets seized that are derived from the drug trade or other criminal enterprise. While it would be almost impossible to compensate all the victims of a major drug dealer there should be a formula devised to allocate funds among law enforcement agencies, correctional facilities and a general victim compensation fund.

A few large seizures would go a long way in subsidizing the losses of victims who would have little chance to otherwise receive restitution.

Mandatory financial restitution will in the long term serve two important functions. First it will provide the victims with some financial compensation. If the victim can be made to feel less victimized by this action then that in itself makes the action worthwhile.

Second, restitution may bring a greater sense of accountability to the offender. If criminals are compelled to give up some of their income to compensate their victims maybe they will finally get the message that crime does not pay.

These two initiatives are a beginning that is long overdue. We can no longer ignore the fact that the criminal justice system must officially recognize the victims of crime. It will be a significant step in showing Canadians that Parliament is prepared to make definitive changes to the system.

It is difficult for any of us to ignore a petition that carries two and a half million signatures. The public is demanding change and it is demanding protection. Anyone who ignores this cry does so at his or her own peril.

While I have a lot of respect and admiration for CAVEAT and other victims' rights groups it is a shame that these groups have to be created. The most inspiring leaders of these organizations have invariably been parents who have lost their children to violent crime. It is tragic that so many parents are in this position. I would like to think we could take some action so that their numbers do not expand in the years to come.

In my response to the speech from the throne I mentioned that I had already spoken to parents of two murder victims. I now have spoken to the parents of three murder victims. It does not get any easier. As a parent I can imagine how difficult it would be to lose a child. The pain these parents feel is even greater knowing they have lost a child as a murder victim.

We need to take whatever steps we can to ensure that fewer parents experience this pain. My caucus colleagues are dedicated to bringing justice reforms to fruition. I have also been encouraged by some of the comments and private members' bills from the government side of the House.

I hope that members of all parties can get together to pass legislation to provide society with the protection it deserves. I do not imagine that many of us think it is necessary to cater to the criminal lobby. While I would like to think that the protection of society is a goal that all parties would strive for, I have yet to see any such commitment from the government.

• (1040)

We have received vague promises of new legislation to deal with violence against women and children, yet violence against women, children and men for that matter is already illegal. What we do need is a change in philosophy. It can start with the recognition of victims' rights. If the government fails to recog-

nize these rights it is telling society that victims should remain unseen and unheard.

Nothing would give me greater pleasure than to stand in the House and congratulate the government for bringing in legislation that recognizes the rights of victims and takes precedence over the rights of criminals.

I see no indication that the government is prepared to take such a step. That is why I stand in the House today to condemn the government for its inaction with regard to the reform of the criminal justice system, in particular for its allowance of the rights of criminals to supersede those of the victims.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, I listened with great interest to the member's speech; she raised several points which, as I see it, relate to provisions that exist already. However, the law is enforced by men and women who use their own intellectual capabilities, limits and ways of tackling and understanding problems so that there is no consistency in the way it is done. As several of the member's suggestions are already in place, maybe we should do more education and ask judges to enforce legislation in a more consistent manner; I will come back to that when I have the floor later on.

The question I would like to ask the member concerns what could be done about the points she raised and particularly about the compensation she proposed be given to victims.

If we examine the case of persons sentenced to prison or what have you, in most instances these people live on welfare or have hidden whatever they own and have nothing to their name.

In such cases, should we restore prison sentences for civil debts? If so, would the member not agree that this would be like going the clock back two centuries? If not, who will compensate victims as she proposed before?

[*English*]

Ms. Meredith: Mr. Speaker, we recognize that our prisons have some of the wrong people in them, people who are imprisoned because of their financial situation, because they cannot afford a good lawyer, because they have done petty crime due to their financial situation. We have to recognize that there is a better way of dealing with those people rather than throwing them into a prison system.

As a parent I know that when my children damage something, I expect them to use part of their allowance, not necessarily all of it, to reinforce that what they have done is not acceptable.

If the people who are getting minimum payment in prison for jobs have to give a small portion of that amount to the victim or into a fund that would go toward victims' restitution, they would be constantly reminded that what they did was not acceptable. It does not have to be a large amount but it is a constant reminder that there are things in society that are acceptable and things that are not.

I think the message is more likely to get through to the individuals so they do not offend again if we treat them in that manner.

• (1045)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am grateful for the opportunity the hon. member's motion presents for us to discuss in the House today the important question of Canada's criminal justice system and the various issues that arise with respect to the competing values we seek to serve in the criminal courts.

Let me acknowledge at the outset that this government and this minister recognize we have no monopoly on wisdom or insight. We welcome constructive suggestions from any quarter of this House. We will pay close attention today to those suggestions and proposals that come from members of all parties as we address this issue.

Let me also make clear at the outset that I fundamentally reject two aspects of the motion the hon. member has put before the House. First there is her suggestion of inaction on the part of the government and I shall come in a few moments to the concrete and specific proposals we intend to implement. Second is her suggestion that our system has allowed the rights of the criminal to supersede the rights of the victim.

It is suggested by the hon. member there might be some prospect of catering to the criminal lobby. Her submission today is suffused with the notion that criminals are running rampant in our criminal justice system and that victims' rights are being subjugated.

What goes on in this country's criminal courts day by day, hour by hour is the prosecution of crime in accordance with the fundamental values of Canadian society. We reject torture as a manner of extracting confessions. We reject fraud as a way of putting proof before the court.

We hold in this country that in the enforcement of our laws as with everything else government does there are standards of decency, of integrity and of fairness which must prevail. In every court case, in every courthouse in this country day by day and prosecution by prosecution the issue is whether the state can prove against an accused person criminal wrongdoing in accordance with those standards of integrity and fairness.

Since the enactment of our Charter of Rights and Freedoms that process has become all the more exacting. It also reflects what the Canadian people expect of their system: that people will not be unfairly accused; that only evidence which is fairly obtained will be tendered to establish their guilt; that the appropriate test of reasonable doubt will be used in establishing whether the person is to be convicted; and that proper principles will be put into play in determining the appropriate sentence.

If one stands back and looks at that system, if one looks at this case or that, it is altogether possible and indeed relatively easy to find instances that can be used to support an argument that in a given case a certain victim was not given appropriate consideration or there is a disproportion between the sentence that was imposed and the gravity of the offence.

We must not mistake in this House a commitment to fundamental fairness and integrity in the justice system for catering to the criminal lobby. It is an unfair and inaccurate way to characterize the exercise. I reject it at the outset.

May I also express a word of caution about basing criticisms of the entire criminal justice system on reactions to our natural horror at certain specific crimes. We must not forget that 90 per cent of all reported crime in this country is non–violent and the vast majority of that is property crime. That is not to say that property crime is not serious, but I wish to put the issues here into a perspective that the facts afford.

In 1991 the homicide rate in this country was 2.82 per 100,000 of population; in the United States of America it is four times higher. The proportion of violent crime involving firearms has been decreasing over the last 10 years. In 1975 firearms were used in 42 per cent of all robberies. In 1991 it was only 27 per cent, a reflection in my respectful view of the effectiveness of gun control legislation in this country.

In 1991 there were 59,000 drug offences in this country, a 21 per cent decrease from 1981.

• (1050)

In the 10 years between 1982 and 1992 the Criminal Code crime rate increased an average of 1.5 per cent per year. Compared with every other civilized country that is a modest increase in all the social circumstances and with all the social change we have experienced in this country.

Any crime is too much crime, but I ask the hon. member and all members of the House to keep this discussion in the context of the facts of the Canadian experience.

Let me turn to the steps that have been taken and are being taken by this government to address the needed improvements in the criminal justice system. The criminal justice system is not good enough. There is room for improvement. We intend to take steps in good faith to improve it.

Before doing that let me touch upon the rising prominence in recent years of the role of the victim in the justice system and the sensitivity which the system shows to victims as it goes about its difficult business.

In 1988 a statement of basic principles of justice for victims of crime was endorsed by the federal government and the provincial and territorial governments. This document serves as a guide for all of those governments in dealing with victims of crime.

Many provinces along with the federal government have enacted legislation to reflect those principles. The Criminal Code has a number of provisions now relating to victims' rights. There are sections dealing with the identification and prompt return of stolen property; protection of the identity of witnesses or victims in certain offences including sexual offences and extortion; the imposition of a victim fine surcharge at sentencing, which was expected to raise $11 million last year; the use of victim impact statements at the time of sentencing. These and other measures have ensured that the focus is indeed on the victim.

May I observe that when the crown attorney walks into the courtroom to present the evidence against the accused person, while the crown attorney represents the interest of the state, implicit in the presentation of the evidence and the prosecution is the interest of the victim as well.

What is it that this government will do in an effort to improve the criminal justice system in Canada? We recognize that the criminal justice system alone will not succeed in dealing with crime and its consequences in Canada. We recognize that we need both an effective criminal justice system and a broad holistic and integrated approach by all departments of government for crime prevention objectives.

I speak here not of vague promises, as the hon. member has suggested. I speak of concrete proposals for action. Let me come to them now. One aspect has to do with ensuring that the laws on the books are effective and can be enforced effectively.

Turning to the Young Offenders Act, I have already made clear that we intend to take two steps. The first step is to introduce in the short term a bill that will propose specific changes in the Young Offenders Act to make what we regard as improvements, including longer maximum sentences for serious crimes of violence and more sharing of information about offenders with community groups, school boards and others where community safety requires.

After my meeting next week with my provincial and territorial colleagues and ministers of justice I will bring forward a specific bill reflecting the approach of this government for needed changes in the act in the short term.

The second step is I will ask the House to turn the statute in its entirety over to a committee of Parliament so that a thorough review can be made of the Young Offenders Act in this, the 10th year of its life.

That committee can hear the views of Canadians. It can listen to victims' groups, police officers, offenders, criminologists, sociologists and others who will speak of their experience over the last decade with the act. In my belief they will demonstrate that the act substantially has been a success and that in principle it is the right approach. I am certain improvements are needed but I am equally certain this process will result in a confirmation of the enlightened approach which the Young Offenders Act contemplates.

This government will also undertake to introduce changes in the Criminal Code with respect to sentencing. This will be done to restate the broad and comprehensive purposes of sentencing, to put the focus on intermediate sanctions, to stress restitution and non–custodial sentences and to deal as well with the issue of dangerous offenders.

• (1055)

We will deal with part 24 of the Criminal Code to ensure we are dealing as effectively as we can with those persons who are provided for in that part. We will deal with high risk offenders, those persons who may come to the end of their term of incarceration but who may not be safe to release back into society.

Another specific proposal this government will put before the House will deal with pimps and the serious problem in many Canadian cities of heartless individuals who exploit the bodies of children for commercial gain.

We will address the issue of violence against women. The fact is that domestic violence in this country and particularly violence against women is a national scourge. Statistics released just this morning confirm its seriousness and its extent. We will take steps in this House through legislation to deal with that matter, including more stringent provisions with respect to peace bonds which are often used in such cases, steps to remove the abuser from the home, and funds for shelters for spouses who are victims of abuse.

We shall deal as well with gun control to make it more effective, including measures to counter illegal importation.

Let me turn briefly to the second part of the government's approach to the criminal justice system. That is to recognize that the justice ministry alone cannot resolve the problem of crime and its consequences in Canadian society.

The Prime Minister has asked me to co–ordinate the efforts of nine ministries of the federal government to deal with the issue of violence in Canadian society generally. I have met with my eight colleagues to begin that work. I met with the Secretary of State for the Status of Women, the Minister of Health, the Minister of Indian and Northern Development, the Minister of Canadian Heritage. Each of us in our own way has a part of governmental jurisdiction or responsibility that deals with violence in Canadian society.

Surely this comprehensive and integrated approach is exactly what the all party Horner committee recommended when it called upon government to develop a holistic strategy for dealing with crime.

The strategy should recognize the causes of crime. It should recognize the role of poverty, of racial intolerance and the role of family breakdown and of domestic violence itself. There is also the role of the parent who no longer accepts responsibility in providing standards for children. It must also recognize that sometimes whether a child has a hot meal has as much to do with crime prevention as putting a police officer on the beat.

It must also recognize that the work being done by my colleague, the Minister of Human Resources Development, in modernizing and making more effective the social programs of this country has just as much to do with crime prevention as the criminal justice system.

I travelled across this country and discussed this matter with chiefs of police, school board trustees, civic officials, worried parents and troubled teenagers, victims groups. I discussed it with parents of murdered children, community groups and the John Howard and Elizabeth Fry societies.

I have come to the conclusion that there is in Canada an enormous energy of enthusiasm at the local and community level toward crime prevention and addressing the underlying causes of the kind of behaviour we are talking about in this House today.

As I spoke to those individuals in Moncton and Fredericton, here in Ottawa, in my own riding of Etobicoke, in Edmonton and Vancouver, I found that among the police departments and community groups and the parents there is an energy waiting to be tapped. Local initiatives are now being taken, many of which are very successful.

In Edmonton, for example, the strategy for community policing and making Edmonton a safer city has over the last 18 months resulted in a 26 per cent reduction in the crime rate, an extraordinary result. Imagine the savings in terms of government dollars let alone human suffering with a drop of 26 per cent in the crime rate. If we could replicate that experience nationally, there would be no need for a debate such as we have in this House today.

That must be our goal. This government is committed to creating a national crime prevention strategy. We will establish a national crime prevention council. Through that process we will bring together, we will harness and focus the energy and the commitment of which I spoke which is evident in so many communities across Canada.

We will recognize formally and effectively that if we are to do something about crime instead of simply talking about it, the answer lies not in simply putting more police on the streets and more guns in their hands nor in harsher sentences and more prisons. If that was the answer the United States of America would today be nirvana. That is not the answer.

• (1100)

Certainly we must deal effectively through criminal law with criminal conduct. That is why we are going to have the changes to which I referred earlier in the code and in statutes. Equally and at the same time we must mobilize an offensive toward crime prevention in this country that will truly produce results.

The National Crime Prevention Council will bring together those groups, those individuals, those interests, victims groups included, from across this country to a central place which will serve as a focus of leadership in this effort, a repository of information, an inventory of what is being done in various places across Canada, a source of advice for neighbourhoods, communities and cities that want to take action, and also a mechanism for innovative and constructive thinking as to what we can do in Canada to bring down the crime rate and address the causes of crime.

Today in my response to this motion I reject absolutely the premises upon which it is based. First of all, this government does not propose inaction—quite the contrary. We will in the months to come be putting specific proposals before this House in respect of legislative change and we will be actively pursuing the objectives of which I spoke across the country for crime prevention.

I reject as well the contention that criminals' rights supersede those of the victims. The system as it is at present is sensitive to victims' rights. That is shown in a variety of ways.

There is room for improvement and, as I said at the outset, we are happy to have the constructive suggestions of members in all parts of this House. I look forward to the debate which this motion has begun today. I shall listen with interest to the points made by members of the House and I assure the House that this government is going to move quickly to implement the agenda of which I spoke.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, I thank the minister for his statement. It is certainly one in which many Canadians are interested. They definitely want to see things change in this whole area.

Will the minister clarify a point in reference to the support mechanisms for victims when comparing what is in place already for the offenders.

An individual will commit a crime and immediately he has various people coming to his aid. In fact, he need not even ask. First, he has legal aid and he is represented at the expense of the taxpayer by a lawyer. He has counselling at his disposal. He is placed in a system of incarceration that looks after his every need, health needs included. He has rehabilitation programs offered to him which he has no requirement really to follow through on. There is in effect little or no punishment other than the fact that he is removed from society and cannot move about with any degree of freedom, until he is placed on parole.

Before the end of his sentence of course he is eligible for parole. The Parole Board gives every consideration to him and little consideration of the effect of his presence in society after that decision is made. Again, I am referring to the view that many people in society have of the parole department.

As of late, several Supreme Court rulings have further jeopardized society, creating more victims, due to the fact that they have ruled on cases that have actually inhibited investigators from effectively doing their jobs.

My question to the minister is where are the forces, the established agencies, you might say, rushing to the aid of victims when in fact everything is moving in the opposite direction?

Mr. Rock: Simply put, Mr. Speaker, there are not enough. We have to do better to deal with the victim, to provide that person with a sensitive and effective way of overcoming the trauma of crime and its consequences.

• (1105)

At the same time the point that my friend makes is surely rhetorical. With regard to the characterization of the cushy experience for the offender, the free legal aid, the counselling and the rehabilitation, there is a fairer way to characterize that. In my response to the member please let me try.

First, aid is nothing more than a recognition by society that those who are charged with an offence which might result in their incarceration are entitled if they cannot afford it themselves to make full answer and defence to the charge against them. I would not take my friend, the hon. member, as suggesting that we deny that. I hope not.

It is fundamental in our society that if the powers of the state, the mechanisms of the police with all their investigative powers, the prosecuting authorities with all their resources and the power and majesty of the court itself are being brought to bear against an individual who might be put away as a result of the charge, and it is part of the values of this society that we are going to furnish that person with legal representation to answer the charge in that circumstance through legal aid if they cannot afford it.

Second, my friend referred to counselling and rehabilitation. In the criminal justice system we try to achieve a number of things at the same time. Yes, we try for retribution when we can. We try always for fairness in our process and justice in the outcome but we also try for rehabilitation because it has been recognized throughout that unless we take the offenders and make an effort to turn them around through counselling if

necessary, through rehabilitation if necessary, it is more than likely that they will be back again.

If we can reduce that prospect and the financial and human cost that it involves through an investment in rehabilitation then that is the wiser course. I do not take my hon. friend, the hon. member, as suggesting that we abandon that as one of our responses to crime.

In terms of prisons themselves they must be humane. Obviously we are revoking the person's liberty. The last time I visited it did not seem to be a terribly comfortable environment. Often it is terribly uncomfortable. Prisons reflect the values that we have as a country. We incarcerate. Our purpose is not to torture.

In terms of parole, the system expressly falls upon the parole authorities to take into account all circumstances, including the victim and the offence itself. I can assure the hon. member that is exactly what happens in parole hearings from day to day.

Are we doing enough for victims of crime? We are not. We must make every effort to be responsive to their needs and to ensure that their perspective is brought to bear throughout the system. At the same time I suggest that there is a balancing as in everything else in life. At present matters are roughly in balance.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, I want to thank the minister for sharing with us once again his views on the present legal and judicial system. I can even say that I share the views he espoused in his "philosophical" speech because it touched on broad principles.

However, it remains to be seen whether I will still agree with him after he has put forward the amendments he has in mind. In light of the speech that I just heard, I would ask the minister to proceed with caution, as he seems to want to get involved with local problems that fall under provincial jurisdiction. The minister should take care not to always present bills with a national flavour, as he seems to want to do, because some of Quebec's laws could contradict what he is proposing. Quebec is feeling pressed on certain issues that were raised by the minister.

My question is very concrete. The problem with the motion presented by the Reform Party is primarily one of public perception. In the red book, the government referred to the fact that public perception was very negative, particularly in terms of how battered women and children are treated by the justice system.

• (1110)

In its red book, the government made an undertaking to provide or increase funding for agencies that assist battered women and their children. In my view, this would, be one way of showing the public that the system does in fact consider the rights of victims and not merely those of criminals.

Can the minister tell us what additional funding was allocated to these agencies in the last budget and how these agencies plan to use the funds?

[*English*]

Mr. Rock: Mr. Speaker, if there are specific programs or steps in place in the province of Quebec that touch upon the issues I have covered in my speech, I would be happy if the hon. member would let me have the particulars. I am not sure what programs in particular he is referring to, but I would be happy to give my assurance to work in collaboration with local authorities as we will across the country.

I recognize that crime prevention in particular will only work if it is driven at the local and community levels. It is for that reason that the municipalities and community groups are going to have a role of prominence in crime prevention.

The federal role must surely be one of leadership and co–ordination. This is the approach we are going to take, enabling communities across the country to work together.

The hon. member asked about funding for shelters and transition houses for spouses who are abused. Even in this fiscally challenging time this government is going to stand by the commitment it made in the campaign to provide that additional funding.

I do not have dollar amounts which I can give the hon. member today. I can say how it will be spent will be determined in consultation with the provinces and the local authorities and community groups which may know best how most value can be received for the money.

I do not have the dollar amounts at this point but I can tell the hon. member the commitment remains and as to where the money will go we will determine that in consultation with the groups we intend to benefit.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, I will try to make my statement very quickly.

Nobody on this side of the House including myself disagrees for a moment that prevention has to have a high priority in our system of dealing with people, particularly when it comes to crime.

I want to get down to the grass roots, down to the level of things. How is this government finally going to answer? I say finally because I have been involved in this since the early 1970s and even before when I was mayor of a town and crime was a serious problem.

I am thinking particularly of violent crime. When is the government going to come forward with something for the seniors I talked to on a radio talk show in Calgary, which is certainly not a renowned city of crime in comparison with others, who say they are scared to death. One lady said she lives alone with her cat and she is scared to death every night that somebody is going to tear her door down, bash her head in and steal all her belongings. They live in fear.

In rural communities you see bars on the stores and on private homes. Law–abiding citizens lock themselves in to try to protect themselves from what is on the street on the loose.

During the lifetime of this 35th Parliament, we are going to have 80 parole hearings. My research shows 80.

If we have a record like we have had in the past I fear for a lot of people. Our research has already provided approximately 40 names of people who have been released on parole who have killed a high number of people. One of those persons who got out of jail said before he killed four other people: "The only thing crazier than me is a system that allows me to get on the street and do what I did".

We hear this from the criminals themselves. We hear it from the victims. When is the government going to quit the rhetoric and get down to the grassroots, talk to the people who are suffering and listen to what the victims of violence are saying and do something about their causes and concerns?

• (1115)

The Deputy Speaker: Time is almost up. Please be brief in your reply.

Mr. Rock: I will be brief, Mr. Speaker. The hon. member says that he has been involved in this for 20 years. I respect his experience, but I predict that we are going to be involved in this for a lot longer than 20 years to come. It is part of the human condition.

We are going to do our level best to balance the interest we have been talking about. So far as fear is concerned, I am aware of the fear to which the hon. member refers. One thing we must be careful not to do is feed into or amplify those fears if they are disproportionate to the reality.

The unkindest thing we can do to the senior citizens to whom the hon. member referred is to play on those fears, to make them worse by suggesting that the problem is worse than it really is, that the challenge is greater than it really is.

Of course we have a challenge in front of us, but let us keep it in perspective. As I said earlier concerning high risk offenders in the parole system, we recognize that changes have to be made. We have to take the person at the end of the sentence and examine them to determine whether they are fit to be returned to society. If they are not, we have to find a way of working with the health system to keep them confined for our own protection.

Next week when I meet with my colleagues in the provinces I will be talking about that, among other things. We cannot do it alone. We will do it in concert with them. I am very aware of the problem and we will address it.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, the motion put forward by the Reform Party is not a simple one. If we are not careful, it could foster an ideology which is not in agreement with who we are as Canadians and Quebecers. What this motion calls for is not approval or disapproval, but a thorough review of the current system.

In my legal practice, I sometimes heard people say, in a fit of anger over a gross injustice in a court of law or an irrational judgement on the part of a judge, that the legal and judicial system protects criminals better than victims.

Let us not jump too quickly to that conclusion. Many extraneous factors, factors outside the legal system, can influence a sentence, a release, the judgement of a lenient judge and even—and we hear of it happening more and more on the news—of a dissident judge or one advocating reform.

We must, however, look at the means at the disposal of the judicial branch to enforce the legislation that we legislators pass in this House. For example—and I shall be brief since I have only 20 minutes—how can a judge send a first–time offender to jail, knowing that our penitentiaries are overcrowded? If the judge finds in favour of the Crown and the victim, the offender will indeed be sentenced to imprisonment. But he will soon be discharged, conditionally. It happens all the time.

When faced with this kind of judgement or finding, people dealing with the judicial system are always left to wonder. But the judge has no other choice.

For years now, there has been a general consensus that violence can take many forms. This is not to say that our society is necessarily more violent than others on the whole, but rather that we are better at recognizing violence and its various manifestations and at doing so more quickly. There has always been violence. It is just that we talk about it more today. Victims are less intimidated by the system and come forward more freely, but violence in itself is nothing new.

The question we have to ask ourselves is this: Do the rights of criminals supersede those of the victim in the present legal framework? If so, what can the government do to correct the situation?

I think that this issue involves competiting rights between victims and criminals and the two members who spoke earlier really put their finger on it. Both Quebec and Canada have passed legislation that brings out this duality.

However, discrepancies between the rights of the parties to a criminal case have existed for a very long time, since the Quebec Act of 1774 clearly addressed these concerns by introducing British criminal law to Canada. Section XI of this act reads in part as follows: "And whereas the Certainty and Lenity of the Criminal Law of England, and the Benefits and Advantages resulting from the Use of it, have been sensibly felt by the Inhabitants, from an Experience of more than nine Years [—]shall continue to be [—]observed as Law in the Province of Quebec, as well in the Description and Quality of the Offence as in the Method of Prosecution and Trial; and the Punishments and Forfeitures thereby inflicted—"

• (1120)

We must not forget that they had capital punishment back then and that the victim's only consolation was the condemned person's last breath.

That said, we must define the issue raised and, in order to resolve it as clearly as possible, we must first determine if this finding is justified and true, or quite simply false in legal and social terms.

What in our current system could help us weigh the pros and cons without being swayed by feelings and sensational cases that quickly stir up the emotions?

Daily newspapers emphasize the system's failures rather than its successes. The press usually focuses on the negative and that is what readers remember.

It must be said that, in recent decades, our society and therefore our legislation have quietly put a particular emphasis—I am not saying that everything is just rosy and that there is nothing left for us to do—on the victims of crime, at the urging of federal and provincial lawmakers.

The laws of Quebec and several other provinces that deal with the victims of crime are a striking example.

We must also be honest and mention that the Criminal Code contains provisions aimed at helping crime victims. There are for instance the provisions on the identification of criminals and the restitution of stolen goods. An hon. member said earlier that there should be such provisions, but I think they already are in the Criminal Code. We would only have to enforce them. We should urge the courts to enforce the current legislation designed to protect witnesses who testify and to award exemplary damages or impose fine surcharges—this principle still exists today. Do the courts apply the law in all cases? That remains to be seen.

Legislators are not here to make laws for the sake of it because they could make a lot that would never be enforced. I think there is a principle that legislators do not act frivolously. If they make changes, it is to make things better and not to leave everything up to a court that would not enforce them anyway.

Is this not enough for victims? Perhaps, but we should not endanger the whole legal system by trying to correct an age–old duality.

Another argument in favour of balancing rights between the victim and the criminal is the release on bail of the accused. It may be where we see an increasing number of reports in the press, which has a field day whenever a judge makes a wrong assessment. Again, society gets a negative impression of the legal system.

Under the Criminal Code's general rules, the police officer responsible for the temporary detention of a person charged with an offence punishable by imprisonment for a maximum of five years must release this person, unless he has reason to believe that it is necessary in the public interest or to ensure that the accused will show up for the trial.

Of course, the decision to release the accused is left to a justice of the peace. As the legal evaluation criteria are very complex, I will not go into them in this debate. One thing is for certain: a presumably impartial judge—and I think it is true in major cases—looks at the facts before deciding to release the accused.

In some cases, in particular in murder and hard–drug trafficking cases, it is up to the accused to prove that he should not be detained while waiting for his trial. In both cases, there is a major reversal of the burden of proof that somehow helps make the victim more secure.

The current code also requires the judge to issue a firearms prohibition order for anyone released on bail who is charged with an offence involving actual, threatened or attempted violence. In many cases, the judge will also ask for a commitment not to disturb the peace.

• (1125)

Of course, the judge can ask any accused person to make certain commitments and you will say that in many cases they are not respected. What little experience I have, although I am not a criminal lawyer, shows me that in most cases, people who are released under certain conditions respect them. We do not see them in the newspapers, because what is interesting about knowing that someone obeys the law; it is much more interesting to know who does not obey it.

You will tell me that is all very well on paper, but that in reality there are injustices and victims who are afraid, victims who are victims of the system. I must reply that unfortunately it is so. A perfect system where everyone would seem to win in a balanced legal system does not exist. The big problem in this question of justice between the victim and the criminal is, I think, one of society's perception.

Yes, the verbal excesses of some judges have damaged the esteem in which the present legal system is held. Fortunately, these verbal excesses are condemned by scathing criticism from society and by the peers of those who commit these excesses. Legal cases which make it to the front pages of the newspapers are not necessarily typical of everyday reality. These articles contribute to the mistaken opinion people have of justice.

I think that the observation we are considering does indeed reflect society's perception, but it should be qualified from the legal point of view. To show why I am saying this, we must refer to the Canadian Charter of Rights and Freedoms. I wish to remind this House that this charter is the same one that Quebec did not have the privilege to endorse when the Constitution was unilaterally repatriated in 1982, as the present Prime Minister surely recalls. So I am in a special position to criticize it.

Let us look for a moment at some provisions of the Canadian Charter of Rights and Freedoms regarding the rights and legal guarantees of individuals and of criminals. We are told that the Charter is the highest law in trials and in the legal system, so let us look at what this charter provides both for criminals and for victims.

Section 7 says: "Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice." Section 8 gives "everyone the right to be secure against unreasonable search or seizure." Section 9 says: "Everyone has the right not to be arbitrarily detained or imprisoned." Section 10 says: "Everyone has the right on arrest or detention (*a*) to be informed promptly of the reasons therefor; (*b*) to retain and instruct counsel without delay —and (*c*) to have the validity of the detention determined by way of *habeas corpus*."

In any case, I thought on reading these sections that everyone, criminal or victim, is indeed protected by law. Nevertheless, the legislators felt the need to insert additional sections on the rights of an accused person. That is the whole series of section 11 of this charter, where it says that "any person charged with an offence has the right to be informed without unreasonable delay of the specific offence" —I thought this redundant, given the previous sections—to be tried within a reasonable time, not to be compelled to testify against himself, to be presumed innocent until proven guilty, not to be denied bail without just cause, to the benefit of trial by jury, except in the case of an offence under military law tried before a military tribunal, not to be found guilty on account of any act or omission, if finally acquitted of the offence, not to be tried for it again, etc., etc.

Section 11 adds several factors to what was already there for the accused.

• (1130)

I wanted to read this, even though the members of this House are well acquainted with the Canadian Charter of Rights and Freedoms, to highlight the existing imbalance, in my view, in a law which supposedly supersedes all others, between the rights of the accused, the criminal, and the rights of the victim.

The Charter of Rights of which the Prime Minister is so proud clearly brings into focus our negative perception of the justice system. There is absolutely nothing in the Charter to protect the victim, to ensure that he or she benefits from the support of the state throughout the lengthy criminal justice process. And this process is very lengthy indeed. More money needs to be invested in this process. It is not legislation that is lacking. We need to allocate more funding to the administration of justice. It is not by enacting laws that we will strike a better balance between the rights of victims and of criminals.

However, I think it should have been stated clearly in the Charter that victims' rights always take precedence over the rights of the accused, of criminals. Since no mention is made of the need for this kind of balance, those who come before the courts only hear about how the Canadian Charter of Rights and Freedoms protects the accused, about how it is invoked to obtain the release of an accused person or to quash a ruling by a lower court which convicted a person, or how, as a result, the accused is released following a review on appeal.

Quite often, at the appeal stage, the issue is not whether a crime was committed, but whether all of the provisions of the Charter were upheld. The victim ends up being the one who, quite often, suffers extreme prejudice. Using the Charter of Rights and Freedoms as an example, we can easily demonstrate the apparent imbalance between the rights of the victim and those of the criminal.

However, the public's generally negative perception of the system goes much deeper than its appreciation of a particular piece of legislation. That is why I believe in the justice system given to us by our ancestors. We must not call everything into question for the sake of achieving a punitive, excessive objective. We have to be rational and pursue efforts to modernize the system, while looking to education. A more highly educated society which understands its rights is a society that has a greater appreciation of its justice system.

Since we know what the priorities of the Minister of Justice are in this 35th Parliament, and we heard them again in the House this morning, we will have an opportunity to get some messages across to him. We should seize this occasion to give greater importance to victims and, in the process, improve the perception that those who come before the courts have of our justice system.

In conclusion, it would not necessarily be viable for Quebec and Canada to seek to improve the lot of victims solely at the expense of criminals. We should be focusing our energies on education, prevention and rehabilitation instead of on handing down heavier sentences to criminals. Does Canada want to become a totalitarian country insofar as the treatment of its criminals is concerned?

The members on this side of the House would like to establish a sovereign country, one in which a fair balance will be struck between the rights of victims and the rights of criminals. In my opinion, this balance will not be achieved by pitting the rights of one party against those of another.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Mr. Speaker, I listened with great interest to the hon. member's speech, I appreciated his carefully prepared arguments, and I think he gave a very clear analysis of the situation.

Certainly, individuals who commit violent crimes against women make us hate both the nature of the crime and the person who commits the crime. We must realize, however, that the proportion of such crimes is much smaller than you would think when you read the newspaper headlines and listen to the news, because we never talk about what is good and normal in society. When crimes are committed, they make the headlines and cause high levels of fear and anxiety, because these are very serious matters.

Since my colleague, the Minister of Justice, has shown that he has an open mind on the matter and would appreciate the participation and collaboration of all members of the House to find out what they think and let them help us all make any necessary improvements, could the hon. member tell us what he sees as the most important initial step towards dealing with the situation?

• (1135)

Mr. Bellehumeur: Mr. Speaker, I believe that the people facing me were elected to govern and to draft legislation, and that they should do what they feel is useful and necessary, on the basis of their consultations and the principles outlined in their red book.

I would say that in many respects, the changes being requested are unnecessary. Take the bill to amend the Narcotics Control Act and the Food and Drugs Act, which is before the House. We already have a Narcotics Control Act. The government wants to update and amend this legislation, but as was explained in the House, in some very obvious cases this legislation is not even enforced.

We can pass as many bills as we want, but if the legislation we adopt is not enforced, if we do not have the political will to do so, what is the use? I say we should first look at what we already have and see if we can enforce those laws.

Another item that will soon be before Parliament is the Young Offenders Act. I discussed this with judges on several occasions, and they said: Mr. Bellehumeur, the existing legislation is not even enforced. We could refer some young offenders to adult court but we do not, although we are allowed to do so under the Act.

That is my question: why? Because the system does not give us the tools we need. Are we going to send a young offender to a prison for adults, where they learn more about crime than anything else? Judges prefer to hand out a minimum sentence and then release young offenders or make arrangements to have them supervised by someone who will help them get back on the right track.

I think that before we consider extensive changes, we should look at the system we have now, and draw our own conclusions. Are these laws enforced? Do we give judges and the courts enough power to enforce them? Instead of extensive changes, perhaps we should improve the way this legislation is used.

Even if the hon. member wished, I will not go into great detail about extensive federal amendments to Canadian laws. I simply want to say that we already have laws, and we should find out whether they are properly enforced.

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I would like to thank the hon. member for his comments. He explains the Charter of Rights and Freedoms and some of the problems in the charter very well, and also some of the laws that we have on our books.

We have many laws on our books, but the frustration is that people perceive that the courts are not really carrying out the mandate they have been given.

I would like to say too that while we disagree on a lot of things like debt and deficit and so on, if there is one issue we must get together on it is the issue of criminal justice reform and the need for it. We need to be co–operative about this thing, not confrontational.

One of the problems people see is that the courts often hand out very light sentences for very serious crimes. For example, in the southern part of my riding very recently an elderly gentleman was lured out of his home and savagely killed. The main perpetrator of that crime received four years and will be getting out shortly on parole. People find it very unacceptable that this man committed a terrible murder and will be out in a very short time because of extenuating circumstances. But the courts have found him guilty. People find this a real problem. It is not that the laws are not there but it is perceived that many of these people are getting away with murder.

• (1140)

I have a question that people have asked me to pass on. When these people are sentenced should they not lose some of their rights? For example, could these people not be put into work programs when they are in prison? The issue of restitution has been brought up. People feel that a percentage of the earnings of prisoners could possibly be used to compensate victims of crime. In this case, it was a terrible hardship for the wife when her husband was lured out of the home and killed. Work has a way of producing self–esteem and people very often feel this is something that is lacking and can have a very therapeutic effect.

I wonder if maybe the hon. member would like to make some comments about the courts being part of the problem and not just our laws.

[*Translation*]

Mr. Bellehumeur: Mr. Speaker, this debate should not be on specific cases or on a particularly disgusting crime. If you use a specific case where the victim went through hell and the sentence was relatively light, you will obviously come to the same conclusion as the Reform Party. But these cases are a minority and as long as our laws are implemented by judges who are human beings, there will be some personal appreciation involved in their decision, which can lead to differences, as I was saying earlier.

As for the second part of the hon. member's question regarding the judge's comments, I think that a whole set of measures are already in place to compensate victims. I said earlier that in the case of stolen goods, I have seen judges sentence the guilty parties to return or repay the goods or even do community work. In Quebec, a whole series of measures are in place regarding community programs. But the problem is the follow–up. Indeed, the problem lie not in the legislation but rather in the means and how to deal with the whole issue.

We could pass laws which, for example, would provide that for a specific offence, the offender would have to pay a certain amount. However, if that person is on welfare, or is so well organized that he or she does not own anything, what are we going to do? What are we going to seize to recover the equivalent of what was stolen? We will get into proceedings and we will go through trials just to save face, because in the end we will be left with unenforceable sentences. What good will that do? None whatever. I think that we already have the necessary legislation. It is simply a matter of implementing it. Perhaps the judges and those who administer the law should be given additional resources for a follow–up, but it is especially important not to get into specifics, otherwise we will really get bogged down.

The hon. member might want to formulate his question during Oral Question Period and address it to the Minister of Justice in the coming month, so that we have something before us regarding his suggestion.

[*English*]

The Deputy Speaker: The hon. member for Macleod is next. I believe he plans to share his time with the hon. member for Yellowhead.

Mr. Grant Hill (Macleod): Mr. Speaker, I feel this is probably one of the easiest topics to speak on in the House. Surely we have a very common desire on this topic, to see justice and fairness in our justice system enacted.

I would like to start off by saying that in my view Canada does have a justice problem. It is a problem that is typified by the fact that homicides are climbing, our schools are unsafe and smuggling is rampant. We have recently had House business that dealt with smuggling. Fraud in our country is commonplace.

• (1145)

I would like to put criminal justice on a priority list for members who are close to me on this side of the House. We have gone through social programs and priorized them. We put health care at the top of our priorities along with education, pensions for the needy and environmental issues. We put justice as the one area in our social program system that we would spend more money on. This is the one area, in spite of our deficit and debt problems, we would spend extra money on. We put a high priority on this specific issue.

This discourse is not in any sense meant to be confrontational. This discourse is meant to be informational. I hope it will be taken in that context.

Some statistics in our country trouble me: 3 per cent of the population are natives and 11.3 per cent of our penitentiary inmates are natives. I have talked to the native elders and have tried to ascertain what they thought the answer to that problem was. They think the old values of the native community need to be better taught. They talk of sweetgrass ceremonies, sweat lodges, and improving the status of the individual by their old cultural methods. I say we need a return of dignity and self–sufficiency for natives. People can only be proud of their culture when they are proud of themselves.

Another thing I would pause to reflect on is something I call a prison revolt. This revolt comes from the sociologists and criminologists in our society. They approach crime with the viewpoint that crime is not the fault of the criminal in many instances. It is simply the fault of upbringing, of poverty and of abuse. I recognize there are major problems in our society that contribute to crime. I recognize that education, prevention of poverty and prevention of child abuse are extremely important. They say the answer to the problem is compassionate, caring

therapy in a nice warm jail, with retraining opportunities and better recreation and library facilities than people on assistance have. I frankly disagree. That is not the answer to that problem.

We allow prisoners to vote. We release dangerous offenders on unsupervised leave. We sentence them to life but that means little. In my view in some ways we as Canadians have lost our marbles.

Turning to some other backward moves in our criminal justice system, we take our law enforcement officers, our RCMP trainees, and do not pay them very well. As trainees we give them a relatively low wage scale. As they go through their training process they reach a point at which they are ready to take on the more major responsibilities and with our frozen civil servant wages we leave them at the training wage scale. What talented young men would want to serve in the law enforcement agency realizing that they would be penalized? This is one area in which the civil service wage freeze is absolutely unfair.

When gun control measures were started, they were started to curtail violence with guns, a proposition that no one could argue with. Homicides with guns have not improved over the lifetime of gun control. Stricter gun control has no correlation whatever to better results on homicides with guns. I hear now that one of the reasons for stricter gun control is that guns are inherently dangerous. I also hear that we are going to prevent accidents and suicides by having stricter gun control. It just is not the reason to have gun control. On the other end of the scale we have a free vote coming up that is going to allow doctors to assist in suicides. These are the two ends of the scale that I think are completely wrong.

• (1150)

Honest gun users are also having weapons declared restricted and then confiscated without pay, a provision that is entirely unfair.

Another issue that I found fascinating about gun control is that when RCMP officers take their weapons off their hips, either in the detachment or in their homes, they must place bore locks in their weapons. Their weapons are then locked so that they cannot be used.

I spoke with RCMP officers at home and asked: "What advantage is there to you in doing that?" They said: "There is no advantage to us at all. We have always been extremely careful with our weapons, extremely careful because our own children could get the loaded weapons. The only advantage in that is to the criminal". In fact a criminal could wander into the detachment and spray the RCMP officers with rifle fire while they scramble to unlock their weapons. Again in my view in Canada on some issues we have lost our marbles.

It is not good enough to stand in the House and just complain, mutter and say that everything is wrong. It is only useful if we have some constructive comments to make. I would like to turn to that portion of my address now.

In our society family values have become less important. This has a major part to play in our problems with our criminal justice system. Single parent families today are 13 per cent of the families in society. Many reasons are given for this but a few stand out to me. More teens today are choosing to keep and raise their babies. There are fewer forced weddings and there is much more divorce in society today. I have tried to look very critically at why families are breaking down. I am partial to the one that says that families are spending too much time trying to raise their sights financially rather than raise their sights on their children.

When I was a young man of about 13 years of age and in grade seven my parents got their first home. It was a 1,300 square foot home; not very big, not very expensive. If they had paid for that mortgage over the span of their lives, they would have paid for it by the time that they were in their early sixties.

I look with interest as young families today set out very early in their lives to get big homes. Homes much bigger than 1,300 square feet would be the average. They borrow earlier. They take on more onerous financial duties. This forces both parents to get out into the workforce to try to pay that debt. This conscious decision does not allow as much direct parental contact with the children. I believe that contributes to some of the problems in our justice system.

Day care is not the same as parent care. Television care is not the same as parent care. A new BMW in the garage is not the same as close, loving parental care of a loved child.

The solution in part would be to change the tax rules so that there is encouragement for one parent to stay home. That need not be the woman; it could well be the man. Another change that could take place would be to allow our workforce to adjust hours so that there could at least be one parent at home.

The other specific area I wanted to address does not have very much to do with jails and what not. There is a very expensive area in our justice system. I want to refer to an article in the *Medical Post* from December that talked about obstetricians recommending defensive medicine to prevent lawsuits. The obstetrician in this article said that every single baby, just after it is born, should have a brain scan and the brain scan should be done to prevent a lawsuit ensuing in the future if things showed up in that baby's development. If cerebral palsy ensued the obstetrician could be blamed for problems at birth. Every single baby that had potential problems should have a brain scan, according to that obstetrician.

• (1155)

The lawsuits that this obstetrician is trying to prevent are lawsuits that involve huge amounts of money in our court system and huge amounts of money in terms of the actual awards that are given, settlements of up to $7 million.

In my view the confrontational legal system we are developing in our country mimicking the U.S. system when it comes to medical legal issues is costing untold amounts of money. The end result of the meeting—and this was a meeting that had a number of solicitors in it—was to suggest that no fault medical insurance would go a long way toward preventing the gladiatorial events of doctors against lawyers in our court system. I propose that as one specific item that we should be looking at. It involves the health ministry. It involves the justice ministry as well.

The justice issue transcends every political party. This issue transcends every personal philosophy, every level of income, and every age group. I want to co–operate in the House to make sure our criminal justice system is improved.

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I listened with great interest to the comments of the hon. member.

As a model prototype of the penal reform system we are in the process of building a women's prison in Truro, Nova Scotia. That prison will be built on the model of a small home where women will learn to cook nutritionally with the guidance of a dietitian. They will take care of the home properly. They will have their children brought to them. They will be integrated into our community; into community recreation, into community education and into community training of various types. This is an integrated model so that when these women are free to be released to society they will be productive, sensible, mature women in the sense that they can be self–sufficient and go back to a so–called normal life. I hope this will be the model the country will establish and follow so that we do have results for the tax dollars invested.

The second point I would make is that in his comments the member appears or seems to project the notion that moral values can be legislated. We on this side of the House and I believe the people of Canada will watch with great interest and anticipation as his leader takes on the role of delegating moral activity and moral responsibility with regard to their own membership.

Mr. Hill (Macleod): Mr. Speaker, I might comment on the idea of legislating moral values.

I am sure the issue of code of conduct is one the member opposite would not care to disagree with. This issue has been blown all out of proportion, as a code of ethics is simply a statement that as public persons a very important part of our lives is now public. I am sure the member opposite will be most interested in seeing what our code of conduct looks like when it comes out.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I would like to ask three questions of the previous speaker.

First, he referred to the aboriginal people of Canada and I would agree with him 100 per cent about the condition in which they find themselves. Has the hon. member taken the time to read our red book? It speaks of giving Canada's native people their own place, their own lives, their own destiny.

• (1200)

That has been the subject of many questions here relating to better education, better training for the workplace, a better health system and conditions. Finally it speaks of giving them their own justice system and eventually transferring to their hands the whole of the huge budget of the department of Indian affairs. Does the member not agree that the solution has already been advanced and should be debated very constructively here?

Second, in regard to better gun control I do not think solutions are simply in gun control. The minister of justice has advanced the positive idea that unless society as a whole works itself on a holistic basis and we clean ourselves from within, gun control once more is only part of the puzzle.

At the same time to argue today that gun control is not necessary is to fly in the face of the opinion of 85 per cent of Canadians. It flies in the face of the fact that one of my friends in Montreal, Michael Hogben, was killed by a fellow teacher because of loose gun control. It flies in the face of Marc Lépine who killed 14 young women at the École polytechnique in Montreal. It flies in the face of Brady who was pleading for more gun control in the United States—

The Deputy Speaker: Order, please. The hon. member for Macleod very briefly.

Mr. Hill (Macleod): Mr. Speaker, to talk specifically about the gun control comment, I am not for one second saying that gun control should not exist. What I am saying and will say very strongly is that more stringent gun control measures are not the answer.

As the member speaks of Lépine's gun, he should realize that Lépine's gun would not be removed from Canadian society under our current gun control legislation.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, it gives me great pleasure to speak in support of this motion. This House has been in session for two months now. Finally we are dealing with an issue which many of my constituents have told me is very important to them.

I am in the process of drafting a private member's bill on victims' rights. I welcome this opportunity to address an important dimension of victims' rights, namely restitution and compensation.

One hon. member mentioned we should not look at individual cases. Too often we speak in general terms and we lose touch with real events and real persons.

One of the first inquiries I received in my office was from a man in Sturgis, Saskatchewan who had his vehicle trashed by a group of teenagers in June 1992. The car was totally written off by the insurance company for a total cost of $6,500. The victim was required to pay the $500 deductible and the cost of a rental car so he could get to work. Total out of pocket expenses for the victim were $817.45.

The owner applied for restitution to the RCMP in August 1992. In September the victim wrote to the Saskatchewan minister of justice expressing his disappointment that charges had not been laid against the teenagers who had destroyed his car. In December 1992 the RCMP advised the victim that charges were being laid against a number of individuals.

In May 1993 the crown prosecutor and the defence council negotiated for four hours. Charges were dropped against the six young offenders and one adult and charges proceeded against three others.

It appeared to the victim that the main consideration of the courts during the sentencing was that there would be no hardship imposed on the accused. What about the victim being out of pocket over $800? What about the $6,000 paid out by Saskatchewan Government Insurance? What about the inconvenience of losing the use of his car until he got another one?

The three convicted teenagers were ordered to pay $500 restitution and two were fined for assault. The fines and restitution were to be paid by August 31, 1993. At the end of September after numerous phone calls to the provincial officials, the victim again wrote the Saskatchewan minister of justice complaining that he had not yet received the $500 restitution. In November the minister responded saying the criminals had paid $50 to the court and that he should be in receipt of it. After many phone calls to the RCMP, the provincial court wrote a cheque for $50 which arrived on November 25. The victim wrote another letter of complaint to the courts and asked for the remaining $450.

• (1205)

I remind this House it is now a year and a half since the victim's car was demolished. The victim, by this time in a total state of exasperation, wrote to me, his member of Parliament. We wrote the federal Minister of Justice on behalf of the victim.

In January the victim wrote informing us that the balance of the restitution order had been received. In February 1994 the minister responded saying there was nothing he could do and suggested the victim file the restitution order with the courts and have it enforced as a civil judgment in accordance with section 725 of the Criminal Code.

I have taken the time to explain this case because I want members of this House to get a feeling for what it is like to be a victim of a senseless crime. I want members of this House to put themselves in the victim's shoes and try to feel how this victim felt as he was being jacked around by the system.

Our goal as Reformers in this House is to make sure that laws are passed that put the rights of the victim first, ahead of all other considerations, especially the rights of criminals.

When we researched this particular case we proposed a number of possible improvements to the existing laws with respect to restitution and compensation for the victims of crime. The Minister of Justice in his reply to our letter also suggested some improvements which should be enacted.

Following are some suggested improvements which we will be including in our victims' rights bill. The rights of the victim and compensation for the victim's losses should be the top priority of the courts.

Restitution orders should be mandatory and not at the discretion of the courts. Restitution orders should compensate the full costs incurred by the victim, including losses resulting from personal injury and/or loss or damage to property, including insurance claims. Restitution orders should be enforceable.

Why should the only recourse be for the victim to pursue the matter in civil court? We send people to jail if they do not pay their fines. Why not garnishee a portion of the criminal's wages until the restitution order is paid in full? I believe there is far too much emphasis on rights and we forget that we also have responsibilities. In fact, we should not be entitled to our rights until we first discharge our responsibilities.

The province of Saskatchewan places a surcharge on every $100 paid in fines. These are set aside in a victim services fund, but there is no legal obligation on the part of the province to spend the revenue collected exclusively on victims. Nor is there any compulsory requirement for the victims to be financially compensated for their losses.

In some provinces criminal injury compensation has been combined with workers compensation providing quicker response to the victim. This may be a solution for compensating victims of crime where convictions are not obtained.

What about the responsibility of the convicted criminals to pay for their crimes? Are they only responsible to the state after they are convicted? Are criminals not also responsible for repairing the damage they have done? I and many other Canadians feel they are not only responsible but should also be totally accountable for their actions and compensate their victims in full.

The charges against the young offenders in the case I reported earlier should never have been dropped. The very least the court should have done was make the young offenders pay their share of the damages. They had the fun of wrecking the victim's car; let them at least learn a lesson by having to pay their share of the damages out of their own pockets.

How many of these young offenders who are let go have gone on to commit other crimes? If young offenders are unable to compensate the victims of their crimes, then the parents of the young offenders should be held totally responsible for compensating the victim. This will ensure that parents take a greater interest in what their children are doing outside the home.

When criminals are serving time—and I am talking about low risk offenders now, those who do not pose a risk of physical violence—they should be involved in work programs. They should not be granted the luxury of lounging around at taxpayer funded correctional centres. Convicted criminals involved in work programs should have a portion of their wages deducted. This revenue should be used to repay the victims of the crime. Another portion of the wages should be used to help pay for the cost of the correctional services, including guards, food, accommodation and so on.

• (1210)

I have outlined nine ways in which the government could act to place the rights of the victim ahead of those of the criminal specifically as they relate to restitution and compensation. As a now famous politician once said, we have a lot of work to do. For far too long victims' rights have had to take a back seat to the rights of criminals. It is time to bring some real justice to the justice system.

The man who had his car trashed by the teenagers did not get justice. He lost the use of his car for days. To get to work he had to rent a car for which he was not compensated. He had to wait 20 months to get the partial compensation the courts awarded. He had to make many phone calls and write many letters at his own expense to get the restitution ordered by the court. Add to that 20 months of worry and frustration.

The criminals in that case got away with one more thing: They have not made restitution for the $6,000 paid out by Saskatchewan Government Insurance. Every policyholder in Saskatchewan will have to pay higher premiums as a result.

The government can take action which would improve the situation for victims immediately and would not require any change in legislation. As an interim measure victims must be better informed of the limited rights they now have.

Much of the frustration suffered by my constituent could have been avoided if he had not been forced to fight for his rights with bureaucrats and politicians for over a year and a half to get back just some of the money owed to him.

If the victims of crime were a real priority of the justice system this travesty of justice would not have occurred. Why should honest, law–abiding citizens have to pay for the misdeeds of criminals? It is cash out of their own pockets in higher premiums paid to insurance companies.

In closing, as a member of this House I vow to support common sense criminal justice reforms regardless of the party or member initiating them. That is why this morning I was pleased to second a private member's bill introduced by the hon. member for York South—Weston calling for the repeal of section 745 of the Criminal Code which would put an end to early parole for first degree murderers who have been sentenced to life imprisonment without eligibility for parole.

I look forward to the continued debate on this. We need to work together.

[*Translation*]

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, I found the hon. member's comments very interesting. I am not a lawyer or a notary, and I have no particular interest in judicial matters, but I represent a constituency that includes the inmates of Bordeaux, a well–known prison in Montreal. In fact, I heard several remarks during the two previous speeches made by members of the Reform Party which seem to reflect some prejudice against the penal system, in that they call for yet more legislation but ignore the lack of resources endemic in the system.

Bordeaux prison is a provincial institution, in other words, for offenders sentenced to two years or less, and it is full of so–called weekend inmates. The penal system does not provide enough prisons, and often when inmates who serve their sentence on weekends come to the prison, they are told: No room, come back next week. And this can go on for two years.

We do not need more legislation. We need resources, as my colleague argued earlier.

• (1215)

I heard some remarks by my Reform Party colleague—speaking of prejudice—who referred to nice, warm jails. I do not think they are nice, warm jails. This smacks of demagogy, and we can do without that. I think we should concentrate on improving the availability of resources.

I have a more specific question about the hon. member's speech. He made a presentation on a private member' bill concerning compensation for victims of crime. At the present time, victims can go to civil court to sue criminals. However, criminals usually do not have any income or resources to pay fines and that sort of thing.

Could he explain how this would be dealt with in his bill, to give victims a better chance to sue criminals for damage arising from their crimes?

[*English*]

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I would like to pick up on a couple of things the hon. member has mentioned. One is the people who spend their weekends in prison. Very often we sentence people to sentences that may not be appropriate. I would like to put this idea forth.

Many times when we send people to prison, instead of improving on their attitude and their lot and so on, they in fact deteriorate because they get to mix with other people who may be of more disrepute than they are.

With regard to non–violent offenders, possibly the courts could have the option of putting them into work programs rather than sending them to prison. The prisons could be reserved for the worst offenders, the most violent offenders in society. This ties in with the second matter that was raised, how would these people be compensated.

That is where work programs need to be put in place in the prisons. A percentage of the wages these people earn could then be used to compensate their victims. A problem we have is that a victim has to go through the civil courts, through the whole legal and justice system to try to get back some of that money. It is a great inconvenience and very often unsuccessful because the criminal has no income to be able to pay the victim.

If there were a work program this would help solve that problem. Work would also give these people a better feeling about themselves. It is no different for them than for us. When someone meets someone else for the first time, the one thing they ask is: "What work do you do, what job?". It does something for us and I think it would do the same for many of these people in society.

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I will be brief.

In terms of charging the parents under the Young Offenders Act if they cannot charge the child, what is the hon. member's recommendation as to punishment? Quite often we find that the parents have very little asset or ability to pay or to compensate the victim.

I work closely with the Citizens United for Safety and Justice in my community and we see that there is no real asset or opportunity to make the parent pay.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I am not saying that we should be charging parents. Do not get me wrong. My constituents are telling me that very often parents have the attitude that it is someone else's problem. I think it is that attitude we are trying to get at. If they were required to make some compensation in that regard and if they were held accountable for what their children are doing, they might take a greater interest in what they are doing. This is the kind of attitude we need to foster. It all ties in with the erosion of family living that we have in Canada and I think we need to address that whole area. It is not going to be done in just one minute.

• (1220)

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I am very pleased to have this opportunity this morning to speak on this motion.

I realize in our country at the present time there is a tremendous outrage against crime. It is not the outrage against crime with which I have a problem. On the contrary, I have trouble understanding and I condemn the simplistic solutions to complex interdependent and intertwined problems that exist in our society which cause crime.

As long as we as members of Parliament and members of society say that there is a possibility for quick fixes, we cannot count on the support of the people of Canada to work with us.

The problem today is that crime is not like a common cold, it is not like a mortgage, it is not like foreign aid. It is something that is entirely different. It is something with which all of society must become involved.

I have listened to the member for Yorkton—Melville and I appreciate the point he made that prisons are not the answer for punishment for all those who have offended. This is true.

This is especially true with respect to young offenders. In prison young offenders do acquire some of the tricks of the trade that allow them to be professional criminals when they are released.

Maybe there is a way of working with young offenders that will be to the benefit of young offenders other than the standard incarceration in adult institutions. Certainly watching television and playing pool during the incarceration would not be the answer. There has to be rehabilitation but there has to be an appreciation.

I do not agree that people who offend should not be entitled to rights until they discharge their responsibilities. There we are creating a very dangerous line, a line that people in our society are not entitled to rights. Criminals, people even though incarcerated, have to be entitled to rights. We have to say that all Canadians are entitled to rights. If not then we absolutely revert to barbarism.

These rights are defined in the Charter of Rights and Freedoms in the Criminal Code. We cannot say that these rights can only be extended to some Canadians.

The member for Surrey—White Rock—South Langley talked about the fact that our Charter of Rights and Freedoms has been a problem. There are people who have offended who got away from the punishment they deserved because the lawyer was able to rely on the Charter of Rights and Freedoms. That is just absolutely and utterly wrong.

The Charter of Rights and Freedoms takes the rights of all Canadians and enshrines them. These rights are fundamental. If we do not abide by the Charter of Rights and Freedoms and acknowledge these rights are applicable to all Canadians then we are in fact one step closer to chaos.

• (1225)

We are one step closer to saying that there are certain rules that apply to one group of Canadians and not to another group of Canadians. Incarceration takes away privileges that certain Canadians will hold. There is no question about that and that is as it should be. Rights have to be fundamental. If they are not we get into the situation in which people in our society tell other people what they can have and what they cannot have, not only the courts.

The courts then lose the power to weigh a matter and decide what is going to be the punishment. If we take away these rights, then when do these rights reappear? Who is to say when these rights reappear? Who is to say that the person taking away the rights from somebody is not going to be the person who loses these rights at some later date?

We cannot destroy the fabric of the law in trying to solve the problems in our society today. That is not to say of course that there is not a great deal that needs to be done.

The resolution talks about condemning the government for its action with regard to reform of the criminal justice system. I do not think any politician can cop out and say: "Well, we inherited this from the former government". I think it has to be a consideration. To say that we should have legislation in place is somewhat unreasonable in many instances considering the fact that the House did not convene until January 17.

However, there is a great deal that is in place and ongoing at the present time. The Minister of Justice mentioned that next week on March 23 and 24 there is going to be a federal–provincial–territorial conference on justice matters that will examine all of the important details, concepts and subjects that have been brought forward in this debate today.

This is very important. It is fundamental because we live in a federal system of government in which certain responsibilities in the same sphere of activity are shared by the federal government, provincial governments and territorial government. We must get these governments working together.

In so many areas things have fallen between the chairs so that justice is not being done, not because the rules and the laws are not there, not because the determination is not there, but because we have not had the two systems of government working together. That has to be the case. It has to be the case certainly in family concerns, in violence against women and in custody matters with respect to children where there are federal, provincial and territorial jurisdictions in these subject matters.

We have to be able to enforce maintenance orders to look after the children who are left by fathers and in fewer cases mothers who do not want to remain with their family.

In the red book we call for a national council on crime prevention. This is tremendously important. We have here in this interlocked system this complex problem with really two main aspects.

• (1230)

First, what do we do with those who are offending at the present time? Second, how do we prevent these types of offences from happening in the future? While it is unrealistic to say that certain offences will not happen in the future, if we work together and if we are prepared to look at new concepts, we have in our power the means of reducing these crimes. We have to do that.

I want to start with the recommendation in the red book which calls for a national council on crime prevention. The Minister of Justice has said he has spoken with the provincial and territorial ministers responsible. This matter will be brought up at the conference next week. The concept is taking shape. How it is going to be implemented is not an easy matter but one which is well on the way to complete definition.

This will bring together departments whose activities can relate to the prevention of crime. For example, Canada Mortgage and Housing with respect to housing, which is a factor in crime; the Department of Health which is a factor in crime; the Solicitor General—these departments will come together and work together through this council under the leadership of the Minister of Justice.

What will they do? They will be able to look at all legislation. We look at the legislation and we want the best for all Canadians. Through this council legislation will be looked at to find out how crime can be prevented more effectively. How can this legislation deal with possible crime in the future? This is an aspect that is so important.

Also on this council will be agencies from the aboriginal society, from the provincial society, from all of the working groups that are dealing with crime prevention.

Through the council we will look at how we can prevent crime, with the input of these groups, which will enable us to work down into society itself through the provincial and munici-

pal levels and determine how on each of these levels the work of the national council can be broadened and improved to become more effective.

At the municipal level, for instance, how can community policing more effectively deal with crime. How can we have police stations or depots in more areas of the community, where officers can patrol the community on foot, and where people can relate to the officers of a particular police station and go to them for advice?

On the provincial level as well, how can we work through education. Right now the situation is that education is the right of every young Canadian, regardless of how obstructive or how destructive a student may be. Is that going to continue to be the case? Can we have an educational system, for instance, where we can at an earlier age try to identify the children at risk? We have to be able to identify children at risk at an earlier age. They are together in our educational system, certainly today that is not the role of the teacher. But should it be? Should it be an aspect of education? Should we have special classes that deal with children at risk? Should we be able to say that this is a common problem of society and not just the problem of the parents?

• (1235)

Perhaps the parent is a single mother who is working as hard as she possibly can to keep a roof over the head of herself and her children. She wants to do more but she cannot and still provide for that child. Is it not then that society must step in to try to help? We cannot just throw money at people in need, at low income people with children at risk. There has to be community involvement. We have to start identifying where we can best make this involvement, where we can best have this input.

When we did our study on crime prevention last year, a psychiatrist appeared before us. He was asked at what age could we have the best impact on children and how they conduct themselves as they grow up. The psychiatrist said that from the day a child is born to that child's third birthday is the time when we can have the biggest impact on how that child will turn out through his or her youth and adulthood. This is a very important consideration.

A teacher came to me two years ago from the Toronto area who wanted the age of the Young Offender's Act lowered because in his school where he was principal a 10–year old and an 11–year old both turned up at school with handguns. No one would take responsibility. No agency would get involved and finally the principal sent the two children home with the handguns. Later on that afternoon he received a call from somebody in the children's neighbourhood blasting the principal for daring to send two children into the neighbourhood with handguns. As far as that person was concerned it was fine to have them in school with handguns but it was not fine to have them in the neighbourhood with handguns.

Something is sadly lacking. We have to find out where we are going in this regard. We are not only talking about victims although victims are tremendously important and we have to be more mindful of their rights. They are in the law. We have always considered victims to be part of the law that we dispense in this country.

Perhaps we can do more with compensation for the wrong that was done to a victim. We have to consider it more in terms of compensation rather than incarceration. We cannot have both. One cannot have someone paying what in the opinion of the court is a full penalty and then come out of incarceration and have for a good part of his or her life thereafter to pay a large sum of money to the victim. It does not give the person who committed the wrong any incentive to change his or her ways if he is constantly being reminded and torn by his or her mistake.

The victim suffers a tremendous harm, there is no question about it. This harm has to be compensated as best as possible. Part of this compensation to the victim however is that we have that person coming out of incarceration able to live in society.

With young offenders no matter what crime they have committed, they are going to be coming out of incarceration. If they come out of incarceration more confused, more jaundiced toward society than when they went into incarceration, then we have failed. We have paid $60,000 a year for the right to fail.

This is a very complex situation but we have to be able to address the wrongs that are done today. We have to be able to anticipate and guard against future wrongs and reduce our crime rate. The two working together have to mesh but they both have to be aspects of what we are trying to do.

• (1240)

The government is beginning well with the co–operation of all members of the House of Commons and with the open dialogue which the Minister of Justice has encouraged. I think all members would agree he is open to discussion, and of his own volition has initiated dialogue on gun control, and will be doing this with other subject matters as well.

I look forward, as I know the Minister of Justice does, to working with all members in dealing with this very complex and important situation.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, I listened carefully to the comments and speech of the hon. member for Cape Breton—The Sydneys. I would have two questions for him.

First, does the hon. member agree with me that the Canadian Charter of Rights and Freedoms puts too much emphasis on the accused and the criminal and not enough on the victim? Does he

agree with me on that? Would he be prepared to add something to the Charter to favour victims, to have the rights of victims supersede those of the accused?

Second, and this is more a clarification than a question, I hope I heard wrong, in the part of the hon. member's speech where he talked about municipalities, community policing and an educational system providing special classes for children at risk. I just want to make sure that the government does not intend to intervene in areas which could not be more under provincial jurisdiction.

I would like the hon. member to confirm that he brought this up in his speech but that the federal government plans no direct intervention in areas of provincial jurisdiction.

[*English*]

Mr. MacLellan: Mr. Speaker, I would be pleased to deal with both of those questions.

First, the rights of victims are very important and have to be of paramount consideration in our criminal justice system. The Minister of Justice stated in his speech that they are being considered at the present time in the Criminal Code and that they are a very integral part of the dispensation of justice in Canada right now.

We have also said that we are looking at ways of increasing this. The member for Surrey—White Rock—South Langley spoke about the rights of the victims and said there should be more dialogue and interfacing between the offender and the victim. That is a very good point if the offender, especially if it is a young offender, can get an actual appreciation of what he or she has done, then it may go a long way toward helping that young person rethink the way they have conducted their activities.

I think that maybe we can, through diversion programs, deal more with the compensation of the victim, more with the rights of the victim. Certainly to say the rights of the victim are not being considered would be incorrect.

With respect to community policing and education I was talking about them on two different levels, with the community policing on the municipal level and education on the provincial level. Just to give the hon. member an idea of what I meant, there is in my riding right now a project which I am working on and which I am encouraging called The Learning Centre.

This centre has young people who have dropped out of school and who have had problems with different types of learning systems. The centre offers a learning mode in which there is more of an interest in the individual. The success of this institution has been absolutely incredible. I hope we can develop and expand it so that it will have positive effects through the whole country in time.

• (1245)

Mr. Myron Thompson (Wild Rose): Mr. Speaker, I would like the hon. member to comment on a couple of things in regard to crime prevention of which I am a strong supporter regardless of what some people might say. I am also a strong supporter of punishment. I believe in both ends of the spectrum.

I like the idea of setting up the national council. The minister suggested some ideas of who should be members of this council. I did not hear the possibility of there being members from Victims of Violence, from the good old grassroots, the farmer who never had anything more than a grade six education, or the ordinary Canadian. From his speech it seems it could be stacked with people who have the class and the ability to speak rhetorically, as we hear so much, and yet do not get to the root of the problem. Would the government consider including all kinds of people on this council?

Second, on the children at risk program, I tried to implement that program in the school where I was principal. We had a great deal of success with it at the beginning but that success deteriorated. It was hindered because parents complained that we were attempting to move in on certain children without their permission although they were targeted. Under the Charter of Rights and Freedoms we virtually had to withdraw and therefore could not provide any help. The charter was a hindrance to the program in my view.

I would like the hon. member's comments on those two points.

Mr. MacLellan: Mr. Speaker, I thank the member for Wild Rose for those questions. With respect to the national council on crime prevention I agree with him most emphatically that at least one member on the council should be from Victims of Violence or a similar organization.

The member for Surrey—White Rock—South Langley talked about CAVEAT and her appreciation and tremendous respect for it. However, one problem she had was that there had to be these organizations to bring these concerns forward.

We are always going to have these organizations and we are going to be better for it. They have done a tremendous amount of good in bringing concerns forward. They certainly helped me in understanding the concerns. Only people who have gone through the trauma and tragedy can fully understand, but the work these organizations do allow the rest of us to understand. It is very helpful.

With respect to children at risk, there really are two problems. The hon. member identified one as being the parents. There is a concern here. The other of course is that it is a provincial jurisdiction and the federal government is very limited in what it can do.

There is a precedent in that the Canada food guide is very much a part of the school curriculum. We have to deal with this matter at some point in meetings of the federal, provincial and territorial governments.

I applaud the member for having tried the program. I appreciate what he ran into but I still feel he was on the right track. It is hoped that with a more broadly based project and an idea of the pitfalls, thanks to his sharing with us the problems he ran into, we will be able to anticipate where the problems lie. Then if it is decided this is the way to go, we will be able to carry it through to society's benefit.

• (1250)

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, I rise today in support of our Reform motion. It is to stimulate new Canada thinking about where we have been with the justice system and what are the emerging expectations of the community about where we need to go. As we formulate a vision of hope for a new Canada of equality, the sense of proportion and balance in the justice system needs to be examined.

Many in my community of New Westminster—Burnaby are fearful, frustrated and angry about the operation of the justice system. In fact they make the point that we do not have a justice system at all; we merely have a legal system.

It is seen that this legal system is largely unaccountable to the community and that the community has no sense of ownership of what goes on in this seemingly convoluted system. The legal system operates on doublespeak, legalese and jargon and is characterized by a professional "we know best" attitude toward an interfering community.

There are glimpses of hope, however, such as the community policing efforts of the last few years, the block watch programs, and extensive volunteer programs such as the Burnaby RCMP victims assistance program.

This program began in January 1987 and currently involves 50 volunteers. During the seven years of service the program has been in contact with 9,250 victims or witnesses. In 1993 it handled over 1,650 files and volunteered 6,700 hours.

The primary role of the victim assistance program is to provide emotional support. It provides information and updates on police files, court information, court orientation and accompaniment, referrals to community agencies and information on legal services and criminal injuries compensation.

In Burnaby the police based team of volunteers is on call 24 hours a day to provide assistance in whatever way possible. Also in New Westminster—Burnaby and in New Westminster specifically we have a similar program which is run out of the crown counsel's office.

However, it is time that a more cross–systems approach be applied in bold terms to put the victim's and the community's general concerns before the offender's concerns. There is a relationship between the offender and the offended, whether that be another individual, a family or a community.

In reference to the community as victim, the Young Offenders Act passed by a previous Liberal government has become the single chapter of criminal law that is in most disrepute. Poll after poll reflects it and the news clipping service of the Solicitor General is full of references to community dissatisfaction. Even the Liberal red book reluctantly admits the act needs review.

It is with the Young Offenders Act that the community feels most left out. The operation of the act violates the fundamental sense of equity and balance the community expects.

The wording of the motion today and our proposals for amendments to the Young Offenders Act are directly connected.

For example, section 3(1) of the act states: "Policy application with respect to young offenders". There are nine paragraphs of definition, then a total of 70 sections limiting how the substantive part of the Criminal Code and other criminal statutes will be administered for young offenders.

Allow me to paraphrase parts of section 3(1) of the Young Offenders Act: (b) society must be afforded the necessary protection from illegal behaviour; (c) a young person who commits an offence requires supervision, discipline and control, and because of their level of maturity they also have special needs and require guidance and assistance; (e) a young person has rights and freedoms as is stated in the Canadian Charter of Rights and Freedoms and should therefore have special guarantees of their rights and freedoms; (g) young persons have the right to be informed as to what their rights and freedoms are.

Not once in the preamble list is there mention of the rights of the victim. The act largely drives how social services are administered. There is little to make a young offender realize there is a victim or someone who has been hurt and that it is the community to which the offender should be held accountable.

We need an additional paragraph in the Young Offenders Act preamble that reads something like this: "The community, or victims in particular, shall be given equal consideration where making dispositions for youth and victims shall be heard upon their request at sentencing and at reviews".

• (1255)

In almost every instance the victim or the community is barred from knowledge of what is happening or is going to happen to the offender. The system is similar to what goes on at most job interviews when the employer tells the hopeful candi-

date: "Don't call us, we will call you". All of us know the employer will only call if the candidate is needed.

In the case of a victim, the victim is forgotten after the offence has occurred. They are made to feel they did their part and should now step aside because the offender is the one who really needs the attention. Is it any wonder then that the public is so frustrated with the justice system.

A victim is usually not asking for a great deal. In most cases it is just for a bit of involvement, some dignity and more than anything else, some empathy. In response to that my riding has two volunteer programs but it is now time for recognition of victims in legislation.

In some jurisdictions an overreaching interpretation of the Young Offenders Act does not permit the young offenders court list to be displayed on the courtroom door.

In British Columbia fortunately the youth court is open to the public and exclusion orders are not very common. However, no local reporter can advise the community as to what goes on there or report when an offender is going to be released. The community as victim has the right to know who the offenders are through the media.

It seems disproportionate to the public for youth court to revolve only around the offender. For example youth workers cannot disclose what they know to a high school counsellor. Social workers in the community cannot always inform the court of everything they know about a situation.

We fall all over ourselves to protect or avoid a potential negative circumstance for the offender with secrecy. The Young Offenders Act also contains provisions to deliberately mislead the court at sentencing concerning a youth criminal record because of the time limits stipulated in the act.

Who focuses on the victim? When one carefully looks at the act it is glaring in its absence of a provision that the plight of the victim be heard at court or become real to the young offender in the process. I recently read an article in the *Toronto Star*. It concluded that victims of crime can be victimized twice, first by the criminal and then by the system.

Victims and witnesses have special needs and they must be treated with dignity and respect. Offenders must be held accountable for their acts. The law should reflect current values held by the majority of Canadians. The legal system should be accountable to the society it serves for its operations, methods and results.

What should be paramount in the Young Offenders Act is the protection of the community. Let me give an example of a case that took place in Alberta in 1990.

A young offender was so infatuated with his girlfriend that after she broke off the relationship he knifed her but fortunately did not kill her. As a young offender he only received eight months in custody. Apparently he told workers he still wanted to kill his former girlfriend. Exactly one year from the first incident the young offender killed the girl. In this case the victim had no chance because the rights of the young offender had to be protected.

The act has a title: the Young Offenders Act. It should truly deal with young offenders, not youthful adults. The natural sense of balance the victims want restored would envision an age application of 10 years to 15 years inclusive. This is the most significant and fundamental required change to restore credibility to the trust that is now broken within the Canadian community.

Mr. Bernie Collins (Souris—Moose Mountain): Mr. Speaker, I commend the member on his thoughts. I want to relate to him some incidents with regard to people falling into that category. My 31 years in the field of education gave me the opportunity of coming across many youngsters who would fall into that category.

More specifically, I made reference in my maiden speech in this House to one young fellow who had run away from a boys' school where he was being held in custody. He returned after going home to North Battleford to his parents. Upon his arrival his father said: "What are you doing here? I thought you had run away. Get your belongings. You have 15 minutes. Get out of this house and don't ever come back". I remember the cases of many others. In particular I asked one individual: "What was your family background? How did you get into this kind of thing?" He could remember 30 homes he had lived in and he was about 15 or 16 years of age.

• (1300)

In the city of Regina two youngsters of about 10 or 11 years of age physically abused youngsters who were 7 and 8 years of age. My concern is what we are to do with them. A speaker on our side said that between the ages of zero and three we had to make some impact on the lives of young people. Having heard the proposals and knowing the youngsters with whom I have come in contact, I would ask the hon. member opposite what should we do to alter the lifestyle of these people? Does he really think that if we incarcerate them we will resolve the problem?

Specifically I think of a young fellow from the Northwest Territories who spent six months in incarceration where more damage was done to him than he would have ever done in the north in 60 years.

In summary, the member may have some answers. I would be interested in knowing them because I had to deal with some of these youngsters. How would he resolve some of these issues in light of where we are going?

Mr. Forseth: Mr. Speaker, the medical model or philosophy in correctional rehabilitation that someone is sick and therefore an institution is somewhat like a hospital has been long abandoned.

The Young Offenders Act in general sends the wrong message to the community. We should check with the young people themselves instead of with professionals in the justice system. We should go to high schools to find out what seems to be the community sentiment. The greatest pressure I receive from my community is often from the high schools indicating that the balance is off and that balance needs to be restored more in favour of the victim and accountability to the community.

That is not to say that the Young Offenders Act is completely unworkable. There are some good measures it, especially the provision of alternative measures and the possibility of giving due process. It was certainly an improvement over the old juvenile delinquents act.

The typical response is to throw more money at the problem. We need more community learning situations, work programs, more social workers or whatever, rather than continue to throw money at dispositional alternatives.

My comment today arises out of the community sentiment that the Young Offenders Act inherently sends the wrong message. We must bring the impact of the consequences more directly to offenders. The community message out there that the Young Offenders Act is a soft touch must be changed.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, I would like to approach the motion from a different angle. I support the motion and I want to talk about the healing process victims must go through.

Because of legislation and certain things that seem to take place in our government the healing process is hindered a great deal. This motion is intended to help—and I believe it could—a great deal in the healing process. The thing I fear about raising a motion in the House is that it seems like, in my short four months, that if a Reformer from the west stands to speak about a motion he or she has to be one of those ultra right redneck scoundrels. We should be careful about what how strongly we say things. At the same time a person like me could stand and think of experienced individuals on the opposite side of the House who have been here for a number of years. I could attach the name Liberal to them, but I have to be cautious that I suddenly do not think I am trying to talk sense to some people who are nothing more than bleeding hearts and surely it will fall on deaf ears. Those extreme attitudes should not exist. I hope somehow or another we can pull those attitudes together and address a motion which I believe is essential to helping victims.

• (1305)

I refer to the specific case of a lady in her mid–forties, a mother of three children. I may not have all the facts straight, but I know about the case. She was apparently working in the church secretarial office on a Saturday. An intruder came in and apparently beat the lady severely, raped her a number of times, and caused a great deal of havoc in her life. By the way, the perpetrator was out on a day pass. Apparently he had been incarcerated in the past for the same kinds of charges.

This lady went through the turmoil and trauma of the event. She is scarred the rest of her life, physically to some degree but certainly mentally to a larger degree. This will impact on the lives of her family, her children and her husband, over the years. I realize they are seeking help and would like to do something about the healing process.

The victim in this case would very dearly like the criminal tested for HIV–AIDS since he comes from a high risk category. That is a very simple request. It comes from the heart. With all the other traumatic things they will have to live with, they would certainly like to be able to eliminate that thought. When it reached the courts under the Charter of Rights and Freedoms it was declared that he did not have to submit to an HIV test, to protect his rights.

In a nutshell the motion is trying to address those kinds of situations. It is not that the criminal should not have some rights. However, if the situation is going to create a conflict, for heaven's sake let us use common sense and help the healing process to take place in the lives of this woman and her family. We should demand that criminal be submitted to this test and eliminate that problem or worry, or at least give them the opportunity to do something about it.

It is a conflict between the rights of two individuals. We constantly see these conflicts in our judicial system. The circumstances are not the same but there are similarities. We must consider the rights of the criminal and the rights of the victim. In practically every case the criminal's rights override the rights of the victim. The particular case I have just illustrated would probably be the worst example of saying to a victim: "We are sorry but we cannot do it because of his rights".

This is not a simplistic solution. It is a common sense solution. For the life of me I cannot understand why any government would say that it is going to take ages to resolve these problems. They could be resolved overnight if there is the political will to do it. These problems do not need to exist. We could wipe them out if we developed an attitude in the House that regardless of where the motion comes from it makes sense.

• (1310)

Recently I had the opportunity to visit for a length of time with a mother in the city of Calgary. She was the victim of violence in that her five–year old daughter was taken from her backyard where she was playing. It was not until later that night

that the young girl was found. She had been mutilated, beaten, her throat cut and dumped in a garbage dumpster in an alley behind their home.

An arrest was made of a 37–year old man who admitted to the crime. He was quoted in the papers as saying he had a difficult time controlling himself because he was sick and tired of this little girl always coming on to him. Everyone in the House must agree that some pretty traumatic things are taking place in that family. This little girl had brothers and sisters as well.

Immediately the 37–year old man had a lawyer to provide legal assistance. There was nothing for the victim. Immediately the 37–year old man had psychologists, psychiatrists and counsellors at his disposal. There was nothing for the victim. There was nothing for the mother. I take that back. There was something for the mother. She could have the same services but she had to pay $50 to $100 an hour out of her own pocket.

When we asked for help to be provided to this family we were brushed aside. We do not have anything in legislation that would allow for this to happen. The boys on the great white hill in Ottawa have not come up with anything in the charter of rights to protect victims.

I cannot for the slightest moment believe anybody would not want to vote in favour of a motion that would protect the rights of victims like the ones I am talking about. It is high time we did it.

My last point is why have we not brought in some legislation that would help tremendously? It has been proven throughout many countries, parts of the States and other parts of the world, that we could legislate DNA testing. There would be some real value in that. It is my understanding that it is incorrect one in thirty billion times. In samples of skin, hair, semen or whatever the case may be, no two people in the world can have the same DNA with the possible exception of identical twins.

It would be a useful tool for our enforcement officers to apply for a conviction and, believe it or not, to have someone released who was wrongly charged.

It is has been reported to me that in British Columbia there are 45 unsolved murders, 20 sexual assaults and several other serious crimes where DNA evidence is available, but there is no law that allows them to make a suspect give a sample. A sample cannot be taken from the suspect because under the Charter of Rights and Freedoms the criminal has the right to refuse the test. I could go through several examples. Consequently there are people walking the streets who ought to be behind bars.

Do we have the political will or the courage to stand and allow the people of our country to have the right to be safe from people who would be behind bars if we took the proper action? The first step is to recognize the rights of victims.

• (1315)

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, I listened attentively to the hon. member's speech and he said a few things that I do not agree with. I cannot understand how, in 1994, we can still hear such comments.

I said earlier that today's debate should not be limited to repugnant cases that were extensively covered by the press. I too could mention cases showing the opposite, cases where, after a realistic rehabilitation period, young offenders were successfully reintegrated into the system. Some people returned to society after psychiatric evaluation and treatment.

If I understand the logic used by the hon. member from the Reform Party, we should put everybody in jail without treatment. My question is how will we have enough prisons if we put everybody in jail without anything to treat them?

[*English*]

Mr. Thompson: Mr. Speaker, I thank the hon. member for his question.

The cases I cited are sample cases of an extremely violent nature where there is a direct conflict between the rights of the criminal and the rights of the victim and it has always gone toward the rights of the victim.

I did not talk about incarceration other than the fact that when we have those kinds of dangerous people on the street they should be locked up. Does that mean we throw away the key, not feed them and not treat them? I did not address the penal system. I will be more than pleased to give another 10 minute speech on what I think we should do there.

I believe in rehabilitation. I believe that we need to treat and do as much as we possibly can, but I also believe that we have to be realistic in our penal system, realistic enough to realize that across the way or anywhere the world, if we work hard and earn money, we probably will eat pork chops and steak and will love it. If we go out into the same world and do not work and are not able to achieve as much as some other people, we may have to resort to something less than that.

Maybe in a realistic sense that is part of the treatment that needs to take place in the penal system. Let us provide a work program. If one works hard in this penal system it will be like in society, one will eat well. If one does not work in this penal system, one's reward will be the same as in society. One will eat macaroni and cheese and may not get any cheese.

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, I found the discourse by the member for Wild Rose extremely interesting.

In a sense I thought it was an overview given by *Reader's Digest*. It was very anecdotal. At one point he mentioned two examples, two anecdotes, one being the very tragic case of the lady who was raped. He made the observation and the conclusion that in most cases the rights of the accused are greater than those of the victim.

I would like to ask the member what empirical data he has for this. This is one example given. He jumps to a very broad conclusion.

He also made the observation of the very tragic case of the young girl who was murdered. He then made the conclusion that there is no one to act for the wife or the mother in this case. I want to ask him in a very open ended way, who does the crown act for if it does not act in this case for the mother of this child?

Mr. Thompson: Mr. Speaker, I believe the crown acts for the state. If we take it down to an individual case, we have a different ball game. When we talk individually we talk about (a) one person, the criminal, and (b) person number two, the victim.

I referred to a conflict where a person was a rape victim, requested an HIV test and that request was denied to protect the rights of the criminal. I can give lots of examples. I have a whole briefcase full of them. That is difficult to do in 10 minutes. If every member of this Parliament has been paying attention to what is going on out there, I am sure they can find case after case.

• (1320)

Another examples is a fellow by the name of Thompson—no relation. When in prison he stated that he was going to kill his estranged wife when he got out. He was going to eliminate her and others associated with her. He stated that over and over. The victim, the lady in question, requested the authorities to please not let him out as he meant it. Nothing was done about her request. They simply followed the line of the rule: He was up for parole and was eligible because he had been a good boy and he really did not mean it. However, we will request that he stays in Toronto and does not go out to the west coast.

Big deal. He got to the west coast and he accomplished his mission. Three people are dead because nobody listened to the potential victim.

That is not asking too much. I am sure the hon. member will agree that if we ignore the wishes of the victims as we have in the past and only concentrate on the straight legal legislation, we are doing a disservice to our people.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I rise today to speak on the motion put before this House by the hon. member for Surrey—White Rock—South Langley.

The hon. member has put forward the motion that this government should be condemned for its inaction with regard to the reform of the criminal justice system. Specifically the motion accuses this government of allowing the rights of criminals to take precedence over the rights of victims.

The hon. member is quite right. In the five short months that this government has been in power it could have done much more than it has done to take action on criminal justice issues. We could have taken the easy road and won cheap popularity by pandering to those who want change without proper consideration of the consequences. We could have acted precipitously rather than proceeding deliberately and systematically.

We rejected this type of approach in favour of a broad and reasoned strategy to reform our criminal justice system. In short, this government honoured the pledge it made to Canadians in its electoral platform to work for a fair, balanced and humane justice system.

[*Translation*]

Finally, a key component of our election platform, better known as the red book, is a program designed to ensure safety in public and private places. We propose a comprehensive approach, namely a twofold initiative which recognizes the need for measures against violent crimes and high–risk criminals, while also emphasizing the importance of crime prevention.

The project is well under way in all these important areas. It is obvious, however, that some members are not aware of the work being done, or of the reasons why we concentrate our efforts on these particular areas.

I want to provide members with some information to enable them to better understand what the government is doing, and why it is doing it. Let us first look at the important issue of crime prevention. It is no surprise that the costs associated with crime in our country are enormous, both human and financial costs.

We know that the United States is the only nation in the Western world which has a higher rate of incarceration than Canada. In 1991, the costs related to our police, courts and correctional services reached a staggering $8 billion. We know that the human costs of crime and fear of crime, including the consequences of victimization for communities, are also very high.

The facts speak for themselves and we must adopt a comprehensive approach against crime in our society, one which recognizes the traditional role of our established organizations but also takes into account our social policies.

• (1325)

To be truly effective, crime prevention must tackle the social and economic factors linked to crime; it must go to the roots of the problem, which include poverty, unemployment, drug addiction and family violence.

[*English*]

We know that the human costs of crime and the fear of crime, including the effects of victimization on individuals in our society, are all too high. I believe the facts speak for themselves when I say that we must pursue a broad based approach to crime in our society, an approach that recognizes the traditional role of our established agencies, but also examines social policies.

To be truly effective the prevention of crime must involve examining the underlying social and economic factors associated with crime and criminality, the root causes of crime such as poverty, illiteracy, unemployment, alcohol and substance abuse and finally violence, to name but a few.

Fundamental to this approach is a shared responsibility among governments, their criminal justice systems, social service agencies, education systems and communities not only to fight crime but to deal with the social problems which ultimately lead to criminal activity.

The establishment of a council on crime prevention that would bring key players together to address crime prevention and safety within our communities is one of the commitments of this government. It is one that the Solicitor General is working on in collaboration with the Minister of Justice. The council will serve as an advisory body to all levels of government on broad policy priorities and activities related to crime prevention.

The composition of the council will reflect the wide variety of stakeholders in crime prevention and social development. To succeed then in our efforts to prevent crime and find practical solutions we must not only work in tandem with our partners in the criminal justice system but broaden our partnership to include our communities and neighbourhoods.

Without this support we cannot present a strong and united front in solving the difficult problems that touch us all, whether our efforts are directed at family violence, youth at risk, illiteracy, high risk offenders stemming from the drug trade or eliminating hate crime. Crime prevention is also an important part of the work of the National Parole Board and Correctional Services of Canada. Both of these agencies are concerned with the safe reintegration of federal offenders, those who have served sentences over two years, in society.

It is a fact that the majority of federal offenders, two–thirds, serve their sentence and do not break the law after being released into the community. Ensuring greater public safety for Canadians entails reducing the risk of those who do reoffend. Public safety remains the primary and constant factor of all correctional decision making. It is recognized that public safety is best served when offenders are given the treatment and training they need to successfully reintegrate into the community.

Correctional Services of Canada's life skills program for offenders is a good example of the type of fundamental work under way in our federal penitentiary system to help offenders acquire the skills they need to make a clean start in life.

I said earlier that our approach to fighting crime is a two pronged approach. The other side of the public safety coin is the need to find more effective ways of dealing with repeat violent and sex offenders. Improvements to handling and treatment of these offenders in the federal corrections system is a priority.

In its election platform the government recognized that Canadians want better protection from dangerous offenders and we are serious about following through on our commitment. Several reports, including those coming from inquests and Commons' committees on justice and legal affairs, have stressed the need for action in this regard.

We are developing a series of amendments to the Criminal Code and the Corrections and Conditional Release Act. For example, we are working on measures that would enable us to more easily detain until the end of the sentence repeat sex offenders who victimize children.

• (1330)

The Solicitor General has also stated that he wants to look at tightening up the sentence calculation process so that offences committed by repeat offenders on conditional release will result in more time served in penitentiaries.

We are also reviewing with the provinces a number of measures which could improve public protection from high risk offenders, including the greater use by the provinces of the dangerous offender provisions at the time of original conviction and sentencing. As well, the federal government will take steps to address the release of high risk offenders into society at the end of their custodial terms.

Society must protect itself from individuals who may be unfit for release and we are working with the provinces to deal with this issue in a way which is consistent with the charter.

Also being studied are methods of bringing the corrections and mental health fields together in a co–ordinated and integrated manner. While supporting tougher measures for violent and repeat sex offenders we must also highlight their need for enhanced rehabilitation programs while in prison to reduce the chances of these individuals reoffending.

The government in line with its red book commitment is putting various measures in place to improve the parole process. Among them are better training for National Parole Board members, legislative changes to better deal with those who are not performing satisfactorily and the requirement that members' appointments be based on merit, competence and integrity. After all, parole board members have a difficult and demanding job and only the best qualified people will be considered for future board positions.

In recent years a relatively small number of well publicized cases involving high risk offenders on conditional release have done much to erode public confidence in the institutions that have been entrusted to protect society.

In the parole system the Solicitor General is working to rebuild that public trust and restore that confidence. I believe the government's commitment to work to improve public safety from high risk offenders and to improve the parole process are firm examples of the type of action that will put us on the right track to win back that confidence.

Another example is the government's commitment to address the issues of youth violence.

[*Translation*]

I can of course only be concerned about the marked increase in violent crimes committed by young Canadians in recent years. We have all heard or read media reports on youth gangs and their criminal activities. Most incidents occur in large cities such as Toronto, Montreal and Vancouver, but small communities are not completely immune to the problem.

We do not yet know the real scope and seriousness of the problem of violence and criminal gangs among young people in Canada. According to some research on criminal justice, the crime rate among young Canadians is rising, but the rates for homicides and serious offences involving violence have remained relatively stable.

The number of charges for minor assaults such as slapping, punching and kicking has significantly increased. However, we do not know if this reflects an actual increase in the number of violent offences, or if it simply means that victims are more inclined to go to the police, or that the police is more likely to lay charges.

I want to be clear: I am not trying to minimize the problem of violence among young people, which is unfortunately worrisome. As a concerned citizen, I know how acts of violence can generate fear and intimidation in our communities.

In its program to promote justice and fight crime, the federal government clearly states that one of its priorities will be to take action on the increase in violent offences and delinquency among young people. Canadians of all ages should be able to enjoy the fundamental right of being safe in public and private places.

[*English*]

Last, I would like to turn to the issue of victim's rights. When the hon. member for Surrey—White Rock—South Langley tabled the motion we are debating she was obviously unaware that victims have more rights under today's criminal justice system than at any other time in Canadian history. Victims of crime are now formally recognized as legitimate and essential players in the federal corrections and parole process.

• (1335)

This recognition ensures that victims can be kept informed of an offender's prison and parole status if they so do request. Information from victims can now be considered at parole hearings and the victims may now attend parole hearings at the discretion of the parole board. No longer is their attendance dependent on the agreement of the defendant.

Aside from these changes police services and courts across the country are now much more sensitized to the needs of victims and this sensitivity is embodied in guidelines and new police policies which reflect an understanding of victims and the emotional trauma that they have often suffered.

These are positive and much needed changes. The government also recognizes that further change to accommodate the needs of victims is still necessary. As I said in my opening remarks we are not going to act in haste only to have to repent at leisure. When the government brings about change to the criminal justice system it will be lasting change, change that will stand the test of time.

Last year we travelled across the country meeting and listening to thousands of Canadians and seeking their input as we built our electoral platform. We did not spend all that time reflecting, consulting and listening just to turn our backs on Canadians the moment we were elected to office.

Canadians told us then and they are telling us now that they want change based on a thorough examination of all the issues, consultation with all interest groups, and a calm and rational appraisal and weighing of all the facts.

That is the type of change that we are committed to bringing to the criminal justice system and that we are working for even as I speak. It is the type of change that Canadians expect and deserve and the type of change that the government will deliver.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I listened attentively to the hon. member's speech. I found it an affront that this member would suggest we are asking for a quick fix.

I have a newspaper clipping here that tells about an injustice that occurred to Mr. Howard Gowan from the Swift Current area of Saskatchewan where 27 years ago he was picked up by the RCMP and taken from his farm and interned in the Weyburn Psychiatric Centre where he underwent a month of electroshock and drug therapy. After that month was up he was released.

The commissioner of the RCMP then sent him a letter expressing his sincere regrets, trusting he had not been inconvenienced and acknowledging that the RCMP member strictly speaking acted outside the authority provided by the Saskatchewan Mental Health Act. This man and his family have been striving for some degree of reconciliation with the justice system for 27 years without avail. I am sure that this man would find the comments of the hon. member quite hard to understand and accept.

The weaknesses of the Young Offenders Act have been emerging over the last number of years and are clear to all who want to examine it. We have been waiting and waiting for some kind of action that would show up the weaknesses of that act. We are still waiting.

I suggest that we have a cottage industry built around consultation in the justice system which simply results in delay and more delay. It was this government that produced the Young Offenders Act and the Conservative government that implemented it. Where was the leadership at that time when it came to enacting new laws? Where was the foresight and the vision that produced that kind of a flawed legislation?

• (1340)

We have talked, both in the House and privately with members, concerning the whole question of the mercy applications I have spoken about here and privately with the Minister of Justice where again there seems to be an inordinate amount of delay in the process of our justice system.

Look at the stories in the newspapers today with regard to over 30 charges, indictments against Alan Eagleson by the American justice system. My examination of that case indicates that the law enforcement agencies in this country did nothing for long periods of time, which included the RCMP, the Toronto Metro Police and the Law Society of Upper Canada which is the law society of this province. They did nothing with the complaint information and nothing was done until the information was being looked into by the justice department of the United States of America. Only then was something done here.

This motion is appropriate and I believe we are filling a proper role. We do not know what the justice department is doing at the present time. Understandably this is all done behind closed doors and it will be brought forward at a later date.

Perhaps our job in bringing forward this motion is to put the pressure on the government and hold it accountable as is the rightful role of members in the opposition. I believe this motion is proper at this time.

I would invite the hon. member's comments on anything that I have had to say in response to his speech.

Mr. Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, the hon. member raised a number of interesting comments.

He should keep in mind that the percentage of incarcerated people in Canada is second to the United States. We should also add that there are costs, $8 billion a year. He is also telling us that the U.S. judicial system is somewhat better than the one that we have in Canada. When we look at the number of crimes, murders committed in the United States, it is nothing comparable to what we have here or anywhere else in the civilized world I should add.

I am shocked that the hon. member is saying that they have a better system when we know in the city of Detroit there is more criminality going on in one year than all of Canada put together. Look at the statistics.

I am asking the hon. member to check the facts. We have been here for four months. We have taken various initiatives. It is a very complex matter. We are dealing with aboriginals. We are dealing with children. We are dealing with all walks of Canadian life. It is not an easy issue to solve, granted. We know there are problems. There are cracks in the system.

The initiative being taken by the government is to ensure that we close these gaps. That is why we need the co-operation of the opposition. We also need their compassion. That seems to be lacking with the party opposite, certainly with the member opposite who says he is appalled at the way we want to address this issue.

[*Translation*]

In conclusion, I find it really offensive to hear the opposition member tell us that the American system is much better than the one we have here in Canada.

In closing, I am convinced that the plan in the government's red book will make all Canadians more secure in the years to come.

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, we have heard everything today. Some members on this side want to separate while others seem to want annexation. There are some things that I do not understand.

Still, we have been discussing this Reform Party motion since the morning and many speakers have talked about the Canadian Charter of Rights and Freedoms. I would like the member for Bonaventure—Îles-de-la-Madeleine to tell me which section of the Canadian Charter of Rights and Freedoms protects the rights of victims and whether there is a balance between the rights of victims and those of the accused.

• (1345)

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General): Mr. Speaker, I am not able to talk to you about the provisions of the Charter of Rights and Freedoms, but I am here to confirm to hon. members that the government intends to deal with this rather sensitive situation.

We know that the crime rate is rising in Canada. The other opposition party tabled a motion asking for a total change in the way we treat not only victims of violence but especially prisoners. I will simply remind it that the government's purpose, which I am sure the hon. member will applaud, is to strike a better balance in the penal system and justice system we have in Canada.

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, the motion presented by the hon. member for Surrey—White Rock—South Langley on behalf of the Reform Party reflects in its wording and intent the obsessive fears of a society manipulated by certain media.

What I find disturbing in this motion is that it is a perfect example of disinformation. It cultivates and takes advantage of a tide of public resentment. Clearly, the motion before the House today is an expression of the gothic fantasies of an extreme right that is not living in the real world. I hope the hon. member does not base her concept of what is wrong with society by listening only to public rumours.

The motion asks us to condemn the government on two accounts. First, for its alleged inaction on reform of the criminal justice system and, second, because its penal laws allow the rights of criminals to supersede those of the victim.

Every single word, idea and gratuitous statement in this short motion raises a host of questions. What we have here is a compendium of reactionary, preconceived ideas. While we are at it, we might as well blame the government for the terrible winter we just had. The Liberals were elected in the fall, remember.

An hon. member: It is not over yet.

Mrs. Venne: And as the hon. member just said, winter is not over yet.

According to this motion, we should reform the whole criminal justice system. Does the Reform Party know why it wants this reform? Does it have any alternatives to suggest? What does it not like about the system? We all have complaints about the judicial system. Saying the system is not perfect is one thing, but to say it should be overhauled, without suggesting any alternatives, is something else altogether.

Does the Reform Party want to change our penal laws and the Criminal Code? Does it want to change the powers of the Minister of Justice, of our judges and lawyers? Is it dissatisfied with the procedure in the courts? Does it want to abolish the presumption of innocence? What does it want, Mr. Speaker? We do not know, and I really wonder whether the Reform Party has a single constructive idea on the subject.

If I understood the motion correctly, it raises the whole issue of the rights of criminals as opposed to the rights of their victims. Here again, the Reform Party is echoing public dissatisfaction. I think this House should remind them of certain facts and explain some of the centuries–old principles of our criminal law. For better or for worse, since the Magna Carta, Canada, the United States and all democracies that adhere to the British system of law have enshrined certain incontrovertible rules in their laws and judicial systems.

The Reform Party is actually blaming the government for five centuries of Western jurisprudence. This may enhance their prestige with people who listen uncritically to what they have to say, but it is a clear demonstration of ignorance taken to rhetorical heights.

• (1350)

The presumption of innocence, to start with this absolute of our criminal law, protects and, unfortunately, will continue to protect for many centuries, all criminals in society. Our laws oblige the police arm of the state to prove that an accused person is guilty beyond any reasonable doubt. The Reform Party cannot change this. It is the basis of our criminal law. Fortunately, that same rule of law also protects the honest citizen who is accused by the state.

When we say rule of law, we also mean procedural fairness for all accused persons. Our civilized society does not condone lynching. At one time, in some parts of America, people were hanged on mere suspicion. People wanted a conviction at any price, so they took the law into their own hands, committing murder in the process. In these societies, the presumption of innocence, reasonable doubt, due process and the right to a fair trial were concepts as foreign as cellular telephones. Sometimes I wonder, when I hear this kind of motion, whether its movers realize we are more living in the era of the cellular telephone.

The right to a fair trial is enshrined in the Charter of Rights and Freedoms. If the Reform Party wants to withdraw the fundamental constitutional document of this country, let it say so, and we will have an interesting debate on the kind of society we want. I am not sure Canadians are prepared to tear up the Charter, which represents what is universal in our society. How many citizens would follow the Reform Party in a crusade against the Charter? I think all the converts to this new religion would comfortably fit into a telephone booth.

I agree that our democracy pays a very high price for protecting fundamental rights and democratic freedoms. I am as upset as the next person about abuses of a judicial system that is often defeated by criminals who are aware that its weaknesses are in direct proportion to the generous principles by which it is guided. I know that murderers, rapists and swindlers manage to

survive because they are able to take advantage of the rules of law that protect them as they protect all honest citizens. However, the Reform Party should have checked certain statistics, and especially one that is very reassuring. In this country, nine out of ten accused plead guilty or are found guilty. Ten per cent of accused persons are acquitted, and I am sure that even if any of these were guilty, the rule of law helped to prevent conviction of the innocent. That is democracy, Mr. Speaker.

The Reform Party should have made certain distinctions in its motion and subsequent presentation. It should have told Canadians that the Criminal Code and the Corrections and Conditional Release Act are two different things. It should have said that the Criminal Code cannot be any stricter than it already is. If the judge does not impose the maximum sentence provided under the Criminal Code, as often happens, his judgment is dictated by the circumstances. Every case before the court is different, and judges have wide discretion in sentencing a person who has been found guilty.

We cannot say that the system gives criminals an unfair advantage in this respect. The police and the Crown prosecutors do their best with the resources they have. The courts hand down judgements. They are the judicial arm of the government. They are, and must remain, independent. When a judge hands down a judgement, he speaks as the judiciary power, not as the government. That is another fact that is often overlooked.

I believe our Criminal Code is an effective instrument in the fight against crime. It will be amended again and as often as required by changing circumstances, but it reflects a contemporary social consensus on what constitutes reprehensible behaviour.

• (1355)

Once the sentence has been handed down, it is no longer the criminal justice system, but the Correctional Service, which is responsible for the individual who has been found guilty and sentenced to a prison term. I do not know if the Reform Party is calling for the repeal of the legislation governing the Correctional Service of Canada, but, hey, why not. And since we are considering reviewing all of the legislation governing the criminal justice system, why not simply throw everything out and start over, using the brilliant ideas of the right wing which is all–knowing since it has a direct line to God Almighty.

I would have liked to see the Reform Party deliver an enlightened and motivating speech, a speech inspired by a serious review of the shortcomings of our criminal justice system. Yet, even when she expresses compassion for the fate of victims, the hon. member who presented the motion is using a well–worn argument. The hon. member could have pointed out that the Criminal Code allows a judge to order the guilty party to compensate his victim. He can do so at the moment of sentencing by ordering the persons found guilty to reimburse to the victim an amount equal to the value of the material damage suffered. The judge can also order the guilty person, in a probation order, to compensate his victim for bodily harm inflicted. The courts have these powers. They are in the legislation. We can only encourage the system to use them.

Mr. Speaker, do I have time to continue?

The Speaker: You have at least one minute remaining.

Mrs. Venne: Thank you, Mr. Speaker. I will not have time to finish, but I will continue, nonetheless. I would have liked to see the Reform Party give an objective speech. I would have liked it to focus not only on the public's dissatisfaction which itself is aroused, fuelled and sustained by the media which regards the public as someone it can easily win over. The public, whether rightly or wrongly, has a negative view of the protection which the courts afford victims of crime. It would be easy to go on and on about public sentiment, but we are being remiss in our duty as elected representatives when we use this dissatisfaction for purely political purposes.

When they speak about victims, why do Reform Party members fail to mention that the purpose of the criminal courts is not to arrange compensation for victims, but, first and foremost, to punish the guilty, according to the applicable rules of law?

Mr. Speaker, I see that you are about to rise.

The Speaker: It being two o'clock, perhaps the hon. member would agree to continue following oral questions.

Pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

SEXUAL HARASSMENT

Mrs. Marlene Catterall (Ottawa west): Mr. Speaker, International Women's Day and Week for 1994 have passed into history. Tragically what is still with us is the violence that has damaged the lives of more than half of Canadian women.

One form of violence against Canadian women is sexual harassment. While 37 per cent of women experience sexual harassment, less than 40 per cent do anything about it because they feel they have no options.

A survey in our Canadian forces shows these equally frightening statistics.

Sexual harassment both reflects and perpetuates womens' economic inequality. Like other employers the federal government is legally responsible to ensure a workplace free of sexual harassment. Yet I continue to hear from victims of harassment who are often revictimized when they try to take action.

I therefore urge ministers of the crown to take personal responsibility to ensure that in their departments zero tolerance is not just a pronouncement but a reality.

* * *

[*Translation*]

ST. PATRICK'S DAY

Mr. François Langlois (Bellechasse): Mr. Speaker, on this March 17, St. Patrick's Day, I am pleased to pay tribute to all our fellow citizens of Irish origin for their outstanding contribution to the development of Quebec and Canada.

In my riding of Bellechasse, the Grosse–Île sanctuary, which for many years was a quarantine station where thousands of Irish families stayed after fleeing the hardships in their country, still symbolizes the courage and determination of our fellow citizens of Irish descent.

• (1400)

[*English*]

To my Irish friends and neighbours of my constituency and to the whole Quebec Irish community, my best wishes for this very particular day which reminds us of our origins and the way we have achieved our common contribution to Quebec.

Happy St. Patrick's Day.

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CANADIAN BROADCASTING CORPORATION

Mr. Jim Abbott (Kootenay East): Mr. Speaker, last evening the Canadian Broadcasting Corporation on its Canadian Newsworld Service broke into regular programming for an emergency half–hour telecast. It showed us the interior of a courtoom in Portland, Oregon, in the United States.

The emergency telecast was the entry of a guilty plea by Tonya Harding in a made–for–America television soap opera of Tonya and Nancy "As the Skate Turns". The Tonya–Nancy show distorted television coverage of the recent Olympics, dominating American television for weeks.

Why are Canadians paying $1.1 billion per year to support the CBC in its role of protector of all that is good and Canadian when it does quick knee–jerk reactions and follows the lead of the made–for–TV news of the U.S. commercial networks?

Canadians expect better from the Canadian Broadcasting Corporation and demand value for taxes.

* * *

ST. PATRICK'S DAY

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, I see from the shamrock you are wearing that you well know that today is March 17, St. Patrick's Day.

In this House we have many honourable members who are proud of their Irish ancestry. We have Clancy, Collins and Galloway, McGuire, Murphy and Shaughnessy, Tobin, Torsney and Whelan, O'Brien, O'Reilly and even Sergi O'Marchi.

Mr. Speaker, from the Irish harp and the shamrocks on our Canadian coat of arms above your chair to the beautiful ceiling of this very chamber, fine hand–painted Irish linen, there is evidence everywhere of the contributions of the Irish culture to Canada.

On behalf of all hon. members in this House, I would like to wish all Canadians, especially those of Irish ancestry, a very happy St. Patrick's Day.

* * *

[*Translation*]

RACISM

Mrs. Eleni Bakopanos (Saint–Denis): Mr. Speaker, Monday, March 21, is the International Day for the Elimination of Racial Discrimination. Since 1989, the City of Montreal, in co–operation with the provincial and federal governments, has held an event to mark this important day and I want to congratulate them for this initiative.

I invite all hon. members to participate in events organized in their ridings to mark the importance of that day, and to work harder to fight racism and discrimination.

I want to remind hon. members of the words of Martin Luther King who said: "I have a dream that one day. . . little black boys and black girls will be able to join hands with little white boys and white girls and walk together as sisters and brothers. . . I have a dream that one day all forms of injustice will disappear on Earth, for the greater benefit of all human beings. And when that day comes, we can all hope that freedom will be with us soon after."

[*English*]

I have a dream that my children will one day live in a nation where they will not be judged by the colour of their skin but on the content of their character.

Let us work together to fulfil this dream.

IRISH CANADIANS

Mr. Nick Discepola (Vaudreuil): Mr. Speaker, on this very special day I too would like to pay tribute to all Irish Canadians and especially those in my riding.

I would like first to pay tribute to my Irish wife of 22 years, Mary Alice, whose contributions like so many housewives and dedicated mothers are often taken for granted. She has dedicated herself unselfishly to our family and without her devotion I would not have the honour of serving in this House today.

I would also like to pay tribute to a long time friend and fighting Irishman in my riding. Last Sunday the residents of Kirkland, selected as one of Canada's top 10 towns best to live in, elected their sixth mayor and for the first time in their history an Irishman. To Mr. John Meaney and his wife Evelyn who have served the community with pride, love and dedication for over 23 years, I wish them all the true luck of the Irish as John faces the challenge of being Kirkland's chief magistrate.

Mr. Meaney has the difficult task of following in the very, very small footsteps of a colleague and former mayor in Nick O'Discepola. I am confident he will take Kirkland forward in great strides.

* * *

• (1405)

[*Translation*]

THE GLOBE AND MAIL

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, yesterday the *Globe and Mail* carried a report filled with sensationalism unworthy of a serious daily newspaper. On page one of its Report on Business section, the *Globe* linked the explosion of a home–made bomb at the base of a hydro pylon tower to a lowering of the value of our dollar.

The *Globe* also took advantage of the opportunity to keep alive the fear of its readers by brandishing the threat of those "bad separatists" in Quebec.

The Canadian dollar, which has lost close to 4 per cent of its value since January, is affected by a whole slew of factors, of which the appalling state of the nations finances is certainly not the least.

For the benefit of this House, I would like to inform the *Globe and Mail* that yesterday the dollar closed up, despite the discovery of numerous acts of vandalism against Hydro–Québec facilities.

[*English*]

APPLE GROWERS

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, world renowned Okanagan valley red Delicious apples are a major crop in my riding of Okanagan—Similkameen—Merritt.

This industry is also a major employer in the area. Recently apple growers have been threatened by the dumping of apples into Canada at prices below the American growers' cost of production. This not only affects Okanagan growers but apple producers across Canada.

Unless fair trade provisions under the current Canada–U.S. Free Trade Agreement are enforced, our apple producers may soon be forced out of business.

On behalf of the growers in my riding, I call on this government to immediately protect Canadian apple producers before severe damage is done to this important industry.

* * *

CANADA PENSION PLAN

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I am concerned about the distribution of survivors' benefits under the Canada Pension Plan.

A surviving spouse can be either a legal or a common law spouse to qualify for the survivor's benefit. A common law spouse must have been living in a conjugal relationship for at least one year. This is controversial because often a common law spouse gets all the survivor's benefits after a brief relationship. Meanwhile the legal spouse who was part of perhaps a much longer relationship gets absolutely nothing. This is just not fair. The government has already established the principle of dividing pension credits.

In 1978 provisions were introduced into the CPP providing for the division of pension credit on divorce or annulment. In 1987 this was extended to marriage breakdown resulting from separation.

I urge the government to apply this principle to split survivors' benefits for legal spouses. Surely if this principle is sound for one, it is sound for another.

* * *

JEANNE SAUVÉ AWARD

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, in June 1993 the Department of Canadian Heritage established the Jeanne Sauvé award for women in communications in memory of the former Governor General of Canada who had a long and distinguished career in media and in federal politics.

[*Translation*]

The award entitles recipients to a three–month internship with the Department of Canadian Heritage to gain first–hand knowledge of how policy and legislation are developed in the federal government. The award program is administered in conjunction with Canadian Women in Radio and Television.

[*English*]

On behalf of the Department of Canadian Heritage I congratulate Jeanne Sauvé award recipients Susan Brinton, Manager of Business Affairs with Canwest Global, and Kirsten Embree, Director of Regulatory matters for Unitel.

[*Translation*]

I welcome them most heartily and I hope that they will find their stay interesting and informative.

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ALUMINUM INDUSTRY

Mr. André Caron (Jonquière): Mr. Speaker, as the member of Parliament for Jonquière, I wish to inform this House that a committee of aluminum workers laid off by Alcan was set up, with a membership of 500. This committee has contacted the Prime Minister to let him know how disappointed it was because the federal government seems to pay little attention to those affected by unemployment in the aluminum industry.

These unemployed workers are asking for investments from Alcan in the Saguenay–Lac–Saint–Jean region in return for the privilege of using the hydro–electric power of our rivers. They also ask for job creation to be promoted by limiting overtime.

These workers denounce Canada's financial support for the construction and modernization of aluminum plants in South Africa and Russia while Canadian aluminum workers are being laid off. The committee therefore asks the government to develop consistent economic and employment policies.

* * *

• (1410)

[*English*]

MEMBERS OF PARLIAMENT

Mr. John Williams (St. Albert): Mr. Speaker, what seems to be happening in this House is most disquieting.

I believe that millions of Canadians share my very deep concern that certain members opposite are trying to undermine, perhaps even destroy, the reasons and ideas on which this place is built.

The result is that ideas, honest and vigorous exchanges and debate are being stifled by certain members opposite who label their opponents racist, redneck, bigoted and prejudiced.

It is a habit of certain members opposite to stand in this House and hurl insults or to go outside this House and amplify their remarks to the media.

Canadians want to know why the Prime Minister tolerates this behaviour. Does he truly believe that is Liberalism? Does he believe that this is what is called democracy?

* * *

ST. PATRICK'S DAY

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, today millions of people around the world are celebrating St. Patrick's Day. It is a day when our thoughts turn to our faith, shamrocks and the wearing of the green.

For me this is a special day. It is a chance to reflect on and celebrate my heritage and the important role our Irish ancestors have played here in Canada.

Irish people, like my family and those throughout this land, have made a significant contribution to help keep Canada whole.

In the mid–1800s thousands of Irish immigrants fleeing famine and poverty came to Canada for a better life. Many settled in Nova Scotia and the Annapolis Valley and helped make it the very special place it is today.

To paraphrase a famous saying, it is on a day like today when we realize there are only two types of people in the world, those who are Irish and those who wish they were Irish.

* * *

SOUTH AFRICA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, two years ago today South Africa made a bold choice to end the system of apartheid and instead embark upon democracy.

As Canadians we can take a great deal of pride in the fact that Canada has always stood on the forefront of international efforts aimed at promoting change in South Africa. We can also be proud of the fact that Canada is continuing assistance during the national elections taking place in South Africa on April 26.

Our Secretary of State for Latin America and Africa will lead a delegation of election monitors and observers which will be necessary in order to ensure a free and fair vote.

I wish the Canadian delegation every success and hope that all of South Africa puts violence aside and in the interest of peace takes part in the democratic process.

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STANDING COMMITTEE ON AGRICULTURE AND AGRI-FOOD

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I rise today to congratulate members from all sides of this House who came together in an agriculture committee this week.

This committee, which I chair, deals with a very important issue called BST which is bovine somatotropin. It is an issue that divided a number of members who had a number of different views. However, for the first time since I have been in this House we had a committee that worked across party lines and came up with what I believe to be some very concrete recommendations to this government.

Mr. Speaker, as you know, the rules in this House have been changed to allow all committees more say in their agenda and the setting of their agenda and more power in making stronger recommendations to government.

I thank the Prime Minister and the leaders of all parties for giving individual members of Parliament more powers through our committees and more ability to work together in this House.

* * *

CHILD SUPPORT INCOME

Mr. Randy White (Fraser Valley West): Mr. Speaker, it is tax time once again and I implore the Minister of Finance to change the laws affecting the taxation of child support income.

A woman named Joan from my riding of Fraser Valley West is about to lose her home because she is being forced to pay $1,300 in income tax this year on the child support money she receives from her ex-husband. Joan makes only $9,800 a year in personal income and receives $12,000 a year in child support payments to raise her children. She has to claim child support as taxable income while her ex-husband, who has already paid income tax on the money, gets to claim the child support as a tax deduction.

Joan says the government is literally taking food out of her children's mouths and she will have to move out of her home to pay the tax bill. I agree with Joan and thousands of single mothers like her. It is simply not fair.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

HUMAN RIGHTS

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Foreign Affairs.

In a surprising statement, the Minister of Foreign Affairs has announced that Canada will no longer tie Canadian foreign assistance to a country's human rights record. In so doing, the government is casting aside the policy announced at the 1991 Commonwealth Summit in Zimbabwe and later reaffirmed at the Francophone Summit in Dakar, a policy which ties Canadian foreign assistance to respect for human rights.

Are we to understand from the minister's statement that the government had a sudden change of heart and decided that from now on business comes first, even if it means willingly ignoring systematic human rights abuse in countries under dictatorial rule, just to establish trade relations with these countries?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, the Canadian government obviously has no intention of turning a blind eye to human rights abuse which may be reported in a certain number of countries around the world.

In the speech I made before the House, and in the presence of the Leader of the Opposition, I very clearly expressed the desire to pursue, but in a different way, our goal of getting all countries to respect these most fundamental civil rights. I also stated that it was not wise or appropriate to sever our ties with countries which may not pursue the same democratic goals as we do.

The Leader of the Opposition knows full well that we are confronted with high unemployment which has to be dealt with, that our government's priorities are economic recovery and job creation and that, consequently, part of our economic recovery plan depends on greater efforts to promote international trade.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the problem is not with the minister's speech in this House, because it was an excellent speech espousing a very generous vision of Canada's contribution to restoring a kind of balance between countries of the South and the North. We even praised the minister for his magnanimous remarks. The problem is the surprise we had on hearing the minister say one thing outside this House, whereas he had said the opposite in this chamber. Outside the House, the minister said that Canada's trade policy was not tied to the issue of human rights.

I would like to know if the minister recognizes that this new policy, which he defined outside the House—because there are two policies, one for the House, and one for outside the House—would not have allowed Canada to take part in the trade embargo which ultimately brought about an end to apartheid in South Africa. Furthermore, should we expect Canada to ease the trade sanctions imposed on Haiti to force the return of President Aristide?

Some hon. members: Hear, hear.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I see that Bloc members are applauding their leader for expressing a desire to support President Aristide. They are well aware that the government is stepping up its efforts to bring about the Haitian President's return to his country as soon as possible. Therefore, in response to the opposition leader's question, obviously we will not yield on the sanctions issue. We will continue to push for President Aristide's return to his country.

As for the other part of his question, as to whether what I said in this House differs from my statement outside the Chamber, I want to thank the Leader of the Opposition for praising my speech in the House. However, I would remind him that one should always proceed with caution and check to see if the newspapers have reported all, and not just some, of the facts.

• (1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, never in my five years in politics have I denied statements which the print media ascribed to me. I am not one of those who deny statements which the newspapers attribute to us.

Mr. Speaker, there appear to be two policies, one for poor countries which are guilty of human rights violations—and here, Canada takes a very harsh stand—and another for wealthy countries which are also guilty of human rights violations. In their case, however, the government turns a blind eye.

Does the Prime Minister not recognize that the Minister of Foreign Affairs was laying the groundwork for his trip to China, a wealthy country, when he made this statement outside the House? Could it be that the Prime Minister, in an attempt to restrict the focus of his trip to China to trade issues, was hoping not to have to deal with the human rights issue in China, even though dissidents have been waging an admirable fight to bring democracy to that country?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have spoken with the President of China and each time Canada has diplomatic contacts with the Chinese, we remind them that we are not pleased with the human rights situation in their country. However, this does not mean that we will not do business with them.

If the hon. Leader of the Opposition is telling us that we should have nothing to do with China, then we will take note of his position. However, if we refuse to do business with every country having a political system that is not to our liking, then we will not be doing business with very many countries. We are monitoring the human rights situation in China, but it is equally important—and this may be the best way to improve human rights in countries such as this—that we do business with them to open the country up to the world. This is the way to achieve democracy. This is precisely what happened with the Soviet Union. When the Soviets finally understood that human rights and democratic freedoms, as enjoyed by the Western world, were the right choice, that is when the Berlin Wall crumbled.

* * *

[*English*]

PUBLISHING INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is directed to the Minister of Canadian Heritage.

According to information received from the publishing industry Mr. Ward Pitfield, who was in charge of the Ginn Publishing file at CIDC, admitted last January to an attorney for Canada Publishing that CIDC did not intend to sell Ginn Publishing. Then a week later CIDC sold Ginn to Paramount. Furthermore Mr. Pitfield confirmed recently that he had never seen a written contract between CIDC and Paramount.

Is the Minister of Canadian Heritage aware of the fact that Mr. Pitfield, the representative of CIDC on the board of directors of Ginn Publishing, has never seen a contract of sale between CIDC and Paramount, and can the minister tell us whether or not the deal has effectively been completed?

[*Translation*]

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am sure the question put by the hon. member of Rimouski—Témiscouata was intended to scare me.

[*English*]

I will continue in English as she used the other official language.

I take note of the information that was provided by someone and I am going to look into it.

The CIDC, according to the information I have, and I have checked, was determined to sell Ginn for reasons which I have considered and which appear to me to be legitimate reasons.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, the president of Canada Publishing has informed me today that his publishing company is willing to acquire control of Ginn Publishing for the same price offered by Paramount. In these circumstances, is the Minister of Canadian Heritage

prepared to stop the deal between CIDC and Paramount with regard to Ginn Publishing?

• (1425)

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the government made a legal obligation some while back. It was committed by the previous government to complete the sale to Paramount. The legal obligation was there.

I might add, however, that it was made in January 1989 when the secretary of state in the cabinet of the previous government happened to be the current Leader of the Opposition.

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ABORIGINAL SELF–GOVERNMENT

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

The minister has been consistently unable to define the government's vision of aboriginal self–government except to refer to vague generalities in the red book. I ask the minister, whatever new order of government is negotiated with aboriginals, can he assure the House that the spirit and the letter of the Charter of Rights and Freedoms will be respected?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, certainly.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I thank the minister for that assurance.

As the minister knows the Charter of Rights and Freedoms guarantees everyone: aboriginal, non–aboriginals, Reformers, even the member for Athabasca, freedom of thought, belief, opinion and expression.

How tragic it would be if a House which professes a profound respect for the charter would become the place where anyone who questions language policy is accused of being anti–Quebec, where anyone who questions immigration levels is denounced as being anti–immigrant and where anyone who questions a non–existent aboriginal policy is denounced as anti–Indian.

Why should Canadians believe any of the minister's assurances regarding respect for the charter when he denounces members of Parliament who disagree with him as racist and rednecks.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, throughout the campaign and our four months here it is apparent we have a different philosophy and it usually involves groups at risk, whether it is linguistic groups in the province of Ontario where we have a half million francophones, whether it is women, whether it is aboriginal people or whether it is multicultural groups or whether it is what we talked about yesterday.

I am not questioning freedom of expression. You are invited to make the expression. But certainly you cannot disagree with my right to disagree with your freedom of expression.

The Speaker: The hon. minister will address his remarks to the Chair please.

Mr. Irwin: Mr. Speaker, the leader of the Reform Party refers to the use of the word redneck. Where was that said?

An hon. member: Where?

Mr. Irwin: In this House.

An hon. member: Who said it?

Mr. Irwin: Who said it? A member of the Reform Party on January 27. What did he say? Do you want to hear me say it?

Some hon. members: Yes.

Mr. Irwin: "I have been called a redneck myself and it is a label I wear with considerable pride".

Some hon. members: Oh, oh.

Mr. Irwin: I see the hon. member is bowing. Now he bows. He still accepts that. Mr. Speaker, who am I to question such exact self–analysis given in the House where the hon. member is free to say whatever he wants.

• (1430)

Some hon. members: More, More.

Some hon. members: Hear, hear.

Mr. Preston Manning (Calgary Southwest): The member for Swift Current—Maple Creek used that term to describe someone who did not believe in political correctness. The hon. member used that term to denounce someone as a racist and an ignoramus.

The minister apologized for calling Reform supporters Indian haters a few weeks ago. Just one day ago he called a fellow member a redneck. The minister's words provide no assurance.

What concrete thing is the minister going to do to demonstrate his intent? Will he apologize in writing? Will he go outside the House with the member for Athabasca and apologize in front of the cameras? Will the minister resign?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will tell the leader of the Reform Party what I am going to do. If he starts telling his people not to make these remarks in the House, I will not repeat them.

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Michel Gauthier (Roberval): Mr. Speaker, the government says that its decision to transfer training activities from the College in Saint–Jean to Kingston was motivated by the need to save money. Unfortunately, we cannot get any credible figures. Yesterday, the Prime Minister said in the House: "I do not need to spend more money to see or to have experts tell me that we do not need three military colleges for 65,000 members" of the Canadian Armed Forces.

Considering that it will cost $6 million to maintain an empty building in Saint–Jean, that it will cost a lot more to train students in Kingston instead of in Saint–Jean and that the Prime Minister's project may end up costing a lot of money, is the Prime Minister not afraid that all these expenses will considerably reduce the amounts saved by concentrating officer training at the college in Kingston?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the hon. member came to the standing committee the other day and was given all of the facts that were available. He was not satisfied. He was not satisfied in getting the facts in the printed form or from the general in charge of personnel of the armed forces of Canada.

We really do want to satisfy the hon. member for Roberval who does have a Bloc mentality in some cases and pardon my play on words. Therefore later today I will issue a detailed financial statement to the hon. member and to members of the press gallery. Hopefully the hon. member will read it tonight and will not come back tomorrow for more explanation.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, either the Prime Minister and his Minister of National Defence have the figures and they refuse to make them available to Canadians by tabling them here in the House or the Prime Minister made this decision to close the only francophone military college on the spur of the moment, to save his Minister of National Defence.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would like to answer this question. First of all, I want to say that Saint–Jean is not a French college but a bilingual college, like Kingston. And I am very pleased to hear that people who fought against bilingualism in Quebec are anxious to keep a bilingual institution in Quebec.

Unfortunately, as I said before, we are making major spending cuts. The United States, with two million service men, have three military colleges. In Canada, we have 65,000, so we can dispense with two of our colleges. We have decided to consolidate the two bilingual colleges, Saint–Jean and Kingston, and make one college in Kingston.

• (1435)

I also think the hon. member will realize that, if he looks at this objectively, the defence cuts in Quebec were less severe than in other parts of Canada, and if I had acted on his leader's recommendations, we would have cut far more, because we did not cut 25 per cent of the defence budget.

* * *

[*English*]

ABORIGINAL SELF–GOVERNMENT

Mr. David Chatters (Athabasca): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

It is becoming clearer all the time that the minister does not understand the widespread concern over the meaning of aboriginal self–government. The minister must know there are several fundamentally different definitions of what self–government actually means. These range from the minimal concept of municipal government to the opposite extreme of absolute sovereignty as a nation state.

Does the minister still not understand why so many Canadians both inside and outside the aboriginal community believe we must define at least some broad parameters around what is and what is not acceptable in the definition of aboriginal self–government before it can be agreed to even in principle?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I agree with the hon. member. It is a very difficult subject.

Self–government is something we are working with. That is part of our consultative process. As the hon. member knows, we have allocated $4 million for discussions over the next six months. There will be models evolving which are culturally and regionally sensitive. It will come.

I ask the hon. member for two things: be patient and be constructive.

Mr. David Chatters (Athabasca): Mr. Speaker, aboriginal self–government sometimes if not always is a frustrating issue. The minister has demonstrated time and time again his inability to control his emotions when dealing with it.

As an elected member of this Parliament, I deserve the same level of respect as members opposite, even if we should present a different point of view on the issues brought before this House.

If the minister is truly interested in the benefits of all concerned parties will he consider stepping aside so that we can proceed on this issue without further interruption?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, there is only one way to earn respect in this House: you have to work for it. You have to put your points forward and they have to be respected by your peers.

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[*Translation*]

GOODS AND SERVICES TAX

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, yesterday I asked the Prime Minister whether he supported applying a new GST to health care and medication. He gave the following answer, and I quote: "All taxes collected by the government go into the government's consolidated fund and this money is used to pay for all the government's programs." With this answer, the Prime Minister left all of his options open.

Will the Prime Minister tell us, yes or no, if he is preparing to extend the GST to health care and medication, as some of his own members have hinted?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the answer is no.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I am pleased to hear it. This is the first time I have received such a clear, direct answer.

The Prime Minister has stated very clearly that the new GST will not apply to health care and medication. Is he also prepared to say that the new GST will not apply to food either, given that his Minister of Finance was rather vague about this last week, as vague as the Prime Minister was yesterday?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there will be no old GST and no new GST.

* * *

[*English*]

MEMBERS OF PARLIAMENT

Miss Deborah Grey (Beaver River): Mr. Speaker, my question is for the Prime Minister.

It is quickly becoming a habit in this Parliament that any MP who disagrees with Ottawa's politically correct dogma is labelled as racist, prejudiced, ignorant or now rednecked, the pejorative definition.

• (1440)

When will the Prime Minister instruct his caucus that personal attacks are not acceptable? When will he demand the resignation of ministers and ministers of state when such attacks are committed?

The Speaker: I was going to make a little statement at the end of Question Period today as to how well we were doing together in the House. I hope at the end to make a brief statement.

I would hope, my colleagues, that we would continue as we have been for the most part since this Parliament first sat to come together and deal with each other on a very civil and very respectful plane. I would hope that neither the questions nor the answers would tend to inflame passion on either side.

That being said I will permit the Prime Minister, if he so wishes, to answer the question. It is of a general nature.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is very difficult for me to blame the minister of Indian affairs for quoting the member of the Reform Party.

The hon. member said that he was proud to be a redneck. He got up and said that a few minutes ago. Maybe he wants to withdraw what he said in the House. I never used that term myself. I invite the member from Edmonton and everyone else to be very generous with the diversity of this country.

When I was in Edmonton, I knew it would not be a popular statement on his part but the premier of Alberta said that he believed it is a good thing for Canada to have a policy on bilingualism. To me it is not imputing motives to people who do not subscribe to that but I have been in public life for 30 years. The fact that we have two official languages in Canada is a good thing. I can see some progress because some members of the Reform Party apparently are taking French lessons. I am very happy about that.

Miss Deborah Grey (Beaver River): Mr. Speaker, we on this side of the House are begging for generosity on behalf of cabinet ministers who are making inappropriate remarks.

For five years I sat as a member of this House and watched the current government members demand resignations for far less serious reasons while they were members of the opposition.

It makes me wonder, had George Orwell written a sequel entitled "1994", could he have foreseen the politically correct movement which seeks to eliminate not only words but ideas and even debate on issues of the day?

When does this government plan to begin living up to the promises made in the red book by reprimanding cabinet ministers and ministers of state who personally attack other members of this House?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is very difficult for me to reprimand somebody who is quoting *Hansard* when a member of Parliament said proudly that he was a redneck.

When the word was mentioned today, the hon. member stood up in his place and bowed to all of us. As long as it is on the record and he is proud to be a redneck, I will honour him in calling him a redneck. That is what he wants to be.

* * *

[*Translation*]

INDIAN AFFAIRS

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

We were informed last Saturday that $21.7 million had been budgeted, according to the Minister of Indian Affairs, to buy land and various pieces of property which would form the nucleus of a future native territory in Kanesatake, near Oka.

My question is as follows: Can the minister tell us whether the $21.7 million is for all, and I mean all non-native land along highway 344, including the land owned by the people who are called the forgotten ones of Oka?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, when I took over this ministry I found that the Conservative government had acquired over 80 pieces of property including 57 houses in the area to which my hon. friend refers. I have had four or five meetings with the chief of the First Nations to encourage him to take over the property. As of now it has not been taken over. There is a serious concern by the chief that if he takes it over he cannot properly administer it by allocating some type of point system.

• (1445)

What has happened is that the houses have been taken over by other people who should not be in there. Until I solve that multimillion dollar problem I have been trying to solve I cannot go to the other side of highway 344.

[*Translation*]

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, this has been dragging on since 1990 and the minister has given no indication of being more anxious than his predecessor was to help out the people of Oka who are at their wits end. When does the federal government intend to act on this issue?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): That is incorrect, Mr. Speaker.

My first meeting with the Mohawk nation was to deal with that point to which I brought Grand Chief Bill Montour, Grand Chief Ovide Mercredi and my wife. We drove down there to deal with that specific problem.

We have met on four subsequent weeks. It is still not solved. We are putting our best people on it. We are trying to solve it because I know it is of serious concern not only to the hon. member but to me.

* * *

WALMART

Mr. Peter Adams (Peterborough): Mr. Speaker, my question is for the Minister of Industry.

The Walmart purchase of Canadian Woolco is now a fact. A network of manufacturers and suppliers in Canada was built up over the years to service Woolco stores. Some of those are in my riding of Peterborough.

Could the minister give us his assurance that he will do all he can to ensure that Walmart does not abandon these Canadian suppliers where they can show they are competitive with the U.S. suppliers?

Hon. John Manley (Minister of Industry): Mr. Speaker, I can and I do give that assurance.

I can also assure the hon. member that we have obtained from Walmart very specific undertakings with respect to the development and maintenance of a Canadian supplier network, as well as an undertaking to increase the acquisition and sale of Canadian books, magazines and other cultural products in their stores.

I took the undertakings seriously enough that I felt they warranted a direct call to Mr. Walton. He gave me his personal assurance of the importance of the undertakings to us and to him.

I would like to quote the CEO of Walmart who was quoted in the *Financial Post* in February as saying: "It is our intention to run a Canadian company with Canadian people, fitting in as best as we can with the Canadian culture". I suggest that is probably the best formula for success that Walmart could follow in coming into Canada.

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BOWDEN INSTITUTE

Mr. Bob Mills (Red Deer): Mr. Speaker, my question is for the Solicitor General.

As the hon. minister knows the Bowden Institute is located in my constituency. Recently it has come to my attention that the government is expanding the institution by 745 square metres with a new recreation complex which is to include a lavish weight room, new gymnasium, hobby rooms, barber shop, et cetera. The cost to the taxpayer is $675,000.

In light of the recent budget does the government not find this expenditure on lawbreakers somewhat hypocritical?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the hon. member's question is an important one but it is quite detailed and technical. Therefore I will take it as notice and get back to him soon.

Mr. Bob Mills (Red Deer): Mr. Speaker, a great number of constituents have asked this question and are quite concerned about it. At a time when they have to tighten their belts they are finding it a little difficult to understand this extravagant waste of money on this facility.

Could the minister assure us this sort of waste will not continue?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I do not accept the hon. member's premise underlying his question that what is happening is necessarily a waste.

I will look into it and get back to the hon. member. We are very interested in sound expenditure of taxpayers' funds and that is the starting point of my inquiry into this matter.

* * *

• (1450)

[*Translation*]

INDIAN AFFAIRS

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, my question is for the Minister of Indian Affairs. The eviction from Kahnawake of 143 families affected by the band council notice contradicts principles in the Indian Act as well as in the Canadian Charter of Rights and Freedoms. The Quebec minister responsible for native affairs, Mr. Sirros, recommended that federal authorities issue an injunction to prevent this eviction.

Does the Minister of Indian Affairs intend to take appropriate action to ensure that none of the 143 families are evicted from the Kahnawake territory, and not only the persons explicitly protected by the injunction currently in effect?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the information I had yesterday which I brought to the attention of the hon. member was on the main action. There is an injunction. It stays there until the court hearing.

On the rest of the individuals, they received notice that if they sit tight it is up to the band to bring some type of judicial process. If the band does this then it is open to the rest to do the same thing and ask for the same type of injunction.

As I understand the situation now, no one is being forced to move until after the court case. If the court case solves the problem, so be it. If the court case does not solve the problem then we will have to look at legislation.

I do not think we should be interfering in a judicial process every time someone issues a writ. Under our custom and our creation we wait until a decision is rendered and deal with the decision accordingly.

[*Translation*]

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, will the government finally assume its twofold responsibility under both the Indian Act and the Charter of Rights and Freedoms? How does it intend to respond to the Quebec minister, who refuses to negotiate on a discriminatory basis?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Again, Mr. Speaker, there is nothing to negotiate or legislate until the court deals with the issue.

As I indicated several times it would be inappropriate for me to comment on this judicial process. Naturally I will be making comments on the outcome of the process.

* * *

BREAST CANCER

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, my question is for the Minister of Health. I raised this issue in the House several days ago.

My question is based on the report that a researcher in Montreal has falsified information on breast cancer research. Incredibly it is suggested that he used patients in a study without their consent. The conclusions from this study have helped to formulate breast cancer treatment for the last 10 years.

Could the minister assure the women of Canada that the treatments they are receiving are safe and the very best possible?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I am very much concerned with what happened in the report that has come out of Montreal.

Let me assure Canadians first that no Canadian dollars were used to fund any of the research by this particular physician. Many other studies have proven the kinds of treatments being administered in Canada are good and effective in the treatment of breast cancer.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I do acknowledge the hon. minister's comments to me. Having said that then I am certain the hon. minister will definitely agree with the statement that I am now about to make.

Women across the country are outraged by such an incident. The medical community has known about this for three years. The Canadian public has been misled by yet another health related cover–up.

To guarantee the quality of women's health in this country, will the minister agree to investigate this serious incident?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I will be meeting early in the coming week with the Medical Research Council which governs the use of research dollars and the studies which come out of those research dollars.

I am very interested in establishing some kind of practice guidelines for these kinds of reports in order that we can reassure Canadians that when these reports are made public they are indeed factual, using factual information and data.

* * *

• (1455)

THE ENVIRONMENT

Mr. David Iftody (Provencher): Mr. Speaker, my question for the Minister of the Environment is about the recent spill of over 820 kilograms of the pesticide Busan–52 into the Winnipeg River by Abitibi–Price.

Abitibi–Price took four days to report the spill. Meanwhile 3,000 of my constituents who live on the Sagkeeng First Nation reserve and another 3,000 of my constituents in the Pine Falls–Powerview area were unaware that they may have been drinking contaminated water.

What is the minister doing about this intolerable action by Abitibi–Price?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I had an opportunity to meet with representatives of the band who obviously are very concerned about the negligence shown by Abitibi–Price in this particular case.

Subsection 36(2) of the pulp and paper regulations makes it very clear that when there is a spill, the spill is to be reported immediately. In this case it is intolerable that the company waited four days before notifying authorities that 828 kilograms of this particular pesticide were dumped into a river which subsequently serves as drinking water for Canadians.

We are vigorously investigating with provincial authorities. There are a series of charges being contemplated, both charges for non–reporting and charges for deleterious substances being released into the river system. We intend to report back to the member and to other interested members on this issue as soon as we have a final conclusion.

[*Translation*]

ELECTRONIC HIGHWAY

Mr. Jean H. Leroux (Shefford): Mr. Speaker, my question is for the Minister of Industry.

The electronic highway will have a major impact on many aspects of society such as consumer activity, personal privacy, industry and education, to name only these. We have learned that the committee that will develop the government's strategy will meet behind closed doors.

My main question is this: Given the electronic highway's strategic and determining role in the economy, how can the minister justify his decision to have this committee hold its discussions behind closed doors?

Hon. John Manley (Minister of Industry): Mr. Speaker, we decided to have a consultative process with a committee, a fairly open process. All those with opinions to express can inform us if they wish; we even have an Internet address for submissions to help us prepare our policy on the electronic highway.

I do not understand why the hon. member thinks that a committee must open all its business to the public. Perhaps when the Bloc wants to open the doors to its caucus discussions, we can consider it.

Mr. Jean H. Leroux (Shefford): Mr. Speaker, I have a second question. To avoid looking too much like the Conservatives, whom the government denounced on many occasions in the past, does the minister not agree that the government should be more open and involve the public and Parliament in the work of this committee?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, I think the member misunderstands what we are trying to do here.

We have formed an advisory committee. Everyone in the country is not on it. Therefore by its very nature some people are going to be excluded. The process is multifaceted. There are many ways for people to express their points of view.

With respect to the advisory committee itself, as we explained yesterday the committee will be receiving submissions from people as they wish. Reports as they become available will be made open to the public. For that matter, if the chairman and members of the committee wish to hold public hearings as far as I am concerned they are most welcome to do so.

We want a process that is both functional and inexpensive to get us to the conclusion of this part of our policy development process as expeditiously as possible and as I am sure the member would like us to do.

• (1500)

GOVERNMENT CONTRACTS

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the Minister of Health.

Yesterday I asked the minister if she would table the guidelines that help to guide her department in the allocation of advertising contracts under her jurisdiction. I hope to get those guidelines sometime soon.

When it is a sizeable contract, like the one that has been awarded to McKim Advertising in Winnipeg, surely the minister has conducted a detailed investigation into this or any prospective contractor, especially if the agency has come under new management just two weeks before the major contract was awarded.

Was the minister personally aware of the political background of the new owner of McKim Advertising when she signed off the new contract?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, let me explain to the hon. member how this all works.

McKim is the advertising agency on specific issues for my department. It was chosen through the competitive process prescribed in the government communications policy and overseen by the advertising management group of the Department of Government Services.

By the way, this particular agency was chosen before this government came to office. Pending the review by government of contracting procedures for advertising companies, Health Canada was authorized to extend the contract to McKim for six months. It is not a huge contract. I believe yesterday the amount mentioned was $185 million. That is the whole tobacco strategy. This extension of contract is very small.

* * *

PRESENCE IN GALLERY

The Speaker: Colleagues, I wish to draw to your attention the presence in the gallery of the Hon. David Warner, Speaker of the Legislative Assembly of Ontario.

Some hon. members: Hear, hear.

The Speaker: I have notice of a question of privilege arising from question period. I will hear it because it did arise from the question period.

* * *

[*Translation*]

QUESTION OF PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker. I feel that, while answering a question today, the Secretary of State for International Financial Institutions violated my privileges as a parliamentarian by attempting to put some of the blame on me for his government unacceptable abdication to the American giant Paramount.

What he suggested is absolutely false. I have never been associated in any way with this issue. It is the minister's responsibility to name the anonymous entity behind which he is taking cover to justify this abdication on the part of his government.

No minister has the right to cast such a doubt on me when the government knows who is the guilty one but will not name him.

Mr. Speaker, I am asking you to ask that the member have the decency to withdraw these allegations.

The Speaker: The Speaker was present during Question Period today. We heard an answer in which there may have been an allusion to a member having done this or that at some other time.

I am not sure this is a question of privilege; it may simply be a point of fact. I am taking the request into consideration, but I want to consult *Hansard*. Agreed? Thank you.

[*English*]

There is another question of privilege. If the question of privilege by the member from Swift Current is arising out of this question period then I will hear a question of privilege from the hon. member.

COMMENTS DURING QUESTION PERIOD

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, it is a pity so many members opposite think that irony is something found in a scrap yard.

It is equally a pity the hon. Minister of Indian Affairs and Northern Development has attempted through my remarks to divert attention away from a personal attack he made on one of my colleagues. It was indeed a personal attack.

• (1505)

If the minister would care to read my entire speech in *Hansard* rather than taking a few lines out of it, he would know full well that I was taking a shot at people who use the term redneck as a conversational A–bomb to devastate anyone who does not agree with their politically correct views. I then proceeded to define redneck in my terms and I stick to it.

I still am a redneck by those terms, but not by the insulting terms used by the minister which imply—

The Speaker: Once again I believe that surely the hon. member would have a point of debate and perhaps even a point of grievance. However, I would not see a point of privilege at this particular juncture.

It is my understanding that any statements allegedly made by the minister were made in committee. I would ask hon. members involved if they could perhaps seek redress on their grievance first in committee. If the committee of course chooses to report this to the House, then it will become a matter for the House to decide.

My colleagues, if I may be permitted I would point out with all respect that this House has conducted itself immeasurably well. I encourage all hon. members to act with one another as they have for the greatest part of the few months we have been sitting. It is a measure of the Parliament that we have been able to have the quality and the substance of debate we have had. I would hope that is the forerunner of the good relations to continue.

I believe the hon. member does have a point of grievance and indeed of debate. I would ask him and other hon. members who would feel aggrieved in committee to please address themselves to the chairman of that committee. They would have recourse there.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, could the Government House leader tell us what business will be dealt with tomorrow and next week?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Madam Speaker, I thank the hon. opposition House leader for his question.

As we know, today is an allotted day on the criminal justice system.

Tomorrow we will ask the House to consider Bill C–14 respecting borrowing authority. If this were to be completed we would turn to Bill C–17 regarding implementation of the recent budget followed by Bill C–9 respecting a previous economic statement.

On Monday the House will consider a measure now on the notice paper for introduction tomorrow concerning the electoral boundaries system. When this is completed we will return to the point where we left off on the list for Friday.

Tuesday shall be an allotted day under the auspices of the Official Opposition. Since it is the last allotted day in the present supply period, at the end of the day there will be motions to concur in final supplementary estimates and in interim supply followed by the passage of appropriation acts.

Starting on Wednesday and continuing for the rest of the week we will resume the legislative list outlined for Monday. If we make progress on the items already mentioned, we will bring forward as well Bill C–7 regarding the control of certain substances, Bill C–11 respecting tobacco, Bill C–4 respecting the NAFTA side deals, and Bill C–2 respecting Revenue Canada.

Mr. Collenette: Madam Speaker, on a point of order. I was wondering if I could seek unanimous consent of the House to revert to statements by ministers.

The Acting Speaker (Mrs. Maheu): Is there agreement?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

• (1510)

[*Translation*]

NATIONAL DEFENCE

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, yesterday, in an answer to a question from the hon. member for Charlesbourg, I said: "I will not be able to comment on the chain of command or anything to do with the Canadian Airborne Regiment, anything that could be construed as interference in the judicial proceedings". I have a few more details to add.

[*English*]

I thank hon. members opposite for allowing me to add a few words to what I said yesterday to the hon. member for Charlesbourg.

As a result of the several incidents arising out of the Canadian Airborne Regiment Battle Group deployment on United Nations duties to Somalia, a series of investigations were undertaken by Canadian forces authorities.

Military police investigations into the incidents commenced on April 15, 1993. They have resulted in a series of charges under the National Defence Act being laid against members of the Canadian forces. These charges have and will result in disposition by courts martial.

As well, on April 28, 1993 the previous chief of defence staff directed that a board of inquiry be convened to investigate leadership, discipline, operations, actions and procedures of the Canadian Airborne Regiment Battle Group. Phase one of the board of inquiry is completed. Phase two will not commence before the disciplinary process which is presently under way is completed.

The evidence given at any of the courts martial will be reviewed by appropriate military authorities who will determine what, if any, further action is required.

[*Translation*]

Mr. Michel Gauthier (Roberval): Madam Speaker, this is a ministerial statement which complements an answer and does not require a long comment on my part.

I simply want to tell the Minister of National Defence that we appreciate obtaining supplementary answers. This particular one does not provide a lot of specifics. It simply tells us about how things should normally proceed from now on. But we want to point out to the minister that our colleague was very concerned about the negative situation prevailing on that military base, with a regiment whose behaviour seems very unusual.

I reiterate my colleague's concerns and remind the minister of the importance of ensuring that all the facts are known about the incidents which took place on that military base, which are disturbing, to say the least.

[*English*]

Mr. Jack Frazer (Saanich—Gulf Islands): Madam Speaker, all Canadians were disconcerted and disappointed by the incident that occurred in Somalia. We are watching with great interest the outcome of the courts martial.

We agree with the government that the appropriate time to discuss phase two in detail is following those courts martial when all the details are known.

We will be very attentive to the results of that phase two investigation and even more interested in the recommendations of the minister and chief of defence staff as to how to rectify it to ensure that this does not happen again.

The Acting Speaker (Mrs. Maheu): I wish to inform the House that, pursuant to Standing Order 33(2)(B), because of the ministerial statement, Government Orders will be extended by four minutes.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY— CRIMINAL JUSTICE SYSTEM

The House resumed consideration of the motion.

The Acting Speaker (Mrs. Maheu): The hon. member for Saint–Hubert has seven minutes left.

Mrs. Pierrette Venne (Saint–Hubert): Madam Speaker, I will now resume my comments on the Reform Party's motion. I was talking about damage and compensation suits that fall under the jurisdiction of civil courts.

Several provinces have programs to compensate victims of crime. Provincial and federal legislation on this is still inadequate, I agree, but let us at least be honest in our remarks.

• (1515)

We all know that the judge in a criminal trial is not there to pass the sentence desired by the victim.

Madam Speaker, I would ask the two hon. members to my right to maybe move to the back if they want to talk to each other. Thank you.

As I was saying, we all know that the judge in a criminal trial is not there to impose the sentence we or the victim would like to hear but one that he deems fair and acceptable taking into account social standards and the circumstances of the case.

That a victim or his or her loved ones are dissatisfied with the accused's acquittal or shocked by a light sentence is understandable. Many people see a criminal trial as legitimate revenge on a thief or an assailant. They identify with one side of the criminal trial and see themselves as prosecutors. For these people, the trial is a game between themselves and the accused. We must correct this mistake and not reinforce it through comments such as those made in today's debate.

We must tell Canadians that the criminal justice system is adversarial. We have the public prosecutor on one side, the accused on the other, and the judge in the middle. And they all get together to decide if the evidence supporting the charge against the accused is conclusive.

The victim is a witness, not a party at the trial. That is where it would be appropriate, in my opinion, to suggest major changes to the spirit of the Criminal Code and to court proceedings. That is what the Reform Party should say if it is sincere in its motion.

Either the system remains as designed and victims continue to play the role of ordinary witnesses at trials, or the victim becomes a party in the proceedings. That is the true problem: victims as witnesses or as parties at the trial.

I am convinced that we will not start a real debate on improving the lot of victims before the courts unless we make a radical choice between these two conceptions of the criminal justice system. Either the criminal trial remains a judicial inquiry where evidence is presented against the accused, whom a judge or a jury must find guilty or acquit after hearing the defence.

Traditionally, the two opposing parties are the public prosecutor and the accused. Each party calls its witnesses who, in principle, are total strangers and independent in the case.

In this system, the victim must testify on the events he or she experienced, mainly to identify the accused as the one who committed the crime.

Once the evidence is presented, the accused is found guilty only if there is no reasonable doubt about the essential facts

with which he is charged. That is our system. In most cases, it works when the evidence is conclusive.

There is an alternative to this system which has reached its limits. We could now allow the victim to be a civil party in a criminal trial. If I understand what is behind the concerns expressed by the Reform Party, I believe that such a proposal would win immediate support from most of the public. I can very well imagine a victim participating actively in a criminal trial in support of the accusation, making representations on the sentence and demanding full monetary compensation for the material and physical damage suffered.

In France, for example, the victim can be a civil party for such purposes and I do not see why we could not amend our criminal legislation to permit an active presence of all interested parties in a trial.

The victim could be represented by lawyers, produce his or her own witnesses, question and cross–examine those brought by the Crown and by the defence, plead on the evidence presented, suggest the sentence or take part in negotiations; in short, participate in the whole judicial process and even appeal any judgement.

• (1520)

We found out the wording of the Reform Party's motion only late yesterday afternoon. I would have liked a little more research on the subject of the motion, but I excuse the Reform Party because I believe that the motion was improvised and made up just hours before. We will agree that it only conveys a vague criticism of the whole judicial system and of the underlying legislation.

Still, I must admit that this slapdash motion gives us an opportunity to propose a major change in the spirit of criminal law to the government. I believe that the victim cannot be a mere passive witness outside the proceedings in which he or she should be a full participant, like the accused.

I think that if people feel that criminals are better treated than their victims by the courts, this perception is largely due to their exclusion from the proceedings.

[*English*]

Mr. Myron Thompson (Wild Rose): Madam Speaker, I listened with great interest to the speech of the hon. member. I was anxious to hear it. At first I was under the impression that she was a newly elected member such as myself who has been here for only a little while. Shortly after listening to the beginning of her speech I began to realize that she was not a newly elected member because she was running on with the rhetoric we have heard over and over from various members who have been here in the past.

It is the same kind of thing we hear constantly. Things are going well. We have a great system. We do not need changes. She was making statements that had nothing whatever to do with the motion before the House but was suggesting that the motion states that a fair trial for criminals should be eliminated.

On searching the motion I cannot see anywhere it suggests anything like that. We are trying to say that in a number of cases, and it is an unlimited number, we have evidence that the rights of the victim are being overrun by the rights of the criminal.

I would ask the member the same question which I referred to earlier. To give a lady in Montreal peace of mind, to give her the ability to continue the healing process she is going to have to go through after being raped a number of times by an individual, she requested the perpetrator be tested for AIDS so she could at least eliminate that from her worries. The courts in our system ruled that the criminal did not have to submit a sample to determine if he had AIDS and the request from the victim was denied.

Had the hon. member been the person to make the choice I would like to know if she would honour the request of the victim and have the criminal tested for AIDS or would she make the decision the court made, that the criminal did not have to submit under his rights under the charter.

• (1525)

[*Translation*]

Mrs. Venne: Madam Speaker, we keep saying that we are here as legislators and nothing else. So, I will not put myself in the shoes of a judge and, based on the very succinct summary of facts presented by our colleagues, tell you what I would have done. First of all, I would need to be apprised of all the facts, as a judge would, before I could hand down a judgement. I think that it is inappropriate to ask me what I would have done in the place of a judge, since I did not get to hear all the witnesses as the judge did at the time. I think that the hon. member's question is totally unjustified.

On the other hand, the member's comment tends to indicate that the system is flawed. That is exactly the point I made in my speech. In case the hon. member did not hear, I will repeat what I said, because that is exactly what I said: our system is flawed and there certainly is room for improvement. In fact, I brought up a suggestion whereby the victim would no longer be just a victim but rather take an active part in the proceedings. I think it was an interesting proposal, at least that was my opinion, but that may not be what the hon. member heard. So, this is my answer to the hon. member.

[*English*]

Ms. Val Meredith (Surrey—White Rock—South Langley): Madam Speaker, I listened with some interest to the first part of the hon. member's comments. I was a little surprised to hear her criticizing the motion that is before the House. It talks about changing that which has been part of the Canadian system over centuries.

Why is it that when my party talks about changing something because we feel it is not serving its purposes that we are criticized and yet the party that she represents is questioning the whole make–up of the country because it does not believe that it is justified? How can she criticize us for wanting to change the justice system when she wants to change the whole fabric of our country?

[*Translation*]

Mrs. Venne: Madam Speaker, the hon. member heard correctly. I did criticize the motion, which is very vague and is reminiscent of what any small tabloid would use as a main headline. That is what prompted me to say this motion was haphazard, disjointed. It is like saying that we are all in favour of virtue and hate winter. In fact, that is very much the style of this motion. I made an effort to debate it in an intelligent and appropriate manner because I found it to be incredibly general. That is why I criticized it the way I did.

[*English*]

Ms. Paddy Torsney (Burlington): Madam Speaker, I rise to speak against the motion of the hon. member.

As the member of Parliament for Burlington I spent much of my election campaign discussing these issues. As previous speakers on this side have quite rightly pointed out, the government has barely passed the 100–day mark in office.

My constituents are very concerned about justice issues. They are also concerned about crime. They look to the government to address these issues and they want changes that will have a positive impact on Canadian society.

The government has just assumed its position. We have only been here for 100 days but we have already signalled quite clearly and the Minister of Justice and the Solicitor General have forcefully stated that we are committed to action to reform the criminal justice system.

I speak here of balanced, thoughtful reform that addresses the needs of Canadians for protection and Canadians' belief in compassion.

[*Translation*]

I must remind hon. members that this government has already provided full details on its policy concerning criminal and justice issues. Even before the election, we laid down our agenda for reforming the criminal justice system once we would be in office.

• (1530)

This agenda reflects the expectations of Canadians, as they have expressed them. The Liberal Party has consulted the people of Canada and obtained their full support.

[*English*]

As a party we said explicitly what action we intended to take on a range of issues, issues such as young offenders, crime prevention, gun control, prostitution, sentencing and rehabilitation of sex offenders, violence against women and children, and we talked about parole.

The range of issues speaks volumes. It cries out for a comprehensive approach, one that considers root causes, that thinks of prevention as a key element of every solution, not just shutting the barn door after the horse has gone.

That does not mean, as the hon. member opposite would have us think, that considered approaches somehow place the rights of criminals over the plight and the rights of victims. This is a cant. This is a one dimensional perspective that does not stand up to scrutiny.

As I have said, we have already signalled clearly that we intend to follow through on our promises. The Minister of Justice and the Solicitor General have indicated that work is already well in progress on these areas. This work will reform our system so that the victims of crime, the public, both specifically and in the larger sense, are first, the paramount consideration in the operation of our criminal justice system.

The Minister of Justice has indicated in the House that he intends to bring in amendments to the Young Offenders Act. The Solicitor General has said here and elsewhere that he intends to bring forth amendments to the Corrections and Conditional Release Act.

I am pleased that all the foregoing topics are on the agenda next week at the meeting of federal, provincial and territorial ministers of justice which both the Minister of Justice and the Solicitor General will attend. The government has also signalled its intent to bring forth amendments to sentencing, again with the intent of improving the lot of victims during the judicial process.

Probably the most crucial plank in our paper on crime and justice issues had to do with crime prevention. I am pleased that we are working on the elimination of root causes of crime. Many of Canada's criminals have known a life of poverty and inequality, an environment that taught them little about positive conflict resolutions, an environment quite unfamiliar to many members of the Chamber.

I am pleased we are focusing on a national crime prevention program because we can perhaps make the biggest strides in helping victims there. I believe we must do our utmost to ensure that as few Canadians as possible become victims of crime in the first place.

Members opposite would have us believe that one dimensional answers such as increasing the rate and length of incarceration would be a key solution. We already have one of the highest incarceration rates in the world. If locking up people was a

measure of absence of crime we would be one of the most crime free countries in the world. As I have said, we are looking at approaches that address underlying causes of crime and that integrate crime prevention strategies.

Law enforcement has been the traditional mainstay of crime prevention strategies, but law enforcement is not enough on its own and that has been demonstrated. Experience shows that for truly effective crime prevention law enforcement must be integrated with social development, including social programs and better education, community level participation in crime prevention and in crime solutions, not just locking up people.

Burlington as part of the Halton region has been extremely successful in its crime prevention strategy. Under the direction of Chief Harding, Burlington in the Halton region has become the safest community in North America. Block Parent programs, community involvement in conflict resolution strategies and incorporating support groups such as rotary clubs ensure that we will have a multipronged approach to crime prevention.

It is important to remember as well that Burlington has seen some very sensational crimes and has been wracked as a community by crime. Two of our young women died very violent deaths: Nina de Villiers and Leslie Mahaffy. Kristen French from down the highway a ways was found in our community. We were all brought home very horribly one summer to the reality of violence in our communities.

However, the government recognizes that when incarceration is the only solution to protect the public it is in fact what we must do.

• (1535)

The Solicitor General has promised tough measures for repeat sex offenders and high risk offenders who offer little hope of immediate rehabilitation. The Parliamentary Secretary to the Solicitor General has enumerated the reforms the minister shall be bringing forth to offer better protection from those who would prey on the vulnerable. He has also noted that the government does not intend to give up on these offenders.

Surely the mark of a civilized society is how it treats its offenders. Communities need to become participants in the process of safely reintegrating offenders into Canadian society. Rehabilitation programs need to be expanded and improved so that offenders return to our communities with a much lower risk of reoffending. We need more victims aid programs, to be sure, and our crime and justice paper focused on that concern. It also identified the need for more public education and research on criminal justice, recidivism, crime prevention and alternatives to incarceration and victims aid.

Surely a grave cause of concern in the area of victims of crime is the suffering caused by violence within our families. Family violence results in a great many victims, both directly and indirectly. I believe we are paying a very high cost for allowing such violence to continue. We have pledged as a government to do our utmost to break the cycle of family violence.

Statistics demonstrate the undeniable link between sexual abuse of girls in their own families and prostitution. Many of Canada's prostitutes are also drug addicts, condemned to a very dangerous life because of the misfortune of being born into an abusive family.

I believe the Reform motion is motivated out of fear. While we cannot ignore the very real fear and the very justified fear some Canadians feel, we must temper it with rationality. As a woman I am aware that I can become a victim in two ways. Merely because I am a woman I am more vulnerable to assault including sexual assault and, second, the fear of crime takes away my freedom. Like other vulnerable groups, children and the elderly, women must always be conscious of their environment on the streets, at home and at work. We must think of these issues all the time. We must never let our guard down. Sometimes it is exhausting; always it is unfair.

The member speaks of elderly women at home and afraid. I too am very concerned about this issue, not just because I have a significant number of single and elderly women in their homes in Burlington. I also recognize that at one point I too will be one of those women. However, I am encouraged that some of our young women are starting movements and marches such as "Taking Back the Night". My old high school in Hamilton, Cathedral Girls, organized such a march after the death of Nina de Villiers.

I am also aware that pornography, killer cards and sometimes advertising campaigns which present women as objects rather than as persons deserving respect and safety, encourage violence against women.

As a nation we must address these issues. We must educate our young people to respect others, to respect their person and to respect their property. The government must lead that discussion. We must enact laws that reflect our abhorrence of violence against women, against children and against the elderly. These are the issues we must address if we are to ensure the rights of victims. I hardly think we can be expected to redress imbalances in these complex issues overnight, but we can be expected to think long and deep about solutions and to ensure these solutions are comprehensive in scope.

There are many crimes, many victims of crime, and many causes for such crimes. That is what our crime and justice issues paper recognized.

Any knee–jerk reaction that promises to help victims is doomed to failure. I do not condemn the outrage crime causes, especially to its victims. On the contrary. What I do condemn, however, is offering simplistic solutions to complex inderdependent and intertwined problems of society. For example, perpetuating the perception that all criminals are violent is grossly misleading, as is the myth that the system is somehow dedicated to the rights of criminals over the public.

• (1540)

Maintaining that solutions to crime simply involve the criminal justice system getting tougher, meaner, stiffer, is to offer totally inadequate and in the end bankrupt answers. In fact such a philosophy will prevent us from ever getting to and fixing the root causes of crime and victimization. As long as we pretend to the public that there is the possibility of easy answers we cannot count on its support and participation in the search for a multidimentional solution to crime will be limited.

I will concede and even argue that the public is increasingly concerned about crime and about being victimized. That is why the Liberal Party took the unprecedented step of laying out a comprehensive crime and justice agenda almost one year ago. The government plans to act deliberately, methodically and systematically with this agenda. I for one will be an active participant.

We do not wish to rush in with hastily drafted laws, with a scatter–gun approach, so that when the smoke has cleared something would not measure up. These are crucial issues. They need to be carefully addressed, closely studied by Parliament and properly debated. They need a wider public airing in cities, in towns, in villages and in neighbourhoods, and often even within families.

In the end we will be measured by what we accomplish, not by what we promise. We will proceed in a measured pace with our agenda, an agenda I remind members that recognizes the complex nature of crime, its origins, and the corresponding need for proper solutions.

The Canadian public expects solutions from the government and we will deliver on that.

[*Translation*]

Mr. Antoine Dubé (Lévis): Madam Speaker, I listened carefully to the hon. member's comments. Her approach is very generous and her objectives noble. I know that she is not a Cabinet member, but I would appreciate it if she could elaborate on some comments she made concerning young people and prevention.

As the opposition's youth critic, I have a particular interest in this issue. Young people are often described as being a problem when, in fact, they are the human resources of the future. I believe it is very important to have programs, especially for first–time young offenders, to rehabilitate them, to help their social reintegration, so that they can become productive citizens.

I want to make a comment before the hon. member answers. I notice that, in spite of the observations made by government members in general, a whole slew of measures, such as legislation on young offenders, juvenile prostitution, etc., are announced by the government. Yet, when we ask why nothing is done, we are invariably told about how difficult it is to implement even existing legislation. There is nothing wrong with suggesting a new piece of legislation, and parliamentarians will certainly co–operate, but it is obvious that the government has some problems with implementation.

I now go back to my question, which is: What specific measures will the government take for prevention and rehabilitation?

Ms. Torsney: Madam Speaker, I thank the hon. member for his question. This is a pressing issue in my riding and I often referred to it in the election campaign.

I believe there is a serious problem. We seem to be saying in our committee that there is a problem with young people, that young offenders are really dangerous, that they are terrible children, that they murder people, etc. This is not fair since it does not apply at all to the young people I know. We must do something about this notion some members have in our committee.

• (1545)

There is a problem with some young people. When a young person breaks the law, it must be recognized that such an offence will have consequences, and it must be understood that there are laws in our society and that they must be respected.

We often hear some people say that they would like to see young offenders appear before an adult court, which I think is very dangerous. I have a problem with that approach. I think that if you send a young man to Millhaven, you are only giving him the opportunity to become a smarter criminal which, I think, is terrible. This government discussed amendments to current laws with provincial justice ministers, because provinces are responsible for rehabilitating children and young people.

It must be spelled out in the Act that some young people are dangerous and we must have another approachor them, I think. We must have specific rules on this.

I think we must review changes to the system by having, for instance, a record that would follow these young people.

[*English*]

I will have to speak in English on this part or I am going to get myself into trouble.

We have to change it so that there is a record kept on youth who have committed crime, especially when they are very dangerous. We have to ensure that society is protected and that in some cases the record is not wiped out. In some cases we could do a better accounting of these young people and ensure that they do not get caught up in worse crime.

However, in terms of crime prevention I think we can do a lot through education and by removing the root causes of crime. I mentioned family violence in my speech. Kids learn this stuff at home and from television sometimes. They learn it from an environment that is hostile to many people in our communities. They learn that it is okay to be violent against women.

All of us have to take responsibility for that and we have to change that system. We have to tell kids that it is not okay, that they can resolve conflict by discussing things, by coming to resolutions, by using alternative methods whether it is in the school yard, in the family or with others as they grow up.

I think we can do a lot as a nation about improving our society if we can address that. We as a community have done very well in Burlington on some of that. I have been pleased by some of the initiatives in the greater Burlington area and the greater Hamilton area that have incorporated Rotary Clubs and school children and teaching them this sense.

However, we do have to address those issues.

• (1550)

Mr. Dale Johnston (Wetaskiwin): Madam Speaker, I think the hon. member missed some of the point in the motion of the Reform Party today, the point being that when there is a question of whether the convicted person's rights are to be weighed against the victim's rights that the victim's rights should supersede in every instance.

The member referred to prevention as far as crime is concerned. That is great. That is exactly the route that we have to go in the long run.

If your house were burning down, I suppose you should at some time figure out what caused that, but before you do that you should put out the fire. That is kind of what we are facing here today.

We have problems with young offenders particularly. I would ask the hon. member if she agrees with the way young offenders are treated today, especially repeat offenders who are not tried in adult courts. I know she made some allusion to adult court treatment. Nobody in the Reform Party, by the way, agrees with incarcerating young offenders in facilities like Millhaven.

The Acting Speaker (Mrs. Maheu): I gather the hon. member is asking the hon. member for Burlington to respond. With unanimous consent I can give the member a couple of minutes to respond, if she wishes.

Some hon. members: Agreed.

Ms. Torsney: I do not think that I in fact missed the comments in the motion.

I think there is a perception perhaps by some members of our community, and some members of the Reform Party, that suggests that the house really is on fire and that we are all running from it at this very moment. That is not correct.

I have heard hon. members say that people are falling left and right every day. That is not what is happening in Canada. That might be happening in the United States and I certainly will be working to make sure that our community of Canada is never like the United States. But the house is not on fire. There is smoke in one of the rooms, maybe in two rooms, but the house is not on fire.

We have to address the right of victims. I for one believe that we have to consider victim impact statements. In Burlington CAVEAT and other groups addressed this issue and they are working on solutions with the government.

I do not buy this perception and the encouragement of this perception that we are all at risk all the time. I am probably at risk most of the time, but we have to recognize that there is a careful balance. I do not want this government to turn around and have knee–jerk reactions to everything that is going on. We need to have a very careful balance. We need to have a methodical approach. Otherwise we run the risk of making mistakes that will only further encourage crime in our communities and I do not want that.

I will be encouraging the minister, as I have on many occasions, as he will say. I think we are big enough to address crime prevention as well as some of the issues related to the Young Offenders Act and current criminals, as well as prevention and removing some of the root causes of crime. I think we can handle the job.

Mr. Jack Ramsay (Crowfoot): Madam Speaker, this is a very strong motion. It is strongly worded in that it condemns the present system. Condemn is a strong word, but the people of Canada are in fact doing that.

Certainly in my area of the country they are condemning various aspects and portions of the criminal justice system that turns murderers and rapists out on the street to commit those offences again, that cannot even hold 10–year–olds accountable for criminal conduct. These are some of the things that I will be touching on in my speech.

I am sure the Young Offenders Act was not a knee–jerk reaction. It was well thought out and planned by the previous Liberal government. We see the fruits that are being borne by that ill–conceived piece of legislation, at least in parts of it where now it has to be reformed. I ask, as I asked before in this House, where was the leadership and where was the vision.

Past and present governments inaction with regard to the reform of the criminal justice system, which is of course the topic of today's opposition motion, is of particular concern to me.

• (1555)

I rise today to speak about a section of the Criminal Code which I believe is a blatant example of the growing disregard for the rights of victims versus the rights of criminals.

Section 745 of the Criminal Code, which gives convicted murderers access to the courts to seek a reduction in the number of years they must serve in prison before being eligible for release on parole, is a prime example of this disregard and makes a mockery of the term life imprisonment.

I would like to briefly provide members of this House with a history of this section of the Criminal Code. Murder was first classified as capital or non–capital in 1961. Before then only one punishment was prescribed for murder which was the death penalty. After 1961 only capital murder was punishable by death. This was the murder that was planned and delivered for the murder of a police officer or a prison guard. This was further reduced and only the killing of a police officer was punishable by death.

Persons convicted of non–capital murder were sentenced to life but were eligible for parole after seven years. However, this too changed and after 1967 all those serving a life sentence for murder could not be recommended for parole before serving at least 10 years.

In 1974 amendments were made to the Criminal Code which allowed the sentencing judge to increase the parole eligibility period to a maximum of 20 years. On February 24, 1976 Bill C–84 was introduced to abolish the death penalty and to create two new categories of murder, first and second degree murder, both of which carry the minimum sentence of life imprisonment.

Those convicted of first degree murder would serve 25 years before being eligible for parole, while second degree murderers would serve between 10 and 25 years prior to parole eligibility.

Apparently the 25 year minimum penalty was the trade–off for achieving the abolition of the death penalty. Instead of the death penalty, society was to be protected by incarcerating murderers for a minimum period of 25 years. Prior to Bill C–84, death sentences commuted to life imprisonment had resulted in an average of only 13.2 years served prior to release on parole.

Contained within Bill C–84 was a clause which created section 745 of the Criminal Code. Although first and second degree murderers are not eligible for parole for 25 years, under section 745 after 15 years murderers can apply for a parole review which effectively decrease their sentence.

Section 745.(1) of the Criminal Code reads:

> Where a person has served at least fifteen years of his sentence—he may apply to the appropriate Chief Justice in the province in which the conviction took place for a reduction in his number of years of imprisonment without eligibility for parole.

In my opinion section 745 makes a complete mockery of the so–called life sentence. It provides what one parliamentarian said: "A glimmer of hope, if some incentive is to be left when such a terrible penalty is imposed on the most serious of all criminals". This former parliamentarian obviously had no consideration whatsoever for the victims of murder or their families.

What murderer in this country has ever given his victim or his victim's family a glimmer of hope? When a murderer takes an innocent life it cannot be returned. The victim cannot be brought back to life, and likewise when a murderer is given life imprisonment it should mean exactly that, life, with no glimmer of hope nor any incentive to ease the burden or the severity of the punishment for this awful crime.

The glimmer of hope advocates have made a farce of our penal system by extending to murderers a right they denied to their victim. Section 745 had not been reviewed until 1991 and 1992 when two private members' bills were introduced in the last Parliament challenging the existence of section 745.

This morning the hon. member from York South—Weston introduced a private member's bill to get rid of this law which gives convicted killers a chance for early parole. I would like to tell the hon. member that he has a great deal of support from our party for that bill. I am confident he will also have the support of many Canadians, including the Potts family of Hamilton, Ontario, whose daughter was murdered 15 years ago by Norman Joseph Clairmount.

In 1978 Clairmount was handed the statutory life sentence with no chance of parole for 25 years for the brutal and savage murder of the innocent 19–year old Potts girl.

• (1600)

On February 8, 1993 an Ontario jury deliberated less than three hours before deciding to reduce the number of years. This murderer is eligible for parole in 18 years instead of 25 years. Because of section 745 and the jury's finding in favour of Clairmont, he was immediately eligible to apply to the National Parole Board for unescorted, temporary absences. He is now eligible to apply for full parole in 1995 instead of the year 2002.

This is not an isolated case. A number of convicted murderers have been successful with their section 745 applications.

Brian John Boyko of B.C., convicted in 1974 of capital murder, won a reduction in the period of parole ineligibility to 16 years from 20 after a 1990 hearing.

At a 1990 review hearing in Winnipeg, Larry Sheldon, convicted in 1974 of non–capital murder in the rape–murder of a nine–year old girl and sentenced to life imprisonment without parole for 20 years won a reduction to 17 years.

Convicted of first degree murder in the shooting of a Calgary policeman during a credit union hold–up and hostage taking in 1976, William John Nicols won a reduction of his parole ineligibility period to 20 years at an Alberta hearing.

Jean–Louis Rodrigue, convicted of second degree murder in the killing of a Montreal peace officer, Charles Simard who murdered two teenagers and convicted killer Gilles Levine, all of Quebec, won reductions in their parole ineligibility period to 15 years.

Also in Quebec, Real Chartrand, sentenced to hang in 1972 for killing a police officer after an armed robbery, obtained full parole after serving 17 years of his sentence because of section 745.

There have been numerous applications made under section 745 of the Criminal Code. Some murderers have been successful and some have not but those who have not can make application again and again, all at a tremendous cost to the Canadian taxpayer.

Under section 745(1) the convicted person must apply to the chief justice of the province in which the conviction took place. The jury review must take place in the same province which means the inmate must be transported to the appropriate jurisdiction.

The Canadian Police Association believes this is only the beginning. It says that approximately 655 murderers over the next 15 years and as many as 180 in the next four will apply for early parole under section 745. This, it contends, will effectively reduce a life sentence by about 40 per cent. In other words, killers could serve just over half of their 25 year sentences. This raises two important concerns.

The first is with regard to the financial aspects and the second involves the integrity of the criminal justice system. Repealing section 745 will result in an enormous reduction in the costs associated with holding jury reviews and in transporting inmates to the province in which they were convicted.

The greater issue at the heart of this matter and the purpose of today's opposition motion is that the criminal justice system is allowing the rights of the criminal to supersede those of the victim.

Section 745 is a prime example of this fact. It gives a convicted killer the right to apply for a reduction in his sentence in which a jury reviews only selected evidence—

The Acting Speaker (Mrs. Maheu): I am sorry but the hon. member's time has expired.

Mr. Paul DeVillers (Simcoe North): Madam Speaker, I see from the hon. member's speech that he has spent considerable time and effort in doing research and obtaining statistics.

Could he tell the House if he spent an equal amount or any effort in looking at some of the proposed measures in crime prevention that have been studied by committees of the House in the past? Has he reviewed any of the recommendations in looking at whether any of the measures would be of assistance?

Mr. Ramsay: Madam Speaker, I will try to be as straightforward and frank in answering questions as possible. I will try not to duck them or dodge them.

I would like the hon. member to make specific reference to the reports and surveys that have been done. I spent 14 years as a law enforcement officer and we looked at all sorts of plans and programs in the area of prevention. I support any program that will successfully provide results in the area of prevention.

• (1605)

I know that the Young Offenders Act was designed to do that. I know that some of these other measures were designed to do that. However, I would advise the hon. member that mercy does not rob justice. When very serious acts are committed against individuals which denies them freedom to move and takes their lives in many cases, then there must be an appropriate penalty. If through our desire and feelings for mercy we create a justice system that is not going to hold an individual accountable for his or her acts, then do not expect the system to prevent crimes of that nature as a result of the sentence that is imposed. That simply will not work.

If we do not to enforce the law in areas where there is law, if we do not amend those areas that do not hold people accountable for their actions such as in the area of the Young Offenders Act and I refer specifically to 10 year–olds, all the preventive programs in the world are going to fail. We have tried many of them.

I hope my answer satisfies the hon. member.

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, I want to intervene and comment for the purpose of clarifying the section 745 provision and ask a question of the member. I have considerable sympathy for his position on this issue and how his views relate to the position of victim, which is of course the way the opposition motion is phrased today.

The section 745 provision enables someone who has a 25 year minimum incarceration to ask a jury if they might have an earlier parole eligibility date than the 25 years. A person who is sentenced to life imprisonment has a sentence for life. Therefore, it is parole eligibility that is shortened not necessarily the sentence.

Could the member comment on how that would relate to the position of victims, victims beyond the person who is dead of course. I guess we are talking about family when we talk of victims of a murder.

Mr. Ramsay: Madam Speaker, I thank the hon. member for his question. I was not able to complete my speech. Perhaps if I had I would have been able to cover that area. The concerns raised by members of families of murder victims, when they see the murderer released early, are very significant. We would like to see provisions whereby the victim's family can appear and testify at the section 745 hearings. We would like that section removed. I would like to see it removed entirely.

The hon. member brings up a good point of whether or not a parole should be granted to someone who is sentenced to 25 years in prison. Those who have advocated section 745 and would advocate the retention of it would say yes. But then where do we stop?

If the murderer in court says: "I am sorry and I will never do it again" should that mean we should release the person? Or sentence the person to a month imprisonment? I think there is an area of penalty here that we must address and I do not think the system is addressing it.

I hope I have answered the hon. member.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Madam Speaker, I am delighted to take part in the debate today. I would like to commend the hon. member for Crowfoot on his comments. I did not know until he spoke just now that he was formerly a member of a law enforcement agency. I would like to say that in my years as a practitioner of law, both as a defence counsel and as a prosecutor, I worked extensively with members of various police departments; municipal police in Halifax and Dartmouth and the RCMP, and I have great respect and admiration for them in what is a very tough job. I know that the hon. member has obviously worked in that area and knows what a tough job it is.

• (1610)

I want to make perfectly clear that I am not specifically referring to the member for Crowfoot here, I am referring to the resolution itself but when we debate these matters we tend to forget the basis on which our law is built and the fact that the system which we live under and the system that governs us is, at best, faulty. But it appears to be in the evolution of both politics and law enforcement the best thing we have come up with thus far.

I look at the words of the resolution: "That this House condemn the government for its inaction with regard to the reform of the criminal justice system, in particular its allowance of the rights of criminals to supersede those of the victim".

I guess I have to say that the resolution is almost charming in its naivety. I am not going to get into the question that the government has been in power a scant four months and that there are many things that have to be done within the legislative calendar to ensure that the government runs as it should and that the government fulfils its promises, which it has done to date and will continue to do. I want to talk about the phrase "the allowance of the rights of criminals to supersede those of the victim". As always I like to declare my prejudices early in any debate.

As those on this side of the House know, I represent the city of Halifax in the province of Nova Scotia. There is a name that will ring down the annals of criminal justice in Nova Scotia for many years to come, and that is the name of Donald Marshall Jr. I do not know whether my hon. colleagues on the other side of the House are aware of the Marshall case—they certainly should be—but I can tell them that for a period in the province of Nova Scotia, finishing in 1989–90, this case was a preoccupation of a great percentage of the legal profession, both prosecutors, defence counsel, the judiciary. There was a special royal commission to look into what had happened.

Donald Marshall was a young man who served 11 years in prison for a crime he did not commit. Some terrible things were uncovered in the Marshall inquiry in the way criminal justice worked, or conversely did not work, in the province of Nova Scotia.

We have talked a lot in the House lately about questions of racism and bigotry. There is no question that one of the reasons Donald Marshall served 11 years for a crime he did not commit was racism. One of the reasons was bigotry. There were police officers who suborned perjury, there were dreadful miscarriages of justice, a complete lack of accommodation for cultural and lifestyle differences in the fact that even the ability to communicate on the part of the accused was ignored and so on. Evidence was suppressed. It is a black mark on the escutcheon of the province of Nova Scotia.

The Marshall inquiry report is 26 volumes. I know I have a copy in my office and I have read major parts of it, but in the life of a member of Parliament it would be hard to read the entire thing. But it is something that most practitioners of criminal law in Nova Scotia have availed themselves of and have read.

Over and over again what rings through your mind when you read the reports of the Marshall inquiry, when you read the reports of what happened to Junior Marshall, the words "innocent until proven guilty", "the rule of law", "due process" come back again and again.

• (1615)

I want to make another thing perfectly clear. In my years in the courts and practising law, particularly in my years as an advocate for women's rights and for the protection of women who are abused and battered and of children who are abused and

battered, I probably spent more time enraged at the lack of protection that our system has for victims of crime than anything else.

This country is littered, as unfortunately are other countries of the west, with the detritus of violence against women and children. Nonetheless we have to look to the whole picture to solve the problem and not merely zero in on one side and what I think, with the greatest of respect to the framers of this motion, what is ostensibly an inadequate response.

We have talked here about lowering the age of young offenders and with the greatest respect I do not think that is the answer. I can tell you as someone who has thought long and hard about this, someone who has served on committees dealing with criminal legislation in this House over the past five years, the situation that I think we must all remember is those two little boys in England who murdered the baby. This a situation that must come to the fore when we are talking about this very thing today.

I was discussing this in the lobby just a minute ago with one of the minister's staff. On the one hand we both agreed that we are horrified at the actions of those two boys, 10 years old when they killed the baby, to even go back and think of the testimony that came forward at that trial of that two–year old who kept getting up when he was hit again and again.

I am equally horrified that two 10–year old boys are found by the courts in English justice to be bad seeds, if you will. I think it very strange and very unlikely, too much of a coincidence, that two innately evil creatures would end up living next door to each other. There has to be more to it than that.

I use that example to illustrate the fact that merely increasing sentences, merely incarcerating for longer periods of time, merely going at the punishment angle is not going to give us the answer.

What we have to do is look at the causes. There are a variety of causes. I know that my colleague from Crowfoot and my colleague from Calgary who is also a former police officer would agree that other things come into the formation of criminal activity, that poverty is a part of it, that lack of education is a part of it, that poor nutrition is a part of it, that lack of education is a part of it, that the cycle of violence within the home is a part of it and on and on and on.

Criminals are made. They are very rarely born.

The whole question of how we deal with victims and how we deal with criminals should not be connected in this death battle if you will that is one before the other. The rights of victims must be respected. They must be listened to. There must be services for victims unquestionably.

The fact that we have not addressed this as a nation and as a society is, I agree entirely with the mover of the motion, something that we have to deal with and we have to deal with soon.

It is not an either–or situation. It is not going to improve the lot of the families for example of the McDonald's victims in Sydney River, Cape Breton, if you extend the sentences for the murderers, now convicted. Revenge is not what the framers of the criminal law should deal in. What we deal with in legislating the criminal law has to be deterrence and protection of society. Those are the reasons that we legislate in criminal law.

• (1620)

If we look at it as redress, how do we redress the families of the McDonald's victims? How do we redress those families? We cannot restore the lives of the victims. We cannot restore shattered families in the emotional sense. No money could possibly come along to fill that terrible void at the loss of young people. No money can do anything to restore the fact that the McNeil girl has major and serious brain damage and that however long she lives, she will never be the bright articulate young woman she was when she went to work in that McDonald's restaurant last May. Nothing can change that. It should not be connected.

Yes, we prove the crime and we have the appropriate response to the crime and we deal with the victims, but we are dealing in a separate theatre. We are dealing in a separate area.

When we talk about the rights of victims vis–à–vis the rights of criminals, I go back again to the Donald Marshall case. To hon. members across the way who I feel think that we on this side are somehow lax on the criminal law, I say to each one of them to remember the adage that those of us who suffered through law school will all remember, that it is a truism in legal education that it is better for a thousand guilty to go free than for one innocent to be convicted.

I wonder whether those on the other side would agree with that or not. I see that my friend from Calgary does not agree. It is an interesting point that that phrase has hung around for a very long time. I wonder if each of those members on the other side would look at that question and if it was not objective, if it were subjective—in other words, if you were the innocent victim—does that phrase become more valid? If it were your child who was the innocent victim, does that phrase become more valid? If it was your neighbour's child—all politics is local, all issues are local—think of it within the context of your own group, your own circle, and whether that makes it more relevant.

It has been talked about here today that we should lower the age of young offenders. I do not have children. I borrow my friend's because I can give them back. I know that most of you on the other side are parents and you do have children and you

know that children get into difficulties. They make mistakes. Is the answer to deal harshly?

An hon. member: Yes.

Ms. Clancy: It is? I guess I have to say that is the reason that you are on that side and I am on this side and we are the ones with the majority, praise the Lord.

I can only say that in my years as prosecutor under the old Juvenile Delinquents Act I saw a number of cases where the child was given the benefit of the doubt. I remember one in particular where a young man came up before us accused of 40 counts of break and enter. He had made the mistake in the particular exercise on the day. He was breaking into cars and stealing car stereos. He happened to be doing it in a shopping centre in Halifax. The cars were all parked against the fence and an off duty policeman who happened to be mowing his backyard heard the noise, looked over the fence and the inevitable happened.

The boy was charged and I was prosecuting. There were a number of people who came along. It was a very difficult family background.

• (1625)

A very well respected school principal came to speak for the boy, who had scored very well on intelligence tests, who had certainly a lot going for him as he had a lot going against him. In consult the prosecutor, the defence, the judge, the probation officers, the police officers, everybody got together and asked: "What are we going to do about this?" There was a compromise reached. A family member would be willing to take responsibility for this young man and ensure that he was not subjected to the same influences he had been subjected to in the family group, that he would not see the rest of the family who were the bad influences, et cetera.

To make a long story short, that young man eventually won a scholarship to a famed international institution of higher learning and is today leading a very productive and wonderful life in this country where he is making a great contribution.

I do not hesitate to say in the interests of truth, justice and the Canadian way that was one of the success stories. As I know my two colleagues on the other side from law enforcement would be quick to agree, we did not have a lot of those success stories. We had more of the other kind.

The point again is if that young man had been, as we used to say in those days, piped to the juvenile detention home I do not think he would be where he is today. I do not think he would be a productive member of society. I think he would probably be in super max or he would be dead in all likelihood.

I guess I have to say that success story means more to me than all the ones with whom we did not succeed because they were too far gone, it was too late and so on. The ones with whom we did not succeed went through the detention process, many of them in detention until they had passed the age of being juveniles, until they turned 18 whereupon they went out and committed some further offence and went to Dorchester Penitentiary or Sackville correctional centre.

If we do not take risks to attempt to save young people then we are just consigning young people to a life of crime. That is why I speak against this motion. That is why I say we have to look at the way the child is going. The word child is very important here because we are talking about children when we talk about young offenders. We are not talking about hardened criminals.

I also in conclusion would like to say that given the tenor of this motion and given the statements I have heard from the members of the Reform Party in particular, I am sure that we can then count on the support of such members as the member for Crowfoot and the member for Calgary Northeast to support us when we come in at some future time, as I am sure we will, with stronger gun control measures. I am sure as former police officers both of these gentlemen know how important it is that guns in particular be kept out of the hands of a majority of people who have no idea how to use them.

What about those kids who are potential criminals. You do not want guns lying around the house do you?

I hope that hon. members will see their way clear to support this kind of legislation when and if it comes up in this session of the House.

I have spoken with police officers in my riding in the province of Nova Scotia and among the strongest supporters of tougher gun control legislation are indeed the members of the police force.

At any rate, I would just like to say that I am delighted to speak on this topic today because I am very proud of the crime and justice package that was in the red book. I know that the crime and justice package will in due course come into this House in the form of legislation. I am sure that as with all of the promises in the red book those legislative measures will make Canada a better place. Also remember that being a better place is also a place of humanity and compassion.

• (1630)

The Acting Speaker (Mrs. Maheu): Before proceeding to questions and comments, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Frontenac—the environment; the hon. member for Brant—guaranteed annual minimum income.

I would like to apologize to the member for Fraser Valley West for having missed his turn. We will now have the 10–minute questions and comments period.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Madam Speaker, I can only applaud what was said by the hon. member for Halifax, especially her concluding remarks on the issue of gun control. As you know, following certain tragic events, a committee was asked to make a thorough review of this question, but the result was a bill that was a compromise, both in substance and form, since in most cases any action that may be taken will be based on regulations that have yet to be approved by Cabinet or the government. At the time, the minister was able to get a bill through Parliament that could be seen as a major step forward but left the government with considerable discretion in drafting regulations, unlike the previous legislation, and this, we felt, was a major shortcoming.

Not surprisingly, we now have regulations that are largely unsatisfactory. For instance, so–called semi–automatic weapons, which are practically assault weapons, are still sold across Canada. The weapon used at the Polytechnique can still be purchased as a hunting weapon.

I know the Minister of Justice intends to take action. I simply want to point out that he can act very quickly on many aspects of gun control through the regulations, without having to go through the legislative process.

I may add that we would welcome improvements to the legislation itself, especially with respect to the registration of firearms. In the course of our consultations, I met many hunters and groups of hunters who had no objection to firearms registration. And contrary to what was said at the time, especially with respect to the cost, since we register cars and a number of other products, it would not be very difficult to use our current system to register firearms. We both encourage and request the government to act.

Would the hon. member for Halifax support us in our endeavour to get the government to speed up the passage of firearms legislation, perhaps even before the Act comes into effect?

[*English*]

Ms. Clancy: Madam Speaker, I thank the hon. member for his question. As he knows, unquestionably the minister has responded in the House on several occasions by referring to his own commitment to the subject of gun control.

On the actual legislative itinerary the member will have to ask the minister. Certainly it is part and parcel of our policy. Certainly, as the hon. member knows as well, this question is extremely close to my heart and one that I along with many members on this side support very strongly.

I suggest to him that if he is just patient all things will come in due course.

• (1635)

Mr. Art Hanger (Calgary Northeast): Madam Speaker, the hon. member has quite a spirit of debate, undoubtedly obtained through her years in the courtroom. I should point out that to debate an issue such as this, there has to be some basis of fact.

The example of the Marshall affair in Nova Scotia was one where Mr. Marshall had actually contributed to his own demise in the sense that he lied to the police as was evident at the trial.

I would also like to point out the member brings to mind certain things that happen in society that may be contrary to the norm, where mistakes in judgment could be made in court. We do not live in a perfect society. This is one of the reasons we have laws. We also have high expectations for members of Parliament, yet often they have gone awry. MPs should be held accountable and are not above the law, yet it has happened that they seem to have been above the law on occasion.

Justice must not only be done but it must be perceived to be done. I believe the hon. member should get out of the committees she is on and into the society which she talks about. We cannot have deterrence if we do not have punishment. Would the hon. member address that point. How can we have deterrence if we do not have punishment?

Ms. Clancy: Madam Speaker, I thank the hon. member for Calgary Northeast for his questions and comment. First let me speak to something that has been addressed because I know he would not want to carry on with a misconception.

The question of whether Junior Marshall contributed to his own misfortune was addressed by the inquiry. The appeal court judges who sat on the case were reprimanded by the judicial counsel for saying exactly what the hon. member said, with the greatest respect. I know the member did not mean to perpetrate it. He did not contribute to his own misfortune. He did not lie, absolutely not. He was in the park that night and was hurt by the same man who killed Sandy Feal. He did not lie and the judges who said that were reprimanded by the judicial counsel, in the words of Casey Stengel. The hon. member could look it up.

At any rate with regard to deterrence, not at any time did I suggest to the hon. member or to the House that there should not be deterrence and punishment. I did not say there should not be.

An hon. member: Capital punishment.

Ms. Clancy: Capital punishment, not on this side of the House. The hon. member should wait; he might get another chance. I never at any time suggested there should not be

adequate punishment. Of course there should. That is why we have the Criminal Code. That is why we have the sentencing policies that we have in place. Some of them are insufficient and some of them must be changed.

My point to the hon. member was that we do not, to use another cliche similar to justice must not only be done but must be seen to be done, throw the baby out with the bath water. We have children in this country who go wrong. We must do everything we can to put them back on the right track. Necessarily lowering the age to 10 and frying them is not the answer.

Mr. Randy White (Fraser Valley West): Madam Speaker, I do not intend to be so kind about the criminal justice system when I talk. I am not a lawyer but I am one who has been affected by such things as the criminal justice system and I live in an area with many prisons around it.

I want to refer quickly to a newspaper article that appeared not too long ago in the *Abbotsford Times* in my community:

> Corrections Canada reports all 57 inmates granted temporary absences this Christmas from B.C. prisons have returned to jail.
>
> But that doesn't impress local police.

I am going to refer to this point a little later. It is nice to see they came back from their Christmas break.

I rise today to speak to one of the most contentious emotional aspects of the Canadian criminal justice system, the reform of parole. The entire issue of the rights of victims revolves around the parole system and how it has let us down. Let us not mix words here tonight. It has let us down.

• (1640)

Parole horror stories have become so commonplace in the media that the majority of Canadians has completely lost faith in the system. Nowhere is this more evident than when we talk to people who have lost someone dear to them as a result of the breakdown of that system. When we sit in the living room with a family whose life has been forever altered, as I have recently in Langley, British Columbia, we see their eyes. These people are victims. There is sadness, despair and anger in their eyes. It has been a powerful, moving experience for me. I do not know if I would have the strength to be as forgiving as some of those victims are.

What drives me to distraction is the attitude of the bureaucracy responsible for the tragedy. There is no emotion in those eyes; just cold, hard, vacant stares, and endless recital of the regulations. No one is responsible. It is no one's fault. No one seems willing to do anything about it.

In my riding we are surrounded by federal correctional institutions, as I have said, and there are no shortages of incidents involving parolees. Also the article in the *Abbotsford Times* quoted local RCMP members saying that whenever they have an unsolved crime they just check the list of parolees loose in the street, find out what they were doing at the time of the crime and, bingo, the crime is solved. At the time of story their success rate for solving crimes in this way was 75 per cent. While there were not a large number of those cases, the lasting impression in the public's mind was that criminals were simply being let out too soon.

What response do we get from the criminal justice system when it breaks down? I realize the Parole Board and Corrections Canada are two separate bodies, but in a recent meeting with the head of corrections for the Pacific region I was told that the responsibility for improving the criminal justice system lies with Parliament. They simply follow the rules laid down by politicians.

Another common response is to quote surveys. The Parole Board likes to quote a particular number. It says that long term research shows that 75 per cent of paroles granted were concluded without any return to federal custody during the sentence. As we all know, statistics are a matter of perspective and in some cases outright deception.

Benjamin Disraeli said it better: "There are three kinds of lies: there are lies, there are damn lies and there are statistics". If it is true that 75 per cent of paroles are successful, I want to know what the cost was to society of the other 25 per cent. In my eyes it is a failure rate of one in four and that is just not good enough.

It is time the rules were changed. It is time to stop awarding old friends and party hacks with appointments to the Parole Board. It is time to establish competency tests for board members which address the need for an understanding of the justice system. It is time there was a system of redress for victims who have been injured as a result of incompetence of the board. These board members must be held accountable. Most important, it is time criminals did real time for real crime.

At the heart of this discussion is the fact that somehow we have lost the resolve as a nation to stand and say that when a criminal is sentenced to 10 years he should serve 10 years; not 3, not 5, but 10 years. Sentencing reform is key. It must be mentioned in this discussion as an integral part of the solution.

Where do we start? One of the major hurdles is the way the public sees these issues as falling under one umbrella. In a sense they do. It is all in the justice system. What happens typically is that public outrage is diluted because it often takes a scatter–gun approach. People blame the police for not warning communities, even though they are handcuffed by the charter of rights. They blame jails for letting prisoners out, even though it is the Parole Board's job. Or they blame judges for not imposing stiffer sentences when it might have been a poor submission by a crown prosecutor who caused the miscarriage of justice in the first place.

• (1645)

As I mentioned before, no one is to blame. If the system is so complicated and intimidating to those not close to it, then the first step we must take is to make it clear. We must commit to allowing victims greater access to the halls of what now passes for justice. The public has the right to take part in the decision making process. It must be an integral part of parole hearings.

Before that, victims must be given greater opportunity to be heard at the trial stage. Victims' impact statements are not given enough credence in the system as it now stands. In short, the simple request we have for the criminal justice system establishment is "open your eyes and open your doors to the people whose rights have been trodden upon, the victims of this country".

I would like to close on a personal note which will help to explain why I referred earlier to the eyes of victims. I recently sat in the home of Mr. Chris Simmonds of Langley, British Columbia. There is a picture on his coffee table of two beautiful daughters. The picture and the memory is all that is left to one daughter, Sian.

She was brutally murdered by a hired killer who claimed he was only trying to scare her with a loaded gun. He was out on bail on his own recognizance at the time. I do not have time to explain this complicated case today but what is striking about Mr. Simmonds is his calm resolve to have justice done.

The latest travesty in this case is the decision of the court to move the trial of the man alleged to have contracted the killing to Port Alberni from my constituency. The court says that he can receive a fair trial safe from the influence of the media. Once again, the victim's rights are secondary. The criminal's rights come first.

Out of respect for the Simmonds privacy I will not detail the effect of this savage murder on the remainder of the family. Besides the financial strain, emotionally they are near ruin. However they fight on.

When Mr. Simmonds approached victims' assistance for some kind of compensation for the extra expense of travelling to and from Port Alberni he was told by another steely-eyed bureaucrat that he did not qualify because he did not witness the death of his daughter. This is the only point in the story where Mr. Simmonds eyes give him away. He told that man: "Don't tell me I did not witness my daughter's death. Every night when I go to bed I close my eyes and I see her die".

Madam Speaker, from time to time in this House, you are called on to witness a vote and say that the yeas have it. When it comes time for us to vote on the long overdue reform of the criminal justice system, I for one will remember the eyes of Chris Simmonds.

I call on every one of my colleagues to join me in saying yes to the reform of parole and no to those who would put the rights of the law breakers ahead of the rights of the victim of crime.

Mr. Sarkis Assadourian (Don Valley North): Madam Speaker, I enjoyed the hon. member's speech, as I do all the speeches in the House.

My questions to him are these. First, what is his position on gun control and second on capital punishment? On this side of the House we are proposing changes to the laws. Is he prepared to let us know what his positions are on these two issues so that they can be taken into consideration by us and by Canadians watching us today.

Mr. White (Fraser Valley West): Madam Speaker, I will give my position on both of those but all we are hearing today is that we are going to study, study, study, talk, talk, talk.

This is not a new phenomenon, the criminal justice program we have and the problems we have with it. This is something that has been going on for years. If we study this for another term there are going to be some serious problems in the country. Let us stop talking and discussing. Let us just get on with the job.

• (1650)

I suspect members opposite differ because they would be more liberal, but I think we have to stop worrying about trying to control the guns of recreation users, farmers and hunters and worry a lot more about the criminals and the guns they have. In fact if a crime is perpetrated by someone using a weapon while robbing a bank, in my opinion there should be two separate and distinct charges. Get off the backs of the recreation users, the farmers and the hunters and start worrying about the criminal for a change.

On capital punishment, I support capital punishment.

Mr. Ian McClelland (Edmonton Southwest): Madam Speaker, I am particularly pleased to follow my hon. colleague from Fraser Valley West. I thought he used a particularly poignant example to conclude his address. After hearing it, it is very difficult to move to another phase of the debate. However I would like to talk about the cost of crime as it pertains to ordinary citizens. We do not even think about it on a day to day basis.

I know when I was door knocking during this campaign, and I am sure it was the case of virtually everyone in the House, what we noticed was that everyone has a burglar alarm. Did hon. members notice that? When we went into the higher income areas, then everybody had burglar alarms plus dogs.

The cost of crime and the paranoia associated with crime and the fear of crime is a tax every one of us pays to businesses which have increased costs because they have had to install burglar alarms.

For those of us here and those Canadians at home watching, we all know what happens when we have been the victim of crime. During the campaign when I was making this point I would just ask people: "How many people here in the last year have been a victim of crime either personally or someone in their family?" Members would be amazed. I think it was something like 15, 20 or 25 per cent of the people would raise their hands every time. That was just in the past year.

I know as a victim the first thing that happens is you feel like you have been violated. You think your sense of safety is no longer there. The street that you have lived on, the neighbours that you have had all those years, all of a sudden you are locking the door. You just do not feel good about it anymore. Gradually that fades. You get over it. You get your alarm company. You get your alarm in. You start feeling good about it. Then you go into a drawer to get something that you have forgotten about and you find it is not there because that is one more thing stolen.

The frustration comes back in the neighbourhood with young offenders, when people know who is breaking in. A street with 20 or 30 houses and 5 of them have been broken into and they are all the same people.

That is the situation. It is partly due to our wonderful Charter of Rights and Freedoms that has put the cart before the horse. We have the rights of the criminal paramount to the victim.

Let me give another example. A rape victim wanted to find out whether she had been infected with AIDS. She went to court to get a court order so the convicted rapist would be tested for AIDS but it was said to be a violation of his rights. He raped this gal and it is a violation of his rights that she cannot have the peace of mind of finding out whether she ended up with AIDS because of what he did.

• (1655)

My friends, we have to rethink, we have to deal with the situation as it is. No wonder people think that we have lost the handle on this.

In doing a little research I asked: Where did we start to go off the rails? No one on either side of the House got up one morning and asked: "Well, how are we going to screw up the criminal justice system? How can we make it worse instead of making it better"? It did not start that way. But that is how it has ended up.

It is only a mistake if it is recognized as a mistake and it is not changed, then it is experience. Let us get some experience from it.

This is how it started and I quote from *Hansard*, Thursday, October 7, 1971, and the words I am going to read from the Hon. Jean–Pierre Goyer, Solicitor General, are going to shock you.

Folks at home, when you hear the words I am going to say you are going to realize why we got into the mess we are in. It is quite a long and involved quote but it says: "Consequently we have decided from now on to stress the rehabilitation of individuals rather than the protection of society". That is right out of *Hansard*. The Solicitor General of Canada, Thursday, October 7, 1971 in this very House and I well bet he was standing right over there somewhere when he said: "Consequently, we have decided from now on to stress the rehabilitation of individuals rather than the protection of society". Is it any wonder we are where we are at today?

It started because in 1971 the recidivism rate was 80 per cent. People went to jail, they served their time and 80 per cent of them were back in after they were released. Something was wrong somewhere, so we had to change things. This was an attempt to change things.

I think they were on the right track. They just went too far. It ended up with the rights of the criminals coming before the rights of the victim. It has come to the point where we do not have enough money to go around to pay for day care and other things that people would love to have but we can put $675,000 into expanding the recreation complex at Bowden Institution. Or we can build a jail in Grande Cache where all the rooms face the mountains.

I want to point out the fact that we did not get started on this track yesterday. We have been on this road for a long time and it is now time to make about a 180 degree U–turn.

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, in listening to the member's speech I note that the quote was taken from a time, while certainly not the middle ages, some 23 years ago.

I would also point out and perhaps the member could respond, that about a year and a half ago in passing legislation dealing with corrections and parole, the statute dealing with penitentiaries and the Corrections and Conditional Release Act and in reviewing the draft of the statute the priorities which were to be considered by the department were listed in the statute. For some particular reason and we did not know why, the safety of the public was not number one.

I say that in revising the statute for passage we in the committee moved the item up from No. 3 or 4 up to No. 1. I want to suggest that perhaps the pendulum is swinging back the other way after some 20 years. I accept the member's approach and I wonder if he would comment on the swinging of the pendulum.

• (1700)

Mr. McClelland: I thank the hon. member for the question. That was on my list but I did not get to it. That is a good example of one of the cases where we have to be careful. We do not want to let the pendulum swing too far in either direction.

At the time of reforming the penitentiaries in 1971 it was very Draconian and there is no question we were not saving as many souls as we were possibly able to under those conditions. Therefore in swinging the pendulum there is a very good possibility we went too far in the other direction. Now is the time to put the rights of the victims at least where they should be, which is always ahead of the rights of the criminals.

I accept the hon. member's point and thank him.

The Acting Speaker (Mrs. Maheu): I foresee the hon. member rising on a point of order. There was a mixup in the lists. Members of the Reform Party were splitting their time and had lost a 10–minute slot through an error of the Chair. I gave it back to them and the government spoke and now it is back to opposition.

Mr. Nunziata: Madam Speaker, on a point of order, is it your intention to have two members from the same party speak in a row?

The Acting Speaker (Mrs. Maheu): That is what I was just explaining. There was an error on the part of the Chair when I overlooked one Reform member and passed to a government member in his place.

Mr. Art Hanger (Calgary Northeast): Madam Speaker, it is indeed an honour to be able to address the House on an issue of such importance. I only hope that my colleagues on the other side of the Chamber will look upon this motion seriously and thoughtfully.

In the minds of a vast number of Canadians there is no more important issue than crime and the failure of the justice system to deal adequately with crime.

During the course of my campaign I had the opportunity to unscientifically poll the mood of the public in my constituency to find out which issues held their attention the most. In my riding perhaps no other issue touched people as directly as crime.

There is no more glaring and headline generating problem than that of crimes committed by non–citizens, especially those who have come to this open country. Some of them have actually abused Canada's generosity and to make matters even worse, are coddled by our justice system.

I know that given our present levels of immigration the number of immigrant offenders is relatively low. Certainly immigrants are overwhelmingly committed to living peacefully and making a better life for themselves in Canada. Nonetheless there is a broad opinion that the rights of criminals who are not citizens or legal residents of Canada are being given precedence over the rights of law abiding members of society, both citizens and non–citizens alike.

As I mentioned before, there have been numerous examples of criminal activity on the part of illegal residents and new residents of Canada. The focus of these headlines and the subsequent public outcry over these examples has not been on the crimes per se, but on the fact that those criminals have been cycled through the Canadian justice system rather than simply removed.

In my own city I recently acquired information about two convicted drug traffickers, both of whom were in Canada illegally, having overstayed their visas. Both were sentenced to significant amounts of jail time. The obvious question to ask is: Why are these two criminals, neither of whom possess legal status in Canada, still in Canada after having committed these criminal acts and have served their time, or at least a part of their time? That is a good question to ask.

That is not the end of the story. These two gentlemen, predictably, did not serve their full sentences in prison. Instead, after a fraction of their sentences had been served they were released on parole. They were released back into the community where they could visit and live and begin to re–establish their lives despite the fact that neither of these men were legal residents of Canada.

The story still is not over. At the time of this case, one of these drug pushers when out on parole acquired the status of where-abouts unknown. In other words, he violated his parole.

The criminal justice system did not have the sense to simply run these two out of the country on a rail. Instead it used tens of thousands of taxpayers' dollars to prosecute and imprison them for a short time. Then the justice system was kind enough to allow these two out on parole, never mind the fact that neither should legally be allowed on Canadian soil in the first place.

• (1705)

When I spoke to the parole officials concerning this case, they informed me that any Parole Board decision imposed on an illegal alien took precedence over deportation proceedings. This particular case is not an isolated one.

Some may interpret this as an attempt on the part of the justice system to dole out just punishment. However, my constituents and many more Canadians across the country see examples like this as a drain on the system and a risk to our communities posed by a justice system that is rule driven, not common sense driven.

When Canadians are forced to support criminal illegal aliens through years of incarceration on our soil and then are forced to live among them when those criminals are released on parole, then all of us become the victims. We are victims not only of crime but also victims of a criminal justice system that does not have the sense to deal expediently and in a common sense way with people who come to Canada and commit crime.

I wonder if this House is aware of the fact that refugee claims are often heard not in the offices of Immigration Canada nor in offices abroad, but rather in Canadian prisons. As hard as it is to believe, current policy allows for refugee claims to be heard in prison. Even more difficult to believe is that refugee board

members are not permitted to take into account the character of the claimant as demonstrated by the fact that the claimant is in prison as they assess the individual's acceptability as a refugee claimant.

There are two issues apparent here. The first is the ridiculous disregard for character inherent in the refugee process. The second is Canada's willingness to house in prison law breakers who have not yet received the right to legally reside in the country.

Canadians are outraged that this government would not only subsidize the trials and incarceration of aliens, illegal or otherwise. They are also outraged that their safety is being jeopardized when instead a speedy deportation order would be the way to go.

One of the guiding principles of the Reform Party is the attention we pay and the regard in which we hold the common sense of the common people of Canada. People outside the justice system, but who nevertheless provide for its funding through their taxes and who are the victims of it when it fails to provide for their protection, have expressed to me and my colleagues that Canada's justice system is in dire need of some common sense reform. That is not just shared by the Reformers on this side of the House, but I hope members on the other side.

My colleagues have pointed out the tragic irresponsibility of a system that promotes and protects the rights of criminals over victims. I stand before this House to report that Canadians have lost faith in the justice system which spends thousands of dollars to harbour illegal aliens when they commit crimes. As I stated before, that victimises every Canadian who either has to foot the bill for such nonsense or is forced to live in a community that must needlessly be the home for criminals from abroad.

Recently the existence of another kind of foreign criminal has been brought to light in Canada. It has been discovered that Ottawa is the home of a former minister of justice in the brutal Barre regime of Somalia.

The existence of this individual in Canada has been known for some time now. Members of the Somali community in Toronto have brought to my attention the fact that they had made this government aware of the presence in Canada of several other members of that regime, people who may also have perpetrated horrible crimes against their own people in Somalia, but to no avail.

After a great deal of correspondence with the government and several pieces of investigative journalism which proved the existence of such people in this country, law abiding Somalis who now call Canada home are still waiting for justice to be done.

• (1710)

So many Somalis have fled Somalia and have come to Canada hoping to find a refuge. They soon discovered that Canada's immigration system seems unable to distinguish between genuine and non–genuine refugees. Also they discovered that Canadian politicians do not have the political will necessary to take action to apprehend and deport political criminals who have followed them to Canada. This is yet another example of the apparent disregard for the rights of the innocent and the law abiding while the rights and privileges of criminals are protected.

When will this government display the political will necessary to enforce laws that are on the books? I am concerned that we may never see that sort of political will exercised as long as this government is in power. Instead of firm proposals to help protect all Canadians from both Canadian and non–Canadian criminals, we will hear more soft talk about the charter, about the need to be fair, and about the need to protect the rights of the few.

This government will be in grave danger in four years. The unprotected may rise up in anger and demand that the criminal justice system be taken back from the constitutional attorneys. They will demand it be taken back from the special interests and brought back into the hands of those who can listen and respond to the common sense pleas for protection, truth, justice and national security which are being made across the land.

[*Translation*]

Mr. Antoine Dubé (Lévis): Madam Speaker, the hon. member who just spoke and some of his colleagues touched on some quite particular aspects. We see that they each chose a subject in turn. In this case, it is illegal immigrants who commit murders while they are in Canada illegally.

The motion before us today concerns victims' rights, we must agree, but it is very, very general. I would just like to point out to the hon. member that a study, which I do not have on hand now, reports that about 80 per cent of the murders in Canada are committed by family members or someone in the victim's immediate circle. We must keep that in mind, because a very large majority of murders are committed in such circumstances. Knowing that, I think that we should deal again with the whole issue of the availability of firearms or other dangerous weapons that violent spouses or other persons in the victim's circle might use.

There is also another aspect. Murder is not the only crime, theft is another, but all studies show that such crimes are often related to poverty and social problems.

I would like to hear what the hon. member has to say on these two aspects in particular and not only about illegal immigrants, which he emphasized before, since all in all, crimes committed by illegal immigrants account for very little of the problem that we are talking about today.

[*English*]

Mr. Hanger: Madam Speaker, I made general comments about more than just murder. If the member would recall, in my statement I was referring to drug pushers who have come illegally into this country although I am aware of other situations certainly. In several of them illegals have committed violent crimes as the member speaks of such as murder, robbery or assault.

It is not a question of directing our attention elsewhere. We have many problems in enforcement. There should be a deterrent to those with any serious negative intentions as far as our laws are concerned when individuals come into this country.

What I am expressing here is that they are not adequately being dealt with when they are perpetrating acts of this kind. We have laws. They should be enforced.

The opinion among the judiciary seems to be that aliens should be handled in a different way. People are fed up with that kind of thinking. They are looking for action. If you commit crime in this country, I do not care what your background is, you should be dealt with. You should be placed on the same plane as the individual who lives here and is breaking the law, the only difference being with the outsider is he should be immediately deported upon serving his sentence.

• (1715)

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, I will be splitting my time with the hon. member for York South—Weston. I will try to cut mine down so that we both get time to do our share.

I am pleased to speak on this motion by the third party that indicates a concern that this government is not acting to reform the criminal justice system. I do not want to be too critical of the Reform Party. However I want to set the record straight about this government's action to bring reform to the criminal justice system.

Of course we are concerned about the rights of victims and those who are closely associated with victims of crime. These Canadians want us to take not just short term, but long term actions and to include the public in decision making, including the victims. The Liberal approach is an integrated approach. We want to get tough on criminals. We are looking to clean up the justice system.

As the minister stated on January 27: "Crime prevention must take account of the deep causes of crime: poverty, sexual exploitation of children, family dysfunctions, racial inequality and inefficient or underfunded social services".

He further stated: "Our government is determined to develop an integrated crime prevention strategy. Together with the other levels of government, the police, victims' groups and the community organizations, we will make a priority of looking at the deep causes of criminal behaviour and eliminating them".

I personally find it astounding that the Reform Party seeks to condemn the government for its inaction when they know the Minister of Justice the moment he was sworn in began to listen and act. In fact the motion before us seems to condemn the minister and this government for listening, something I thought was high on the priority list of the Reform Party. They should praise the Minister of Justice.

Finally we have a Minister of Justice who is taking action based on what Canadians want. Certain actions have already been initiated. A national crime prevention council is being actively planned and will be functioning within four to six weeks. Amendments to the Young Offenders Act will be tabled early in May. The re–establishment of the law reform commission is well under way. The court challenges program will be reinstated in about six months. Appointments to the National Parole Board are now made on the basis of merit and expertise.

Yes, we have to take further steps. The minister has promised that from the beginning. In his speech on January 27 among other things he promised to address concerns about the release of high risk offenders into society at the end of their custodial terms and to address the serious problem of violence against women and children. He has promised to tackle the problem of illegal arms smuggling. He will be looking into the broad category of equality before the law.

The minister will search for better ways of ensuring that justice needs of aboriginal people are recognized and acted upon. He will introduce legislation to deal with the sentencing aspect of criminal law.

I have worked for two and a half years with Priscilla de Villiers whose daughter Nina was murdered August 1991. Priscilla de Villiers began a petition telling the government that there are serious deficiencies in the criminal justice system of Canada. The petition asked that Parliament recognize that crimes of violence against the person are serious and abhorrent in our society.

We learned that Nina's experience was not unique. The petition brought to light similar cases where the justice system had failed. In fact 2.5 million Canadians have demonstrated their concern by signing the petition. The hon. justice minister accepted those petitions at a press conference on February 7 and stated his objective to provide and maintain the fairest and most effective system of justice for Canada and Canadians.

Mrs. de Villiers realizes that violent crime cannot be addressed through the justice system alone. We all have to make a long term commitment to a safer society that rejects violence and instils non–violent values in our children.

Through an organization called CAVEAT which Mrs. de Villiers formed, many deeply concerned Canadians will continue to promote public awareness and crime prevention in its broadest sense.

• (1720)

Many groups across Canada are participating in dialogue regarding the changes that are needed in the justice system. The Canadian Chiefs of Police and the Canadian Police Association are both putting forward a suggested bill of rights for victims. Local police in many areas including Hamilton are moving directly into the community to better understand the needs of our citizens.

I have been listening and have become more and more convinced that we need this national, rational debate that is going on across the country. We all need to share our experiences. I find it strange that the Reform Party wants us to take action without taking the time to consult with all Canadians, including the victims of crime.

The opposition has to get a grip on reality. It needs to see the link between crime and the social structures of our society. It needs to see the need to consult with the citizens of Canada, with victims themselves, to make changes in the justice system truly meaningful.

In truth, we need to compliment our Minister of Justice. He has been listening not just in the House but across Canada. Priscilla de Villiers mentioned to me only this morning that she feels that the minister is moving in the right direction with his consultative process and the suggestions for change that he has been proposing.

The member who moved this motion may be interested that the minister while in Vancouver last weekend met with a group of victims and personally heard their concerns. The members of the opposition need to listen to their constituents and need to bring their concerns to the consultative process here in the House.

This would be a more effective use of our time and would better serve our common goal to bring meaningful change to the justice system. I look forward to working with members on both sides of the House while we work together toward our common goal.

Mr. John Nunziata (York South—Weston): Madam Speaker, the motion before us by the Reform Party is a mischievous motion.

The Reform Party was elected in part based on a platform that said that rather than being mischievous in the House, its members would be constructive and work with the government in order to achieve changes for the common good of the country. Therefore when the Reform Party puts forward a motion condemning the government for its inaction, given the early mandate of this government I would suggest that it is mischievous.

I would have expected more from the Reform Party. I would have expected its members to provide some constructive alternatives or suggestions in order to assist this government in its changes to the criminal justice system.

The Liberal Party in the last election campaign made it very clear in its red book that it would deal effectively, unlike the previous administration, with changes to the criminal justice system.

All I need do is refer the hon. member and the Reform Party to page 84 of the red book where the Liberal Party set out its commitment in advance of the election campaign with regard to the criminal justice system.

We said on page 84 that dealing with the growing incidents of violent crime will be a priority for a Liberal government. I can assure the member that members on this side of the House are dedicated and committed to changing and correcting the criminal justice system.

I have every confidence that the Minister of Justice will bring about significant change. He will ensure that in due course Canadians will once again have respect for and confidence in the criminal justice system.

The minister earlier today indicated a number of initiatives that he has taken. All I can ask of the Reform Party is to work co–operatively with the minister and other members on this side to ensure that the changes take place.

I have but a few short minutes to discuss some of the matters I wanted to discuss with regard to the criminal justice system. There is no question we agree that the justice system is in desperate need of reform.

I have before me the Criminal Code of Canada which is the basis of our criminal justice system. It tells us how we deal with criminals in this country and yes, this thick book needs a lot of reform. There are two areas that I have addressed through the private members' process in the last several weeks.

Today I introduced a bill that would eliminate section 745 of the Criminal Code. Section 745 as I indicated to the House earlier today allows individuals convicted of first or second degree murder to apply to a court to have their parole eligibility dates brought forward. In effect it means that a first degree murderer, for example, someone who commits a deliberate murder, premeditated, can apply to the court after 15 years to be released from prison. I do not believe that that provision has the support of the public.

• (1725)

It means that life does not mean life. Most Canadians realize that when you commit a first degree murder it does not mean you are going to serve the rest of your life in prison. Most Canadians believe that life means 25 years. It does not even mean that. Under section 745 it could mean 15 years.

The likes of Clifford Olson will be eligible to apply in less than three years. Helmut Buxbaum who had his wife murdered would be eligible in the next five years. Colin Thatcher, in several more years, after 15 years will be able to apply for a reduction. That particular provision is a significant error in our criminal justice system in the Criminal Code and it ought to be eliminated.

The next subject I want to touch upon briefly is the Young Offenders Act. We all know that the Young Offenders Act is not working.

On February 17 I introduced in this House a private member's bill that would address three areas, and there are a number of other areas that must be addressed, that I believe must be addressed at the earliest opportunity.

The first is to change the age limits under the act. At present the Young Offenders Act defines a young offender as a child, if you will, between the ages of 12 and 17. The bill I introduced would redefine a young offender as being a child between 10 and 15. In effect 16 and 17–year olds would be dealt with as adults in criminal court. They would be prosecuted just like any other adult would be prosecuted.

In my view a 16 or 17–year old understands and knows the difference between right and wrong and ought to be dealt with accordingly.

With regard to the second aspect of my bill, the minister has already indicated that in the amendments that he will bring forward he will increase the maximum penalty for first degree murder to 10 years. I applaud the minister for that initiative.

The third aspect of this bill would allow for the publication of the name of the young offender after the second indictable offence.

In effect the young offender would be given two chances. The third time around, in my view, the public interest would dictate that the public should know the identity of the young offender and the circumstances of his or her crime.

There are other areas that have to be addressed. The minister indicated a number of the areas that he will be dealing with in the months ahead. I have taken the position in the past for example that the parole system is in desperate need of reform again. Mandatory supervision, the automatic release of inmates after serving two–thirds of the sentence, in my view ought to be eliminated. Sentencing reform is a package that the minister said he would bring forward. Parole reform again is very important. In the area of prostitution changes are necessary because of the effect of prostitution on communities right across the country.

In the few moments that remain I want to indicate to the Reform members that they certainly do not have a monopoly as far as having concern about the criminal justice system and reform of the criminal justice system.

Members of the cabinet and backbench members of the government are all dedicated and committed to making changes. I would ask members of the Reform Party to come forward with their ideas because I know that the minister and others will listen. In a years time or two years time I would ask them to look back and I think they will be proud of the work of this government in the area of criminal law reform.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Madam Speaker, I thank my colleagues for their contributions today. There have been a number of important suggestions and recommendations.

Everyone heard the Minister of Justice say today that he would listen very carefully and in fact welcome the ideas of people.

• (1730)

I have heard a number of points. I want to make a very brief comment. There is a tendency and a real need to ensure the victims of crime have many more supports than they now have. The Minister of Justice indicated that he agreed and wanted to do something about it.

There is also a feeling that for certain crimes there ought to be much tougher sentences. I applaud that and I believe it is true, but we have to be very careful, as one colleague in the Reform Party indicated, not to let that pendulum swing too far. Otherwise we distort the system in another fashion which is perhaps just as bad.

How important is it to attack the causes of crime embedded in poverty and unemployment in order to reduce crime? I would just like to get my colleague's opinion on that.

Mr. Nunziata: Madam Speaker, there is no question that a balanced approach is necessary. We have to deal with those people who commit criminal offences. That is a must. We have to deal with them effectively, taking into account the public interest and the rehabilitation of the offender.

I agree with those persons who say the pendulum has swung too far in one direction. We have to seek that equilibrium or that balance. On the other hand we have to do what we can to ensure that people do not embark on a life of criminality. We have to deal with and address root causes of crime such as unemployment. I am convinced the government will deal with the question of unemployment. If people are working they are less likely to commit crime.

Also we have to deal with the question of poverty and the fact that so many Canadians go to bed hungry at night. If we deal with poverty we will deal at the same time with crime. We will reduce criminality. A multifaceted approach is necessary. I agree with the hon. member that we must deal with the root

causes of crime because in the long run that would be a more effective way of dealing with crime in our country.

The Acting Speaker (Mrs. Maheu): It being 5.34 p.m. it is my duty to inform the House that pursuant to Standing Order 81(19) proceedings on the motion have expired.

The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

IMMIGRATION ACT

Mr. Derek Lee (Scarborough—Rouge River) moved that Bill C–219, an act to amend the Immigration Act (visitors' visas), be read the second time and referred to a committee.

He said: Madam Speaker, the background to the bill takes us into the inner workings of the Immigration Act. A bill similar to this private member's bill was presented in the last Parliament. I guess it is fair to say we are taking another crack at the issue.

The background relates to the procedures which are used by visitors who wish to come to Canada, visitors from what we call visa countries, countries where it is necessary for residents to get visas from Canada before they visit here. The bill would permit the Canadian relatives of such visitors to put up a bond or a surety. It would require a Canadian immigration officer who was considering a visa application to take the existence of that surety or bond into account when the application was made.

The best way I can describe the types of difficulties that the bill is aimed at resolving is by referring to an individual case. The individuals involved know I will be speaking about the case because I mentioned the same case a couple of years ago in Parliament. They are good enough to permit me to use it as a good example of why the bill might be of assistance.

It relates to members of the Saravia family who live in Scarborough. They have lived in Canada for about 20 years. They are originally from Bolivia. They have brothers, sisters and other family in Bolivia.

• (1735)

A couple of years ago after some discussion it was proposed that one of the brothers visit for Christmas. He had never met his nieces and nephews here, and everyone thought it was a good idea. The mother had successfully visited Canada with a visa about a year and a half prior to that time. In this instance the visitor, Mr. Torres, travelled to Peru because we do not have a visa issuing office in Bolivia. He made his application about a week prior to Christmas. He went with his airline ticket and a document sent to him by the family here and was turned down for a visa. Regrettably while in Lima he was robbed by some people there. The Christmas visit did not take place. That was the bottom line and my constituents were unhappy about it.

This is one case in hundreds I have had to deal with as a member of Parliament. I know all members of Parliament, particularly those of us from urban areas, have had to deal with the problem of applications by family members for visitors' visas.

In this particular case we received a letter of explanation in our office. It was a good letter, a good response. I am not in any way critical of our officials in Lima. They replied and gave their version of an explanation. I am going to read portions of the letter because they help describe some of the background. They wrote:

> Visitors visas are a very tricky part of our work. As you know, a great number of aliens enter Canada each year as tourists and try to stay after their original stay has ended. We have to determine in each case, with very little information at hand if the applicant is really a visitor or if the person is an immigrant trying to enter Canada on a tourist visa. The only way an applicant can convince us that he or she is really a visitor is by demonstrating that he or she has very strong ties to his or her home country which will force him to return to that country.
>
> This is what we expressed to Mr. Torres to show us. He explained he was leaving his wife and two children behind. He declared he had a job in Bolivia to which he wanted to return. Unfortunately he showed absolutely no proof that his financial situation in Bolivia was comfortable or that he had any property or good reasons to return.

It is very frustrating for a Canadian resident to know that a brother, sister, mother, father, son or daughter cannot make a family visit because he or she does not have financial resources, when often the family in Canada does have some resources.

Therefore the bill is intended to rectify the omission from the process. We were just speaking a few moments ago about the criminal process where the victim has been excluded from the process. Here is another process, the visitor visa process, where the resident Canadian, the relative, the person who has invited the father or mother to come and visit, has been excluded from the process and does not have role. The bill will provide for a surety or a bond that will give these Canadian families an opportunity to participate in the process and provide greater assurance that the visas will be followed through.

The surety proposed does not require cash. The amount would be set by the Department of Immigration in the ordinary course as it sets other bond amounts. It provides the resident Canadian with a role in the process. It gives the Canadian a stake in ensuring that the terms of the visitor visa are met. Because these are family members there is a reasonable amount of suasion existing. There is a bond, a relationship between the visitor and the inviting family. Surely there is a degree of what I would call suasion in having the visitor fulfil the terms of such a visit.

• (1740)

The current law in section 8 creates a bit of a catch—22. Subsection 8(1) reads:

> Where a person seeks to come to Canada, the burden of proving that that person has a right to come into Canada or that his admission would not be contrary to this act or regulation rests on the person.

That is the visitor. It has nothing to do with the Canadian. Subsection (2) indicates:

> Every person seeking to come into Canada shall be presumed to be an immigrant until that person satisfies the immigration officer examining him—that he is not an immigrant.

Basic visitors have to obtain visas and are basically presumed not to be bona fide visitors. There is a presumption that they are not bona fide visitors. They are presumed to be immigrants.

That is built right into the act. It is a great procedural device to put the burden on the visitor. If I were a Canadian with a family visitor from abroad, I would not be too happy about it.

I suggest it is a bit of a catch—22. It is not fair to these Canadians. The challenge of setting aside that catch—22 is exacerbated when there is a language barrier. Many visitors coming to Canada do not speak English as a first language. If the visa officer is looking for some subtleties in intention here, it is going to be awfully difficult to pick up on those subtleties when the language being spoken is not a first language. In the few questions that are asked the information exchanged is going to be pretty basic.

Turning to some of the statistics behind the bill on the surface do not look bad. In 1993 the department issued 545,000 visas or over half a million visas around the world. It turned down almost 82,000 around the world. That is not a bad statistic. One might say that is not too bad in the face of half a million visas issued. I think about 79,000 of those turndowns were relatives of my constituents but that is not true. It just takes two or three of them to frustrate the heck out of a member of Parliament.

Over 50 per cent of the people in my riding are immigrants. This means it is likely many of those Canadians have families and relatives abroad who want to visit. Therefore 82,000 is a big number. Even if there were only 1,000, 2,000 or 3,000 affected by the bill, it is a big number when we are talking about Canadians who want family visits to take place.

There are two perspectives worth noting. One is the huge increase in the number of families in Canada with relatives abroad. People are moving all over the globe now. There are huge increases in travel and large increases in the numbers of immigrants to Canada so hopefully many more family visits can take place.

Second, the refugee claims process has poisoned the atmosphere for visitor visa applications. In all cases visa officers are on the lookout for phoney refugees. There might even be a real refugee who is trying to get here through a visitor visa. Our visa officers put their careers on the line when they grant visas. I understand and I am sure other members understand that they cannot be seen to be making many mistakes. Every time a fake refugee claimant stays here on a visitor visa the dollars start to add up. It is not $1,000; it could be $20,000 or $30,000 in costs to the federal, provincial and municipal taxpayer by the time we are done with legal aid for a lawyer, welfare support during processing, the cost of the processing, the accommodation and so on. It is a very frustrating and high stakes games. These are some changing realities we have to keep our eye on. Canadians have been neglected in this process.

• (1745)

I want to conclude by outlining some of the salient features of this private member's bill. It provides a formal role for resident Canadians to participate in the process. Right now all we have happening with resident Canadians is sometimes they will go to a lawyer or a notary and get a letter prepared that says: "My brother, John, is going to visit and I will support him while he is here". They get the notary to seal it. The notary charges them $50 or $100. I will not comment on the appropriateness of the fees. As can be seen in the letter from Lima, Peru that kind of intervention by the Canadian family did not carry much weight in the decision.

Second, my bill would provide a material financial assurance of compliance with the visa by the visitor.

Third, it provides a real linkage between the applicant and the Canadian family doing the inviting.

Fourth, my bill would not prejudice those applicants who do not have a relative in Canada or do not put up a surety. The bill specifically provides that the absence of a surety is not to be taken into account by the visa office.

Fifth, it provides for individual applicants who have Canadian relatives the same ability to be bonded as group visitors currently have under the existing act. Group visitors can have bonding arrangements. Individuals at the moment cannot.

Sixth, it will not change the test for visitor visas. It will not change the underlying test and we will have the same test and the same safeguards. It will provide a significant role for family members here and provide a further assurance of bona fide fulfilment of the terms of the visa.

To conclude, I am hopeful that the government will listen carefully and include this type of amendment, this mechanism, as a new feature of the Immigration Act when it next considers amending our Canada Immigration Act.

[*Translation*]

Mrs. Madeleine Dalphond–Guiral (Laval Centre): Madam Speaker, it is certainly not a coincidence that Bill C–219, whose purpose is to amend section 9 of the Immigration Act, is being discussed today, March 17, St. Patrick's Day. Wishing a happy holiday to Canadians and Quebecers of Irish descent is a privilege for me as one of my ancestors on my mother's side came from green Erin. To my Irish compatriots, in particular those from Quebec, who are proud of their roots and their culture, I am pleased to wish a most enjoyable holiday.

Some hon. members: Hear, hear.

Mrs. Dalphond–Guiral: Members of the Official Opposition have, on many occasions in this House, pointed out the considerable contribution made by new Quebecers and new Canadian citizens to the building here of a pluralistic society open to the world. A large number of people from every part of the world have made Quebec and Canada riches with their cultures and their skills.

Incidentally, the composition of this House mirrors the Canadian mosaic as many members, in addition to being Canadian citizens, also have deep ties to their or their parents' native countries. On Canadian soil, it has been proven that there is a place and a warm welcome for people who choose Quebec or Canada, be they from Europe, Asia, Africa or Latin America. But their new lives do not erase their strong attachment to their friends and families still scattered all over the globe. These ties are essential and their value must be recognized by any civilized nation by amending legislation to make it fair and humane.

• (1750)

We believe that, if passed, Bill C–219, the bill to amend section 9 of the Immigration Act before us today, will make it easier for non–Canadian relatives of Canadian citizens and permanent residents to obtain visitors' visas. This bill is a legislative amendment which is both fair and humane.

The members of this House know that, depending on the planned duration of their stay on Canadian soil, certain people must obtain a visitor's visa from a Canadian embassy abroad.

To be granted entry, people requesting permission to come into Canada must meet a number of requirements. They must hold a valid passport and return ticket. They must also state the reasons of their visit. In other words, foreign visitors who apply for a visa to come into Quebec or Canada and visit with relatives must prove that they are genuine visitors and comply with the provisions of the Immigration Act and Regulations. They must also prove to the visa officer handling their application that they have enough money to support themselves while in Canada and that they fully intend to return to their country of origin.

We agree with the law that people who want to Quebec or Canada for a visit must have sufficient financial resources for the cost of living in Canada. This provision stands to reason, since the length of the stay is usually one to six months, with the possibility of extending it once in Quebec or another province.

However, figures from the Department of Citizenship and Immigration for 1992 indicate that Canadian visa offices abroad have rejected over 100,000 applications. The majority of these applications, Madam Speaker, were made in Third World countries and certain Eastern European countries.

Are visas actually denied mainly on financial grounds? It may very well be so. As the movers of this motion, we think it is immoral and totally unjustified to assume that less wealthy visitors who come from these countries would not act in good faith.

Consequently, it is important that persons applying for a visa who are not well off have their applications examined by an official much in the same away as applications from persons who are more financially secure are considered, if indeed members of their family in Quebec or in Canada or members who are permanent residents are prepared to put up a bond or surety.

Some people may object to this bill on the grounds that increasing the number of visitor's visas only increases the number of refugee claimants. They will point to recent figures released by the Department of Immigration which show an increase in the number of refugee claims made by persons entering Canada with only a visitor's visa.

Our answer to them must be that whether in possession of a valid visa or falsified papers, persons fearing persecution for political, religious, ethnic or other reasons have rights which are recognized under international law, notably under the Geneva Convention to which Canada is a signatory.

• (1755)

Madam Speaker, it is neither a crime nor immoral to seek refuge in a country which respects human rights.

In conclusion, the members of the Official Opposition, who believe in the fundamental values of Quebec society, values such as generosity and open–mindedness, will unequivocally support Bill C–219. The amended Immigration Act will show even more respect for the citizens of this country who, through their differences and their work, enrich our society.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Madam Speaker, I would like to congratulate the hon. member for Scarborough—Rouge River on the interesting work he has done on behalf both of his constituents and all Canadians on this issue.

I might add, and I know the hon. member made mention of this, that it is not just in this Parliament but in the previous Parliament as well. He deserves congratulations. His interest in this is both timely and a good reminder to all of us who work in this area.

This is an area that interests all Canadians and that is why the Minister of Citizenship and Immigration has announced a new consultation for a 10–year immigration framework and one that the minister hopes to be making the first statements about this coming fall.

Canada's Immigration Act lists clear policy objectives to facilitate the entry of visitors into Canada for the purpose of fostering trade and commerce, tourism, culture and scientific activities and international understanding.

The decision to issue or not to issue a visitor's visa is based on the intention of the person seeking to visit Canada. It is very interesting that this bill should come up for debate today because I was discussing this very matter with senior departmental personnel earlier today before an appearance at the committee. One of the more senior public servants was telling me that one of the things he makes a point to do when he visits our offices abroad is to go to the visa office and observe the visa officers.

I think it is very true and something that bears repeating here in the House that the particular knowledge and ability of our visa officers, who are a very small but very specialized group in our foreign service, to make the decision right there on the ground particularly in some of the offices that are very crowded, that are over–subscribed by vast numbers of people wishing to come to Canada for a variety of reasons, to make good decisions and to make the right decisions is pretty amazing. The senior staff I spoke to today made mention of this more than once as something that we should be very proud of, our foreign service officials who are working for Canada.

We have in place a network of 47 full service and 25 specialized officers abroad located in Canadian embassies, high commissions and consulates who are ready to process visitors' visa requests all the time.

In 1993 Canadian officials overseas received 627,394 applications for visitors' visas. They issued 546,457 of these visas. Only 81,937 of these requests were refused or withdrawn. That is an 87 per cent acceptance rate and I think that is, again, an amazing figure. Most of these visitor visa requests are completed within 24 hours.

• (1800)

In general, the problems we hear of as members of Parliament make up a very small percentage of the volume that is done by our Canadian offices abroad.

I want to make very clear that the minister believes the hon. member raises some very important issues with his private member's bill. They are issues certainly worthy of review. I am sure the minister responsible for citizenship and immigration will take the member's words and bill for review. A great deal of interest such as has been generated here today will continue certainly on behalf of the minister and the department.

Mr. Art Hanger (Calgary Northeast): Madam Speaker, it is a pleasure to be able to speak on the subject of immigration for the second time today.

I am going to be taking another side to this debate. I should point out this House has not been active in the promotion or discussion of legislation dealing with immigration and I applaud my hon. colleague for breaking ground.

Our current Immigration Act despite its enormous length has the appearance of having no teeth as its enforcement is sorely lacking. This also applies in the area of visitor visas. In the minds of many Canadians it fails to ensure that Canada is adequately protected from abuse.

Canada needless to say is a nation with a sterling reputation for compassion and openness. However when that openness is abused the result can be a backlash and a decline in Canadians' tolerance for newcomers or even more so directed toward the legislation that does not seem to fit the abuse. Polls indicate that this is precisely what is happening now.

Canadians see example after example of abuse in the system. They fail to see that immigrants are not to blame per se since those immigrants or visitors who are abusing the system are only taking advantage of the incentives for abuse that our present immigration law provides.

One area of abuse that may not make the headlines frequently but that is nevertheless a growing strain on our immigration system is the failure of many to leave the country after the expiration of their visitor visas. As a result of this abuse, immigration officials have been tightening up the requirements needed for visitors to enter Canada on visitor visas.

Currently one of the determining factors in whether or not a visitor visa will be granted to an applicant is if the applicant poses a risk for non–compliance with the terms of departure from Canada. This security is especially hard on young males and unattached people who it is often determined may have little reason to return to their native land. This is especially so when Canadian immigration is unable in most cases to undertake the process of apprehension and deportation of people who have overstayed their visas.

However if family members who are citizens or permanent residents of Canada were able to post a bond and the posting of that bond were allowed to influence the decision making of the immigration official, then not only would the possibility of overstaying be reduced but so would the likelihood of unjust rejection for visitor visas. At least that is how it should work in theory.

In reality however this legislation may have the effect of actually encouraging more abuse of the system. This legislation if passed, may result in even more people coming to Canada with no intention of leaving and then staying on without ever being apprehended. Allow me to explain why.

This bill makes no mention of the size or the type of bond, whether it is cash or security. Therefore we must assume that the bond will not be overly sizeable. If that is the case then citizens or permanent residents of Canada who desire to bring to Canada a family member may well end up making a rational, economic decision to buy a family member into Canada using a bonded visitor visa rather than going through the long and complicated process of sponsoring under the family class.

Further, when one sponsors a relative there is an obligation to support the individual for a lengthy period of time. I know this requirement has been ignored by many and is also rife with abuse. Nonetheless it is a requirement that presents an obligation which could be enforced, if this government would only demonstrate the political will necessary to enforce it and to support its enforcement officers and divisions.

• (1805)

Were one to sponsor a visitor visa by posting a bond, there could be at most the loss of a couple of thousand dollars. No further financial or more important, legal obligation would be pending. Instead of accomplishing what this bill on its face seems to, this bill would in fact open the doors for further abuse.

I have brought the text of this bill to the attention of individuals with far more knowledge than I possess in the field of immigration. After review, the response I received from them was that while this bill could help to make the visa process somewhat less discriminatory, the price could very well be a flood of visitors who intend to take up residence in Canada by overstaying those visas.

Furthermore I was told that it is virtually impossible due to manpower shortages and legal limitations to track down, apprehend and deport illegals who have overstayed their visas. A huge percentage of illegal immigrants to Canada have used this route to enter the country. This legislation, by making the process of acquiring a visitor visa easier for those individuals who pose a high flight risk could make the number of illegals that much higher.

Further this legislation could make it impossible to charge a citizen or permanent resident of Canada with aiding or harbouring an illegal immigrant. After all if one has posted a bond and then forfeited the funds then legal recourse may be exhausted.

There is also the issue of fraud to consider. Fraud permeates the immigration process in Canada in the form of faulty travel documents, falsified visas and the transfer of documents. It is regrettable that this bill does not address this issue. Rather this bill seeks to make the acquisition of visas even easier and ignores the rampant abuse of the visitor visa system that currently exists.

One other point should be made regarding this bill. This bill assumes there is some mechanism to determine if and when a visitor on a visa leaves the country. How else could the forfeiture of a bond occur? However there is no such process. While visa visitors do have their date of entry logged with Immigration Canada, their date of departure is not. Thus this bill is premised upon an enforcement mechanism which by all rights should exist but does not.

In short, I applaud my hon. colleague for having introduced this bill and to attempt the beginnings of a badly needed restructuring of immigration law. However this bill is short-sighted and suffers from the same malady that reflects so much of the legislation that comes into this House.

In theory we have a good idea here. I know the intentions of my colleague are laudable, but this bill would make a presently existing problem even worse. To make our immigration system function any worse than it does now would be to be jeopardize the future of all immigration into Canada by further raising the level of intolerance that this failed system has begun to create.

I respectfully oppose this bill.

Mr. Sarkis Assadourian (Don Valley North): Madam Speaker, I second the private member's bill of the hon. member for Scarborough—Rouge River. In my riding of Don Valley North about 50 per cent of the population are new Canadians. Of course I am one of them.

This bill will help the system in many ways. It will cut the red tape in our embassies or visa offices overseas. It will help the families living here. It will give them the opportunity to celebrate holidays, important days, religious days or weddings together.

• (1810)

It will help tourism in Canada. The more visitors we have and the less restrictions there are on visitors, the happier they are to spend their money and generate revenue to Canadian businesses.

I am more than happy to second this bill. I urge this House to accept this recommendation and take it to committee. In committee we will certainly support this bill. I hope the other committee members will do so when it comes to the vote in committee.

Mr. Julian Reed (Halton—Peel): Madam Speaker, I proudly rise to support this bill introduced by the hon. member for Scarborough—Rouge River. He has set a course that is practical and realistic in terms of solving some of the problems we presently have in the immigration system.

I would like to see this idea expanded toward the family sponsorship of immigrants. There are increasing numbers of experiences where families sponsor immigrants to come to Canada. Then in a very short time for whatever reason they abrogate their contract with the federal government to continue their support. Therefore, seems that the principle of bonding would be a very practical means of accomplishing this.

I also suggest to the hon. member that in terms of student visas, young people who come to Canada to get their education, the principle of bonding could be applied as well. That would allow Canadian educational institutions to offer their services to young people from other parts of the world.

I speak from personal experience. Some of my friends and I attempted to have a young Dominican man admitted into Canada to complete his education which he could not get in the Dominican Republic. He was turned down twice. A write–in campaign was launched with the minister and with the adjudicating officer in Santo Domingo. He had to participate and take documentation with him to show he had won the president's citation four years in a row in that country and that he was a highly respected member of his community, and so on.

Finally after the third attempt, this young man came to Canada. He is here now completing his education in computer science. He will go home bringing something very new and special to that country. His mother continues to reside there.

This is a very positive step. Having run this idea by my constituents in the last few months in speaking to chambers of commerce and various people I have received only positive response. They felt very strongly that this was a good new direction to take and that it would help very much to solve some of those problems that end up often causing a backlash among settled citizens in this country. Anything we can do to overcome that is a positive step.

My constituency office has been in touch with various people in the immigration department. The suggestion has been floated there. I can say it has received positive response even there.

I commend the hon. member. This is an excellent move. I would like to see it expanded and moved into a larger base. I do not believe for one minute that my friends in the Reform Party can be serious that this would simply be tacked on as a cost of doing business, if you like, for somebody to buy their way into the country.

• (1815)

It seems to me that all that needs to be dealt with there is how that bond is applied and at what level. This is a mechanical process and I do not think it needs to be simply the price tag for getting into Canada.

I appreciate the opportunity to endorse this bill.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Since there are no more members who wish to speak, the period provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

Before asking unanimous consent to call it 6.30 p.m., I would like to wish everyone a happy St. Patrick's Day.

[*English*]

Happy St. Patrick's Day, everyone.

Ms. Clancy: Madam Speaker, I rise on a point of order.

Since it is St. Patrick's Day and I happen to know that you, Madam Speaker, are wearing a shamrock on your gown, I thought it would be appropriate to thank you on behalf of those of us in this House who are of Irish descent. Of course, I include the hon. Minister of Justice who is also of Irish descent. I would never mention his name, it is a weird name to be Irish, but it is there.

We do thank you very much, Madam Speaker, for your kind comments.

The Acting Speaker (Mrs. Maheu): May I call it 6.30?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*Translation*]

THE ENVIRONMENT

Mr. Jean–Guy Chrétien (Frontenac): Madam Speaker, we are starting the adjournment debate 10 minutes early, and although I cannot make any assumptions about the absence of members from this House, I would nevertheless appreciate it if a member of the government would respond to this motion.

On Tuesday, I put a question to the Minister of the Environment about Phase I of the St. Lawrence Action Plan. I protested the fact that Industry Canada spent only $5 million in Quebec on Phase I to clean up a river which flows mainly through Quebec.

I suggest we look at the figures that were given initially. I will round off the figures for the sake of convenience. Initially, Industry Canada had budgeted $20 million. Because of the recession, the government cut $2 million, which leaves $18 million. More than $6 million was spent on projects which, in the end, did not make the grade, so that Industry Canada actually invested a mere $11.3 million of the initial $20 million that was to be used to clean up the river. However, the worst part is that Industry Canada spent only $5 million in Quebec.

• (1820)

Madam Speaker, the St. Lawrence River flows mostly in Quebec. Consequently, I find it hard to understand why an amount close to $6 million was used to subsidize an Ontario pulp and paper company located in Miramichi, in New Brunswick, several hundred kilometres from the St. Lawrence River. After all, there are dozens of plants like that one along the river. Why choose the Miramichi facility?

I also find it hard to understand the $450,000 subsidy to Marsh Engineering, from Port Colborne, on Lake Ontario, for the treatment of oil discharged by ships which could some day navigate on the St. Lawrence River. Again, there are many ports along the St. Lawrence in Quebec, including Montreal, Quebec City, Trois–Rivières, Sept–Îles and quite a few more.

So, why was only $5 million of the $12 million spent in Quebec during Phase I of the St. Lawrence Action Plan? After all, as I said, the river flows mostly in that province.

I remember clearly that, in the 1980s, there was a serious problem with maple trees in Quebec. The Government of Quebec did not buy a plantation of evergreens or oaks to study the problem, It bought an enormous sugar bush, and its officials conducted tests and soil analysis, and found solutions to the problem.

To clean up the river, it would have made sense to concentrate efforts where the river flows. I find the attitude of the Department of Industry unjustified.

In conclusion, the report on this issue states clearly that the partnership between Environment Canada and the Department of Industry is a failure. The two departments went in opposite directions as regards technology.

Last Tuesday, the Minister of the Environment made a formal commitment to the effect that all monies allocated to the St. Lawrence Action Plan would be spent in Quebec. Can she tell us now how she will control the monies invested by other departments during Phase II of the Action Plan, in order to avoid a repeat of what happened during Phase I?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): First of all, what I told the House was that the funds earmarked for Phase II of the St. Lawrence Action Plan will be spent on cleaning up the river.

Having said that, I must point out that the St. Lawrence runs all the way from Brockville, Ontario, before reaching the sea in the Lower St. Lawrence district. My brother's father–in–law has a cottage in Carleton, on Chaleur Bay, just across from New Brunswick.

What we want to do it is to clean up the St. Lawrence and that is exactly what we have committed to do before this House. All the funds earmarked for this project will be spent on pollution control.

That being said, I think that the hon. member is taking a narrow view when he claims that, in the event of technological problems, investments will necessarily be distributed on a geographical basis. He must have heard of Dr. Jonas Salk, the medical researcher who developed the vaccine to stop the polio epidemic afflicting so many people around the world.

• (1825)

We did not tell Dr. Salk, who was with the University of Toronto, that the funds had to be invested in Toronto.

What is important is to use the right technology. The technology used to clean up the St. Lawrence has to be good, whether it is developed in Quebec or elsewhere. If there were a problem in Lake Ontario or Hamilton Sound, near where I live, and a research scientist from Montreal could find a way to solve the problem, I would not tell him not to just because he is from Quebec.

I think that the decision to invest in cleaning up the river is a sound one. Our government is not the one that signed the agreement under which the funds were not distributed properly. This five–year plan for cleaning up the St. Lawrence River was signed by the current Leader of the Opposition, who was Minister of Environment at the time, and his Conservative colleagues. This plan did not specify how much was to be spent on pollution control. That is only part of the problem anyway.

The other one is making sure the right technology is used. I am sure that high–tech environmental companies in Quebec are very competitive and would not appreciate it if we decided that all funds for the Great Lakes could come only from companies around the Great Lakes. What we are looking for is good environmental technology that can be used in Ontario as well as in Quebec or in other provinces. That is what real environmental technology is about.

[*English*]

GUARANTEED ANNUAL MINIMUM INCOME

Mrs. Jane Stewart (Brant): Madam Speaker, I would like to follow up on a question I posed on March 15 regarding the concept of a guaranteed annual income.

As the Minister of Human Resources Development continues his review of social policy, I want to encourage him to fully consider and do a cost benefit analysis on the concept of a guaranteed annual income.

Today I would like to present five benefits that I believe commend this notion to the minister for further consideration.

First, in terms of efficiency, we need a comprehensive program to consolidate the patchwork of social programs that presently exist. We could consolidate the guaranteed income supplement, child tax credit and exemptions, married exemptions, federal Canada Assistance Plan transfers, old age security and possibly GST tax credits under a guaranteed annual income. Unemployment insurance as well or parts of that program could also be included.

Does it not make sense to provide one form of support instead of continuing the multiple programs process and bureaucracy that exist presently?

We talk about streamlining government. The guaranteed annual income could help us in this regard.

Second, what about work incentives? Many people fear that a guaranteed annual income will encourage people not to work. I believe that is precisely what our list of programs does right now. Currently, social programs have a high taxback rate on additional earned income, some up to 100 per cent, that in many cases makes it not possible for recipients to return to work. If by finding low wage employment a person risks losing certain other important support, that person really cannot leave the system.

Because the guaranteed annual income would be integrated with the tax system it could provide a gradual taxback of benefits as a recipient finds other sources of income.

My sense is that there is only anecdotal proof that a guaranteed annual income would be a disincentive to work. In fact, the real proof may exist on the other side. A recent study of the Mincome experiment in Manitoba found that a guaranteed annual income did not affect people's work habits.

As well, the National Council of Welfare recently released a study which showed that low income Canadians respond to incentives to work better than people with above average incomes. A person struggling to make ends meet does not have the luxury to relax instead of work.

I am convinced that Canadians want to work and if properly structured a guaranteed annual income will support Canadians to do so.

As for effectiveness, social policy can be more effective if it responds to the different needs of Canadians. A guaranteed annual income is able to do just this. Flexibility in the taxback rates and guarantee levels can provide effective income support for Canadians who cannot be expected to enter the workforce and those who are able to work as well. As well, in our changing economy skills and training are essential elements that create opportunities for lower income Canadians.

• (1830)

A guaranteed annual income would provide income support for those people who participate in training and skills advancement.

Let us consider economic benefits. Good social policy makes good economic sense and allows us to get lower income people the money they need to buy the resources they need to serve their families and they spend it in our local communities.

Finally, let us talk about dignity for Canadians. I believe that a guaranteed annual income protects the dignity of lower income Canadians. First of all, it provides effective income support so that Canadians are able to meet their basic needs.

Second, there would be no requirement to go through the humiliating needs test that are part of the Canada Assistance Plan.

With a guaranteed annual income people do not need to remain on welfare just because it does not pay to work. Moreover, Canadians will have the support needed to gain the skills necessary to compete in today's job market.

In conclusion, I believe and I try to show that a guaranteed annual income could provide significant benefits for all Canadians. I urge the government to do a thorough cost benefit analysis of this concept. It is time to consider a real step change in Canada's social assistance policy.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Madam Speaker, the Minister of Human Resources Development has asked me to furnish a response on his behalf this evening.

I know the minister would want me to begin by recording his gratitude and admiration for the continued interest of the hon. member for Brant as well as for the thought provoking suggestions which she has put on the record this evening.

I say on the minister's behalf that the Standing Committee on Human Resources Development has been listening to Canadians express their views on social security reform. The minister has also appointed a small task force of Canadians involved in matters of social security and employment reform to help him pull together the elements of the reform process.

In April the minister will be presenting an action plan setting out the options and the choices for the standing committee to consider during the course of the summer, using the widest possible means of public dialogue.

The concept of a guaranteed annual income program to meet all the needs of persons with insufficient income has been considered time and again by previous governments, both federal and provincial.

The broad outlines of a guaranteed annual income are consistent with the department's goal of overhauling and streamlining current programs to make them more effective at addressing the social security needs of people today.

A guaranteed annual income would require major reforms to the structure and financial arrangements underlying several components of the income security network, including unemployment insurance, social assistance, child benefits and taxation.

One guaranteed annual income proposal which has garnered much attention in recent months has been the income supplementation program for Newfoundland and Labrador prepared by that province's economic recovery commission.

Federal and provincial officials are working together to review and assess the Newfoundland proposal to see how it could fit into the government's national social security reform process.

However, this government cannot consider a guaranteed annual income outside the context of the broad social security reform process.

A guaranteed annual income is a very innovative approach to reform that is not constrained by the existing program structure. Such a proposal could be presented as one of the many options available.

Before any such option is considered, careful consideration will have to be given to various government objectives, including job creation, achieving current fiscal objectives and addressing the inequities inherent in the current system of government programs.

The social security reform process is an ambitious plan with a tight timetable that will result in major changes for Canada. The action plan review process will be open to the public. Consideration on all options will require the participation of our partners, the provinces, as well as the Canadian public as a whole.

These are essential programs and this government does not intend to leave any stone unturned in considering how best to reform the social safety net.

The Acting Speaker (Mrs. Maheu): It being 6.35 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1)

(The House adjourned at 6.35 p.m.)

HOUSE OF COMMONS

Friday, March 18, 1994

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1994–95

The House proceeded to the consideration of Bill C–14, an act to provide borrowing authority for the fiscal year beginning on April 1, 1994, as reported (without amendment) from the committee.

Hon. Marcel Massé (for the Minister of Finance) moved that the bill be concurred in.

(Motion agreed to.)

Mr. Massé (for the Minister of Finance) moved that the bill be read the third time and passed.

• (1005)

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome the opportunity to speak on third reading of Bill C–14, the borrowing authority bill.

The bill has been approved by the House finance committee and it is vitally important that the House proceed with it as quickly as possible. Without borrowing authority in the new fiscal year severe constraints will be placed on the government's financial program, constraints that could prove costly to the government and to Canadian taxpayers. The federal government would be restricted to short term funds. This would expose the government to an additional rate risk and could disrupt the capital market, potentially resulting in higher debt and servicing charges.

We do not put forward this request for borrowing authority lightly. We know there are real costs involved in adding to the country's debt burden. The amount of borrowing authority requested in the bill is directly connected to the financial requirements set out in the 1994 budget. The budget takes concrete responsible action to bring the nation's finances under control.

Our ultimate goal is to eliminate the deficit. Our interim target is to reduce it to 3 per cent of GDP by 1996–97. The budget puts us on a course to meet that target. We will reduce the deficit to $39.7 billion in the coming fiscal year, to $32.7 billion in 1995–96, and, with only a moderate growth, to $25 billion in 1996–97. Our financial requirements are lower: $30.2 billion in 1994–95 and $22.7 billion in 1995–96.

Let me be very clear. No future action is required for us to meet our three–year deficit target. This will happen as a direct result of the actions contained in the 1994 budget in and of themselves.

To achieve this we have proposed the most substantial saving reductions by a government in the last 10 years. Debt expenditure cuts will total $17 billion over the next three years. Over that period there are $5 in spending cuts for every $1 in new revenue.

Some people have expressed disappointment that the deficit for the first year is not lower. The government shares that disappointment. However the reasons for this are quite straightforward.

First, there is a lag time before the full effects of spending cuts show up in the nation's books, for example with unemployment insurance a change in legislation is required.

Second, we have carried through on all of our election commitments including a major national infrastructure program, and they are paid for up front.

There is a third reason the deficit is not lower for the first year. We have scrapped many of the practices of the past. In previous years, governments would set targets based on rosy economic projections. Our budget is based on very prudent assumptions.

[*Translation*]

First, there is a lag time before the full effects of spending cuts show up in the nation's books; for example, with unemployment insurance where a change in legislation is required.

Second, we have carried through on all of our election commitments, including a major national infrastructure program, and they are paid up front.

There is a third reason why the deficit is not lower for the first year. We have scrapped many of the practices of the past. In previous years, governments would set targets based on rosy economic projections. Our budget is based on very prudent assumptions.

[*English*]

Moreover the budget provides full accounting for all new program costs. Nothing is hidden. We have built in substantial reserves so that we can respond to unforeseen contingencies without altering our fiscal targets.

Finally, we have not offloaded the federal deficit on to Canada's provinces. We firmly believe that the two levels of government must approach their respective challenges through co–operation.

Now let me return to Bill C–14. Like borrowing bills in previous years the bill contains three basic elements. I would like to touch briefly on each one of these elements.

First, the bill provides for $30.2 billion of authority to cover anticipated borrowing requirements to meet the net financial requirements set out in the budget.

Second, there is provision in the bill to cover $1.1 billion of exchange fund account earnings. These earnings give rise to additional borrowing requirements because these earnings, although reported as budgetary revenues, are retained in the exchange fund account. They are not available to finance ongoing government expenditures.

• (1010)

Third, there is a $3 billion borrowing reserve, the same amount requested in borrowing bills in the last six years. This reserve provides for unforeseen contingencies such as foreign exchange transactions, seasonal swings and borrowing requirements, and delays in passing the future year borrowing authority legislation.

The bill also contains a provision for an additional borrowing authority of $3 billion to provide for borrowing conducted in the fiscal year under section 47 of the Financial Administration Act.

In summary borrowing authority is a normal part of government operations and the bill contains no unusual provisions. All the information needed to deal with it is before the House in the budget, the main estimates and related documents.

I therefore urge the House to proceed today with the legislation so that the government's regular borrowing program can proceed as the fiscal year begins and the risk of hard debt servicing charges can be avoided.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, since the budget was brought down in this House, I have witnessed a great deal of praise being heaped on members on the other side of the House. First, the Prime Minister praised his Minister of Finance as if he held the keys to eternal truth. The other ministers also showered him with praise and thanked him for slashing their own departmental budgets. And to top it all off, the minister even congratulated himself. I have never seen so much flattery before, all designed to mask a flood of useless, futile words.

A number of my colleagues in the Bloc Quebecois have denounced this budget, and rightly so. I too would like to join with them in saying that there is nothing in this budget to give some hope back to the least fortunate members of our society. This budget was devised by sons of darkness, whose father is none other than the Prime Minister himself.

A son of darkness is someone who always thinks in terms of his party and his career. Many of my colleagues here in this House hail from rural areas. There are some young Turks on the other side of the House who, outside the chamber, have said: You are right, but we are only starting out in our career and we want to move up. Sometimes, we have to keep quiet. Some other members who have been around longer and who are more adept at expressing themselves say this: Why not protect our career and maybe some day get appointed to the Senate.

A son of darkness is someone who never admits his mistakes. It was announced here in this House that the military college in Saint–Jean, a francophone college, will be closed. Everyone concedes that the government is making a monumental mistake, but the government is not willing to admit it.

A son of darkness is someone who protects the wealthy, family trusts and large corporations, someone who never gives any real answers here in this House. The answer is always maybe, or perhaps, but never anything specific.

• (1015)

A son of darkness is someone who accepts a double standard. The poor are asked to tighten their belts, while a minister can take off and spend $160,000 on a trip.

A son of darkness is someone who exploits the poorest among us and surrounds himself with wealthy friends during election campaigns. He has no problem with spending $1,000 or $3,000 on meals with his friends. He is also someone who is prepared to bleed our senior citizens dry, to tax their income above $24,000 or $25,0000. He is someone who does not put any value on workers and who makes life hell for the unemployed.

I do not have any examples to give you, but I have toured my riding several times and workers as well as the unemployed understand what I am saying. A son of darkness is someone for whom the end justifies the means.

The Minister of Foreign Affairs says one thing in the House, and something quite different outside the chamber. A son of darkness is someone who does not care about the people. We have had some very sincere federalists in Quebec. There was Jean Lesage who coined the expression "masters in our own

house". He sat here in this very House. Did anyone listen to him?

Immediately after him came Premier Daniel Johnson, Sr., who said "equality or independence". Did anyone listen to him, Mr. Speaker? No. His son, now the Premier of Quebec, did not listen. He is even worse than the others.

Then there was René Lévesque who spoke of sovereignty association. At one point, he talked about the "beau risque", the "fine risk". Did anyone listen to him? No.

Mr. Speaker, you will have recognized the people behind the latest budget. Furthermore, I have christened the Prime Minister the father of darkness. Why have I done this? You will recall that the Constitution was patriated unilaterally. Quebec was not there in the London fog. You will recall Meech Lake. Well, the Prime Minister was there in spirit. And finally, you will recall Charlottetown. This episode will help him to write his posthumous memoirs.

There is not a thing in this budget which would give some hope back to the small communities in my riding grappling with serious social and economic problems. If I were forced to live on temporary and seasonal unemployment insurance like most of my fellow citizens, I too would have a strong desire to rise up in protest.

• (1020)

Where are these secure jobs in rural areas and in our small towns? If I had voted for the Liberal Party, I would feel betrayed. What was said during the election campaign, Mr. Speaker? They said, "jobs, jobs, jobs". Where are these jobs? Other than the infrastructure program, where they will be put in place as soon as possible. In Quebec, particularly if there is an election, we will see bulldozers all over the place, to give the impression that jobs are being created, the illusion that temporary jobs are being created, only for that reason.

If I were the mayor of a small rural municipality, I would be convinced that this government has simply let rural people down once again. The nice promises this government made to Canadian voters in the last election campaign on underemployment, unemployment, and housing have all gone up in smoke.

Not only is there nothing in this budget for the least fortunate, but it picks the pockets of the poorest once again. It bleeds dry the old people who built this country. These people have worked hard to save a little money and now they will have to return part of their savings, put together over 50 or 60 years. They will have to give money back to the government, after doing everything to build this country.

What I heard in this House on February 22 is what I fought against during the last election campaign in my riding. It is urgent that we in this country understand once and for all that we will not solve the deficit problem by going after the poorest and the elderly. It is a funny way to thank these people who worked hard and put their health on the line to build Quebec and Canada.

This government must begin, and this is urgent, creating long–term jobs, not temporary jobs, not pre–electoral jobs, not sporadic jobs, not jobs that will make the party look good, but jobs for people who want to work. The Minister says he is counting on private enterprise to create jobs, and I agree with him.

Development depends to a large extent on small and medium–sized business—I am sure of that—which represent about 99 per cent of all Canadian businesses, great! However, small and medium–sized businesses are facing new problems that prevent them from effectively playing the role of job creators under the impulsion of the economic recovery.

Small and medium–sized businesses are having trouble getting the money to fund their development from financial institutions. Administrative requirements from the different levels of government are unnecessary burdens that take up the energy needed for production activities.

• (1025)

Small and medium–sized businesses complain about their tax burden and see the need for squandering and duplication to be eliminated in governmental programs and services. Is this government prepared to identify and reduce tax, administrative, social, economic and other barriers to small business starting up and remaining in operation? This is a clear, precise message from over 75 per cent of business leaders in this country.

Unemployment insurance reform, to be initiated in the near future, parliamentary committee on alternatives to the GST and a task force on the economic situation, which will take a timid look at what could be done to facilitate access to conventional financing and explore new funding sources at the local and community level. In other words, studies and more studies. But studies do not create jobs, except perhaps for a few civil servants and especially for some consultant friends of the Liberals.

Mr. Speaker, you will argue, and rightly so, that man does not live on bread alone. Maybe so, but man does need bread. In my riding, the good courageous parents who cannot afford to buy food could not care less for study committees. When a single mother has no money to pay rent at the end of the month, she too could not care less for committees. What does the other side suggest? Let us strike committees to solve the problems. That is not what people are asking for in my riding. There are urgent needs that have to be met. When an unemployed individual, one of the many in my riding, sends out 200 resumes and does not get one single response, he too does not care for committees. I am using polite language out of respect for this place, but that is

not the language they use when talking to me. Cuss words are flying these days.

When the great minds of our region, in Matapédia—Matane, have to migrate to find work, they could not care less for study committees. I met former constituents of mine in Vancouver who told me: "It is not that Vancouver is not friendly, welcoming and all, on the contrary, but we did not move here with a light heart. We did not have a choice. There are no jobs back home".

What measures does the Minister of Finance intend to put in place to help businesses, the small and medium–sized businesses, create jobs? Help is urgently needed. Is this minister or any other prepared to help the Business Development Centre, BDC for short, invest more in share capital and venture capital? So far, most BDCs have been granting 80 per cent loans. They are almost like the banks and credit unions. That is not what I am asking from the minister. I am asking the ministers to take some risks. That is what they are there for. Now we hear that BDCs must become profitable. Of course, but not by ruining people in the process. Some businesses do need support.

• (1030)

Is this government prepared to invest more in the forestry industry? You are probably aware of the major role played by forestry in Canada's economy and trade. Listen to this! One job out of every 17 created directly or indirectly in Canada is in forestry. That is 729,000 jobs. But the minister never said a word about natural resources, not a word, at least not so far. That is really sad. In Quebec, forestry creates one job in 13. Still, not a word from the minister.

Furthermore —and I find it somewhat insulting that this fact has gone unnoticed— natural resources are the key element of the trade balance, with $19 billion a year. Yet, they seem to be relegated to the second, tenth or twentieth position. That is incredible!

Figures from 39 joint management groups show the impact the economic activity of small and medium–sized businesses in that area has had on the economy in 1992–93. In source deductions and taxes alone, these groups have paid back close to half the funds received. Governments have recovered in part the seed capital provided, all the while helping enhance capacity, creating thousands of jobs and supporting a regional and provincial economic activity.

Budget cuts in that area will not only result in job loss. The companies that woodlot owners have struggled to set up over the past 20 years, going as far as pooling resources and forming co–operatives to create jobs by allowing individuals who did not own lots to work them, are threatened. They have made huge sacrifices. I could give you a list of examples a mile long.

To contribute to the management of their forests, these owners have taken risks. They have taken risks for forests now threatened with disappearance. Joint management groups are seriously concerned. RESAM, which represents 39 groups, struggles along from one year to the next, while all it would need is a little boost. We do not even have the—generosity is not the word— the heart to say that it is the government's job to create jobs. Why not do it?

It would seem that natural resources are not valued in this House. Forestry alone brings in $19 billion, more than agriculture, fisheries, industry and energy. But here, in this House, it apparently has no importance whatsoever.

I hope that my colleagues from rural areas will set party politics aside for a moment and say: "Let us do it for rural Canada".

• (1035)

There are many ministers from big cities, but the rural areas do not have a voice, and I would like to be that voice for the voiceless, the spokesman for those who go unheard. Of course, if I am alone, it is not a partisan issue, I can do very little.

I come back to these small forestry businesses, which as you know, Mr. Speaker, are scattered all across Quebec and Canada. They are real tools for regional development. Without them, what would become of our resource regions? What would become of the forest industry? What would become of this country's positive trade balance?

This year, development corporations in my riding are asking for more aid to operate. They are simply asking the Canadian government to invest, because it is an investment; it is not a loan or a grant but an investment that they request, and they very often are turned down. I hope that this year your government will not refuse. For the government, it is a long–term investment that will pay off.

I ask this government to respond positively as soon as possible, because the Société des Monts, which prepared a very large brief—last year, the forestry workers and the employees of that outfit, led by the company president, Mr. Malenfant, had their salaries cut 10 per cent so that the company could survive and create and maintain those jobs. If you earn $20,000 a year, a 10 per cent pay cut means taking bread and butter from your children. When the school year begins, you cannot pay your children's back–to–school expenses, and we know what that costs, especially if you have three or four children.

The Société des Monts, the Société de la Vallée and the Scierie Métis sawmill must plan their work as soon as possible. I know hundreds of forestry workers who in early March—I do not want to dramatize—are getting stomach ulcers because they do not know if they will start to work. They do not know. We are waiting while the whole cumbersome government bureaucracy takes one or two or three months to answer. That is easy for

someone who is not thinking of the people, the parents who have nothing or almost nothing to feed their children.

Maybe you have not seen that but I have. I come from a poor community, one of the poorest ridings in Canada. People talk about the east end of Montreal; yes, it has tragic problems too. Our cities also have tragic problems. But in my area, it is even worse. I am not speaking on my behalf; I am speaking for those who voted for me and those who voted against me. It makes no difference to me; those people have a right to work and do not have a job, and for some reasons that are hard to identify, they are insecure every year.

The people of Matapédia—Matane are fed up with seeing their wood leave with only basic processing. We used to be called drawers of water. I say that today we are bearers or even eaters, a more apt description, of sawdust.

• (1040)

There is only sawdust left in our yards. That is all there is left. Our wood is being taken away; trucks carry it everywhere, and we cannot even process it at home.

Let me give you an example. Back home, there are many mills that make wood laths. We wanted to build lobster crates, but I was told that it was not possible because transportation costs were too high. And we just learned this week that the CN might no longer provide a service to our area, because there is not enough freight to transport. It seems to me that the state should help regions such as ours and give them a chance. If the train keeps serving our area, it will not cost any more and it will enable us to send out finished products.

People in my riding want to work; they want to give an added value to the forest resources which would help develop their region.

We need a little help, but not in three years. We need just a little bit of help because our people are resourceful. That is all they need. If you give them that little break, you will see a series of new, dynamic and job–creating small businesses emerge.

But for that to take place, there must be a firm political will to apply technology to natural resources. The Eastern Quebec Development Plan must be maintained beyond 1995. It must be improved and adjusted. We must invest even more. All those involved agree on that.

In my region, the per capita income is 25 per cent lower than the Quebec average. That is right: 25 per cent. At the same time, the Minister of Finance is going after unemployment insurance benefits and old age pensions. People in my riding would like nothing more than to work. As I said earlier, the job market must provide stable employment.

The only thing I am convinced of is that, in my region as well as in all rural areas, this budget will only generate more hardship and poverty. More people will have to rely on income security. How can you expect people in my region to believe in profitable federalism when this regime leads us to such a state of dependency and poverty? Yet, the budget will perpetuate this situation.

When ministers and government members opposite ask us: You want sovereignty, but how are you going to manage? I have a ready answer: Mr. Speaker, things can never be worse than now.

Development corporations are in serious trouble. Moreover, our population is aging and our young people are leaving. In my riding, there is only one CEGEP and no university. It is not federalism which supported our regions: It is our municipal representatives, our small parishes and our mayors who worked very hard. It is also our entrepreneurs who often risked everything. And it is especially those men and women in the field who worked relentlessly seven days a week. On Friday afternoon, my neighbour in a small village had a heart attack and was taken to the hospital, where the doctor told him he would be all right. Monday morning, he went back to his chain saw—this was a Mr. Morrissette—to work to support his family, because he had to. I want to thank him and the many Mr. Morrissettes in our region. There are hundreds and thousands, and of course I cannot name them all, who are like that.

• (1045)

I also want to thank all the mothers who were prepared to raise their families in a rural community. I want to thank these unsung heroines who are the salt of the earth. I especially want to thank the young people and professionals who came back and accepted a drop in salary, to try to help us. We can use more young people. If this means making a sacrifice, make it, but you will be rewarded by living in a community that has the strength to pull together.

I want to thank the older people. Their grandparents ploughed their fields with ox and horse teams. They worked very hard. Do we have to get rid of all these rural communities? That seems to be the trend. I always say that a village is worth as much as a town. Is the government going to get rid of them? It has no rural policy. It is cutting back on forestry and agriculture and practically everything. Our small businesses are very vulnerable. I know the Minister of Finance said that the government would try to do something, but the infrastructures project means that sewers will be built, plus a few temporary projects, but after

that, what happens? Temporary has been the name of the game for 20 years in my region. The government has created temporary jobs but that does not help. We need a much more vigorous approach to these problems.

Actually, federalism has kept our regions poor, giving the impression that they were only good for producing raw materials to give this country a trade surplus. Just provide the labour, and we will collect the money. Great!

What does this budget have to offer rural areas? There is nothing for agriculture and forestry agreements have been cut. And on top of that, the government increased the number of insurable weeks for unemployment insurance and is not creating jobs. If this government bothered to listen to the needs of rural communities, it could create hundreds of jobs. If it only gave us a chance to process our own raw materials, we could create thousands of jobs. That is a niche in which the Minister of Finance could have invested.

The Minister of Finance and most ministers here in the House are absolutely ignorant of rural needs. Even if he was born in a big city, and good for him, it seems to me he should try to understand the most vulnerable and the poorest members of our society. They are the people, the men and women, who built this world, who built our regions, but at the international level, at the level of this planet, people are prepared to let small communities die. Just shut those six small communities down! Do we have to organize to defend our rights? We had Operation Dignity, and we took to the streets. There was Ralliement populaire, and we took to the streets as well. And both times we had something to show for it. When we took to the streets, we got something. If we do not take to the streets, we get nothing. Will we have to take to the streets again? It is hard work—in fact it is exhausting—but we will if we have to.

• (1050)

Even a minimal investment in our regions would yield major dividends for the state. Rural communities are not asking for charity. Do you know what they want? Their fair share! A dollar invested in forestry operations yields the government $7. Is that charity? One has to be completely cut off from the real world not to realize this.

We do not need all kinds of benefits. We do need start up money, and it is high time the government decided to invest in durable jobs and sensible projects.

I have met a lot of people in my riding. They are very disappointed in this budget. They are also very worried about what will happen to their families. They talked to me about their concerns. I met them not long ago, and their first question was: Will we still have the right to live in this region of lakes and mountains? Matapédia—Matane is one of the most beautiful ridings we have—everybody says so—but you should come and see for yourself.

Their second question was: Can we expect to live out our lives in dignity in this peaceful and tranquil area? What kind of future will our children have in this region? What kind of future can they expect?

During the election campaign, the members opposite, those sons of darkness, had more or less become, Mr. Speaker—

The Acting Speaker (Mr. Kilger): Order, order. I hesitated for some time before interrupting the hon. member from Matapédia—Matane during his speech, which he gave with great eloquence and conviction, but I have some trouble with the terms "sons and father of darkness". This is the third time those expressions crop up.

Quite frankly, I hesitated because I was not sure I grasped the significance of these terms, because if I understand correctly, "sons of darkness" means "sons of hell". I certainly do not wish to impugn the eloquence and conviction of the hon. member's speech, but I would ask him to consider whether he wishes to use those terms, which I find rather extreme.

We are now over forty minutes. Perhaps the hon. member could give the Chair some indication of when he will to finish his speech, and the Chair could ask for unanimous consent to let him continue, because four or five minutes from now, we will have to start Question Period.

Mr. Canuel: Mr. Speaker, when I say "sons of darkness", I mean "sons in darkness", which is to say who cannot see clearly. That is what I meant.

• (1055)

I hope that is in order, because obviously what was meant is a lack of clarity, and I do not think that was insulting to my colleagues.

Today, aside from the infrastructures project, there is nothing for rural communities. The people in my riding and other Quebec ridings no longer believe in federalism. Conservative and Liberal governments are always hand in glove with the multinationals. They will never go along with the principle of individual political donations, so there is always a *quid pro quo*: I contribute to the party's coffers and you invest in my company.

To hell with rural communities! To hell with planning corporations! To hell, or almost, with the plan for Eastern Quebec! To hell with the poor! Hurray for the rich! And above all, do not touch family trusts. Do not touch the multinationals. Many do not pay taxes. Many companies manage to avoid paying taxes.

Friends are friends. The Minister of Finance has the nerve to tell us to wait till 1996–97 to see any benefits as a result of his budget. Mr. Speaker, I can tell you this: people do not have time to sit there waiting for the dreams of a Minister of Finance to materialize.

When in my riding and other ridings, farms are auctioned off, and there are farms for sale practically every week, do you know what happens afterwards? The forest starts taking over. Rural communities die off gradually. Our farm workers are earning less than they did ten years ago. I have a lot of people in my riding, who are earning less than they did back then. The middle class is becoming the under class, and the poor in my riding are going to the local soup kitchen. All this is heartbreaking.

There is no light at the end of the tunnel, no political will, no social vision; there are no enlightened solutions. Rural communities are worried, and they are concerned.

The Speaker: It being 11 a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

SMALL BUSINESS

Mr. Paul Zed (Fundy—Royal): Mr. Speaker, I would like to speak today about access to capital by small business.

From 1979 to 1989, small business created 87 per cent of the new jobs in the country. Small business is the key to future job creation. In order for existing small businesses to grow and new businesses to develop, we need to ensure that they have adequate access to capital.

The House of Commons Standing Committee on Industry is holding hearings to determine what government can do to increase the flow of capital to small business. We will be looking at what role the banks play in small business financing as well as new sources of financing.

I salute all small business owners throughout the country. There is a tremendous sense of goodwill by all parties on our committee to find solutions. I encourage all Canadians who wish to contribute to come forward and make their views known to our committee. I am confident and encouraged by these initiatives and I know that the needs of small business will be met.

* * *

[*Translation*]

CANADIAN JEWISH CONGRESS

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, I am very happy to rise in the House today to mark the 75th anniversary of the Canadian Jewish Congress. This organization is well-known among Quebecers and Canadians; it is a pillar of our Jewish community.

Founded in Montreal after World War I, the Canadian Jewish Congress has participated in all major political and social debates in Quebec and Canada. Its fight for religious freedom and against all forms of discrimination was then taken up by all Quebecers and Canadians.

On the occasion of its 75th anniversary, I would like to thank the Jewish Congress for its important contribution to our society and to wish it a long life.

* * *

[*English*]

ROGERS COMMUNICATIONS

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I am speaking today about the proposed takeover of Maclean-Hunter by Rogers Communications Inc.

I am here to speak neither for nor against such a move because in my party we encourage the entrepreneurial spirit which built this great country.

When this matter goes before the CRTC for approval I submit it is important that this commission take into consideration the effect this deal may have on small town Canada.

In my riding of Mission—Coquitlam there is a labour dispute at the local Rogers Cablevision outlet. This dispute has hurt families that are involved in a lockout and inconvenienced many who do not cross lawful picket lines. It is my belief that the interests of small town and rural Canada must always be front and centre when we consider the effects of corporate manoeuvring.

A large percentage of Canadians have little choice concerning the source of the news they receive. Let us be cautious when we are put in a position of limiting these choices even further.

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[*Translation*]

OATH OF ALLEGIANCE

Mr. Eugène Bellemare (Carleton—Gloucester): Last Monday, I presented my bill requiring all members elected to the House of Commons to swear allegiance to Canada and the Constitution.

All Bloc Quebecois members refused the unanimous consent needed to hold a vote.

What are Bloc Quebecois members afraid of? What are they doing in the Parliament of Canada if they refuse to swear to look after the interests of all, repeat all, Canadian citizens?

S. O. 31

[*English*]

NORTH AMERICAN COMMISSION FOR ENVIRONMENTAL CO–OPERATION

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, the government will soon determine the site for the headquarters of the North American Commission for Environmental Co–operation.

Winnipeg would be the most appropriate location as the city is already home to the International Institute for Sustainable Development and the Secretariat for the Canadian Council of Ministers of the Environment.

Aside from the certain benefits that will result from the proximity of these offices with closely related functions, Winnipeg provides easy access to transportation.

Winnipeg's rails run through the United States to Mexico and it is linked directly to Mexico via the most heavily used trucking route into that country.

As well, there are a number of direct and frequent air flights to Ottawa, Washington, D.C., and Mexico, the three capitals of the three signatories to the North American Free Trade Agreement.

I urge the government to choose Winnipeg, which has long stood at the forefront of promoting sustainable development, as the natural site for the North American Commission for Environmental Co–Operation.

* * *

CARLETON NORTH HIGH SCHOOL

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, I rise in the House today to congratulate two coaches from the Carleton North High School who are being honoured in my Carleton—Charlotte constituency.

Mr. Iain Dunlop and Mr. Darrell Turnbull are being recognized by the New Brunswick Interscholastic Athletic Association for their superior contribution to basketball.

Both men had to meet six requirements including team success as well as player–coach relationships to qualify for their respective awards.

On March 27 Iain Dunlop will be presented with the Dave MacPherson Award for outstanding contribution in the male division and at the same time Darrell Turnbull will receive the Peg McAleenan Award for his work in the female sector.

On behalf of this House of Commons I extend congratulations to Iain Dunlop and Darrell Turnbull for their commitment to athletics, the community and the youth of Carleton North High School.

● (1105)

[*Translation*]

SOCIAL PROGRAM REFORM

Mr. Gérard Asselin (Charlevoix): Mr. Speaker, we saw last night how the Prime Minister was welcomed to New Brunswick.

To thank the people of Beauséjour for re–electing him in 1990, the Prime Minister in effect gave them a nice poisoned gift: a reform of the unemployment insurance program that cuts deeply into the benefits of thousands of recipients in New Brunswick, as everywhere else in Canada.

Quebecers and Canadians have no intention of bearing the brunt of a strategy that tries to solve the deficit problem at the expense of the unemployed and of low–income people.

The people of New Brunswick, through their hostile reaction, are saying no to the proposed reform of social programs, just like the people in Toronto who said the same thing to the Minister of Human Resources Development.

It is obvious that the government must thoroughly review how it intends to reform social programs.

* * *

[*English*]

VETERANS AFFAIRS

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, Canada has a proud tradition of honouring our war veterans. There is a fast dwindling group of veterans, however, who have been poorly treated by us. I speak of the merchant navy vets who were held prisoners of war for as long as five years. They had to contend with terrible conditions and treatment at the hands of their captors. Yet we currently compensate them for only 30 months of incarceration.

We have many programs that are less urgent than fair treatment for those few vets whose numbers are dwindling because of their age. This is not a request for the government to spend more money but to get its priorities straight.

Some distinguished members of this House defend the current cash for life MP pension plan. Instead, I call on those members to support fair treatment of these vets by paying the debt we owe them for up to the 50 months they suffered in defence of Canada.

* * *

THE BUDGET

Mr. John Maloney (Erie): Mr. Speaker, I wish to compliment the Minister of Finance for his commendable efforts in attempting to restore fiscal responsibility to the public finances of Canada. I acknowledge that the solution to the fiscal challenge

confronting our country will not be without pain and that all segments of our country have been asked to share the burden.

I would point out, however, that the announcement in the budget of a two year legislated extension of the existing three year salary freeze for the public service as well as a two year suspension of pay increments within grade has adversely impacted on our loyal, industrious, dedicated public sector workforce.

I would ask the government to closely monitor the savings secured by these initiatives with a view to shortening or lifting these freezes as soon as possible.

Our commitment to collective bargaining must be honoured.

* * *

CORPORATE AND BANKRUPTCY LAWS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, the purpose of the corporate and bankruptcy laws of Canada is to stimulate initiative and investment in our economy while avoiding the possibility of total personal financial ruin.

It is unfortunate when business ventures fail through no fault of the individuals concerned, but it is outrageous when business failures are used as a means of defrauding creditors, investors, employees and governments.

I would, therefore, propose that Parliament amend the corporate and bankruptcy laws of Canada so that any individual who is convicted of an offence under those laws, or of fraud, or who has had a decision of a civil court against him or her with regard to any bankruptcy cannot be an incorporator, director, officer, shareholder or creditor of any corporation for a period of five years from the date of the final decision of the court.

* * *

PRISCILLA DE VILLIERS

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, many women were honoured during International Women's Week and many more will be celebrated during this the International Year of the Family.

I would like to take this opportunity to highlight the contribution of one woman who has brought national attention to a very important issue in Canada. Priscilla de Villiers, a woman of vision and courage in the aftermath of losing her daughter in the most painful and unbearable circumstances, found the inner strength to launch a movement aimed at preventing the same pain being experienced by other Canadian families.

She has clearly demonstrated how one person can make a difference. To bring about changes in the justice system she began a petition that has been signed by two and a half million Canadians and founded CAVEAT which promotes the creation of a just, peaceful and safe society.

By turning tragedy into a positive force for change, Priscilla de Villiers can claim to have achieved a unique success which has touched us all. I am pleased to add the name of Priscilla de Villiers to the list of women we honour and whose contribution continues to affect the lives of so many.

* * *

• (1110)

[*Translation*]

HUMAN RIGHTS

Mrs. Monique Guay (Laurentides): Mr. Speaker, in the most recent annual report of the Canadian Human Rights Commission, its chief commissioner, Mr. Yalden, was quite blunt. The government urgently needs to change the Canadian Human Rights Act and the Employment Equity Act. It is imperative that the Liberal government take some measures to address the issues of poverty in aboriginal communities, wage disparity between men and women and non–recognition of gay couples.

The Commission has repeatedly called on previous governments to act, and the time has now come for the Liberal government to put its words into action.

* * *

[*English*]

CRIMINAL CODE

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, in 1978 Gregory Fischer was convicted of premeditated murder of RCMP constable Brian King. He was sentenced to life imprisonment with no possibility of parole for 25 years.

He has appealed his sentence under section 745 of the Criminal Code. If he is successful he will be eligible for parole in spite of the restriction imposed by the trial judge.

On January 20 the judge hearing his appeal in Saskatoon declared a mistrial because he felt that the presence in court of the victim's family and a group of police officers created an emotionally charged atmosphere for the jury.

When capital punishment was abolished in Canada the public was led to believe that the minimum time served for first degree murder would be 25 years. Twenty–two first degree murderers who were successful in getting their reviews have been granted parole or day parole. This has been a cruel deception on the families of murder victims.

Section 745 must be removed from the Criminal Code.

THE ECONOMY

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, I rise today to be the purveyor of good news for all Canadians.

According to Statistics Canada the composite leading indicators continue to show a healthy pace for the second consecutive month in February. Nine of the ten indicators rose and the other stayed on a flat line.

That augurs well for the continued growth pattern in our economy. Certain things do turn up and are very important in the broad based growth. A surge of 60,000 new jobs in February gave an added impetus and we are looking more to that impetus going on through March. New manufacturing orders for durable goods showed a 2.7 per cent increase, the highest since 1988, despite the widespread retooling of the auto plants. Several industries reported growth rates in excess of 10 per cent.

* * *

HEALTH

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in 1985 my constituent, Johanne Decarie, became infected with the HIV virus as a result of a blood transfusion which she received while giving birth to her twin daughters. Mrs. Decarie later infected her husband and a subsequent daughter born to her now has full blown AIDS. My constituent qualified for the federal assistance package and the provincial one as well but her husband and child do not qualify because they are indirect victims.

I call upon our Minister of Health to amend the federal compensation package in order to permit these two victims of the blood scandal to be compensated. At the very least the child born with this disease should qualify and should receive these benefits.

* * *

HEALTH

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, this week we had three events coincide on the blood supply issue.

With the Pittman decision the courts recognized the responsibility to spouses and family members of individuals who received contaminated blood products. The provincial packages expired and all with the exception of Nova Scotia did not recognize their responsibility to family members who contracted HIV indirectly. Finally, the Krever commission continues to raise more questions than it answers about who knew what and when and what action was or was not taken.

I call today on the Minister of Health to reopen the federal compensation package to include family members who contracted HIV indirectly from those who received contaminated blood.

ORAL QUESTION PERIOD

• (1115)

[*Translation*]

GOODS AND SERVICES TAX

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Deputy Prime Minister. In answer to a question from the opposition, the Prime Minister said that his government did not intend to extend the GST to food, health care and medicine. Questioned as he left the House, the Prime Minister pretended that he misunderstood the question and went back on his statement by refusing to oppose a new tax on health care, medicine and food.

Could the Deputy Prime Minister tell us the government's real position? Is it the categorical no in the House or the Prime Minister's openness to new taxes when he met journalists on leaving the House?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the Prime Minister indicated very clearly that there would be no new GST, so the question of extending the GST to food and medicine is pure speculation, because we are committed to replacing the GST.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, we have the same problem as yesterday, because that was precisely the question raised in the House yesterday. We were told that there would be no new GST, but on leaving the House, he told us that he misunderstood the question.

Now the question is very clear today: we are not talking about the GST; we are talking about a new tax. The Prime Minister told us yesterday that he misunderstood the question he was asked about the GST, that he was not talking about other taxes. That is why we are asking the question again today. I think it is very clear.

I would like the Deputy Prime Minister to give us an answer, because there will be no new GST, there will be no old GST, we agree on that, we understand that. But are we to understand that the government's preferred option is to tax more products, including health care, medicine and food, in some other way, perhaps a hidden tax?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, on the basis of our mandate

of October 25, the government promised the full participation of the House of Commons. The hon. member knows very well that some of his colleagues are now working on how we can replace the GST.

The Prime Minister said outright that this government's policy is not to have a new GST. Now, as for what the committee studying the question will produce, I think that he should talk with his friends and colleagues who are on the committee so that they can produce a unanimous report recommending a strategy to replace the GST.

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, I have indeed spoken with my colleagues and with my leader. On this side of the House, we are very clear. We want no tax, not the old GST, not a new GST, not an XYZ tax, no hidden, half–hidden or unhidden tax. We want no tax on medicine, food and health care. The other side's position on that is not clear.

I would like the Deputy Prime Minister to be as open as this side of the House and to speak out. I ask her if she does not admit that the first victims of a new tax, hidden or not, on medicine, health care and food would be low–income people, especially single parent families and seniors?

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as has already been indicated, the member knows this matter is before the committee.

The committee agreed to a motion several weeks ago to study all aspects of the tax to make sure the tax is made more fair for all Canadians. We have opened up the discussions so that all members can question all witnesses. The committee is beginning to travel to other provinces to talk to provincial ministers about how they would like to see it integrated.

We are taking our time to make sure it is the best possible tax for all Canadians.

* * *

[*Translation*]

CONFLICTS OF INTEREST

Mr. René Laurin (Joliette): Mr. Speaker, my question is for the Deputy Prime Minister. This morning, we learned that the Minister of Finance has disclosed wide–ranging business holdings and this raises a number of important questions. The Minister of Finance, who is also responsible for regional development in Quebec, cannot take part in cabinet discussions relating to shipbuilding, shipping, whether by rail or by sea, the St. Lawrence Seaway and rail and bus transportation systems.

• (1120)

Considering that the Minister of Finance has primary responsibility for economic policy, will the Deputy Prime Minister not recognize that her colleague's diverse holdings pose a major problem in so far as cabinet operations are concerned, since he cannot become involved in a number of major economic issues?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, even the Bloc Quebecois should not be so presumptuous as to suggest that a person with business holdings in Quebec has no right to be a member of the federal cabinet. That would be ridiculous.

If the hon. member wants to discuss the ethical behaviour of the Minister of Finance, he should note that in 1989, the minister was the first person to disclose the full extent of his business holdings to all Canadians. I think that there is a place in Parliament for members like myself who do not have any holdings, as well as for others who do have such holdings. This makes for a sound democracy.

Mr. René Laurin (Joliette): Mr. Speaker, I would like the Deputy Prime Minister to understand that we are not attacking the minister's credibility, integrity or honesty.

I am simply asking her if she is prepared to concede that the Minister of Finance could be faced with a very delicate, conflict–of–interest situation since one of the companies he owns has three lawsuits pending against the federal government.

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the finance minister has put the dealings of his companies into a trust which is not in any way influenced by any of his actions.

To follow through on the hon. member's implication, which I find extremely distasteful, the implication is that because the finance minister has had past successful business dealings he should not be sitting in the cabinet of the Government of Canada.

It seems to me if one wants a balanced approach one needs to have people in cabinet, in caucus and in government who have some strong connections with the labour movement, with the business community and with social activists. That is what democracy is all about. For heaven's sake, I think Paul Martin is an excellent addition to a cabinet team.

* * *

MEMBERS OF PARLIAMENT

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Deputy Prime Minister.

Mr. Speaker, yesterday you encouraged this House to be more civil. The Reform Party has promised to bring civility to this place. However, as early as three years ago a member opposite was referring to our leader as the David Duke of the north. Supporters of the Liberal Party were encouraged to refer to Reformers as racists or bigots. Even when we had only one

member in this House derogatory comments were made about Reformers by members opposite when they were in opposition.

My question is direct and simple. Is the Deputy Prime Minister prepared to stand in this place today and promise to persuade her colleagues that the rat pack days are over?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, first of all the statements attributed to me were never made.

The member should know the statement I made three years ago was very specific about the nature of Reform Party policies passed at its 1990 convention. I stated that those policies were racist. In fact the party decided subsequently to withdraw those policies.

Second, I may be wrong but I thought I saw the hon. member or one of the hon. members who lays claim to the label of redneck standing and bowing in the House yesterday, happy with the fact that he personally calls himself a redneck.

If the member has a problem with the term redneck I suggest he should address his difficulties to his own colleagues in his own caucus. Obviously there are a number of them who are proud to be called rednecks.

• (1125)

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, it is the prevailing attitude that we are addressing.

We on this side of the House are here to do a job on behalf of Canadians and contribute to the debates on the great issues of the day.

I ask the Deputy Prime Minister if we can end this week with a promise to all Canadians that the personal insults hurled from the government benches will stop.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is certainly the wish of the people of Canada that this place get down to serious business.

I read comments attributed to the hon. member's leader in the newspaper this week where he suggests he feels compelled to introduce a code of conduct on drinking and running around. That is because he had personal knowledge that people in the energy industry used this information to influence the political positions of members of Parliament. I must say I find that position rather reprehensible and abhorrent.

I hope everyone in this House realizes that the job of this Parliament and this government is to get Canada working again and not to spend time passing slurs on members of Parliament.

The Speaker: I might interject there is no one in this House and there is no one in Canada who would be happier than your Speaker if we could agree on if not a code at least an agreement that we would not be going back and forth with insults of any kind.

With that in mind I call on the hon. member for Simcoe Centre.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, the Reform Party is quite capable of looking after its own members. In no way are we trying to impose that on members of the other side.

I thank the Deputy Prime Minister for her comments. If we are to end this week on a civil note, I would ask if the Deputy Prime Minister will ask the minister of aboriginal affairs to offer an apology to the member for Athabasca.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, all hon. members will agree that the real business of this House is the problem of the literally thousands of Canadians who are without work and who are looking to us for some leadership.

It seems to me there has been a fairly vigorous exchange of comments in this House. I have to tell the member that over my years in Parliament I have been called many things. Frankly, I am not going to spend the time of this House worrying about what somebody said about me yesterday, the day before, last week or last month.

I would tell the hon. member that the job of the House today is to start giving some thought to the crucial issues, for example the unemployment situation across this country.

* * *

[*Translation*]

NATIVE COMMUNITIES

Mr. André Caron (Jonquière): Mr. Speaker, my question is directed to the Deputy Prime Minister.

In his annual report tabled yesterday, the Canadian Human Rights Commissioner sternly denounced the treatment inflicted upon native communities in Canada.

While taking a stand in favour of self–government, he warned the government that this was not a miracle cure and urged it to put an end to the segregation and paternalism fostered by the Indian Act.

What strategy, including concrete actions, does the government intend to put in place to implement the Human Rights Commissioner's recommendations and bring an end to the economic dependency created by the Indian Act, which is at the origin of the severe social problems gripping several native communities in Canada today?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the hon. member is quite right when he says that there are no miracle cure for native communities' problems. There is not only one but several native communities in Canada, just as there are several anglophone communities.

I think that the strategy adopted by the Department of Indian Affairs, which even tried to have its name changed because this paternalistic overtone did not reflect the place, the equal place native communities must have in our society, takes that into account. As the minister mentioned earlier, he is negotiating native self–government agreements to ultimately put his department out of business.

• (1130)

I would say that these are the two pillars of a great policy to advance the cause of equality for all natives peoples of this country.

Mr. André Caron (Jonquière): Mr. Speaker, I think that the government should be especially diligent seeing that the Indian Act presently in effect was sponsored by the current Prime Minister back in the early 1970s.

Does the government not realize that it can give a real positive indication of its willingness to improve the status of native people by ensuring, as promised, the prompt return to the mainland of the Innu community in Davis Inlet?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is statements like that, obviously based on an incomplete knowledge of the facts, that lead people to get the wrong impression.

The member says that the Prime Minister is author of the current policy on Indian Affairs. The Indian Act was around approximately 75 years before the current Prime Minister came to the House of Commons. To suggest that somehow he is responsible for all the problems that face the aboriginal communities is absolutely false.

The Prime Minister and the Minister for Indian and Northern Affairs are working extremely hard to move toward self–government. His personal commitment, the commitment of the Prime Minister to abolish the department of Indian and northern Affairs, is a real reflection of his understanding that we do not need paternalism in government policy. What we need is equality and that is what we are moving toward.

* * *

THE ECONOMY

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, my question is also for the Deputy Prime Minister.

Yesterday the Liberal Government of Newfoundland announced that it would balance its budget next year. In a budget distinguished by the absence of any new taxes or job creation programs, Finance Minister Winston Baker stated:

> We must not make commitments today that will place an unmanageable financial burden on the taxpayers of tomorrow. We can no longer mortgage our children's future for short term political gain. That was the way of the past.

The economic challenges facing Newfoundland are certainly as serious as those of the federal government. If Newfoundland can commit to a balanced budget, why can the Government of Canada not do the same?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the question is very appropriate. I think we should all congratulate the Newfoundland government on its fine effort.

I point out to the hon. member that the principal reason the budget is so close to being balanced, according to its finance minister, is the generous treatment under equalization by the federal government.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, Canadians are saying that steps need to be taken now to quit living on borrowed money. One of the signals many Canadians are telling their elected representatives they want to see is a reform of the gold plated pension plan of members of Parliament.

When will the government respond to public outrage over a plan which gives MPs a pension for life after only six years in office?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, maybe it is because it is Friday; pensions seem to be a Friday question.

The fact is that the government has committed itself to reform of the pension plan. The Prime Minister has stated unequivocally during the election, after the election, in the House and outside the House that he feels the age for receiving the pension should be reviewed. That is part of an overall review which includes the issue of double dipping.

I know the member would want to reflect on the fact that several members in her caucus are currently receiving pensions from various departments of the Government of Canada at the same time as receiving their salaries.

Obviously the pension issue is a complex issue. We will be introducing some very specific changes, but to suggest that the Government of Canada is going to solve its financial problems by a review of the pension system for 295 MPs is not a fair reflection of the fact that our financial problems are much more significant. They require some structural changes to the economy which we intend to carry out.

• (1135)

[*Translation*]

UNEMPLOYMENT

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, my question, which is for the Deputy Prime Minister, has to do with an everyday problem, since it concerns the tragic situation of unemployment.

The Minister of Human Resources Development was strongly criticized by a number of people representing social groups, during a discussion on the reform of social programs, in Toronto. Several participants accused the government of wanting to fight our country's economic problems on the back of the poor and the unemployed who need social programs. The Prime Minister was also criticized in New Brunswick on this issue.

Does the Deputy Prime Minister agree that, as one participant put it to the Minister of Human Resources Development, "the problem is unemployment, not unemployment insurance and not social security programs", adding that "the government tries to solve economic problems through social programs"? Does the Deputy Prime Minister share that view?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is obvious that changes in Canada's industrial sector are triggering major disruptions. In my riding, some workers are directly concerned because the steel industry can now produce a lot more steel with far fewer workers. Traditional jobs, which we were very proud of, are disappearing, in the steel industry as well as in other industries. These jobs must be replaced.

What the Minister of Human Resources Development is trying to do, with the co-operation of every department and province, is to set up a support system for those who will never be able to work again. The minister also wants to give those who are capable of working, and who are looking for work but cannot find any, the necessary tools to adapt to the new industrial reality.

Let us take the case of a 40 year old person who had always worked in the steel industry before being laid off. This person needs to be retrained to develop new skills and have access to new opportunities. This is what we are trying to do by bringing in changes which are very hard to make but also very necessary to ensure our competitiveness in the 21st century.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, now that she is sitting on the other side, the Deputy Prime Minister seems much less sensitive to the plight of the unemployed.

Does she agree that, instead of targeting the poor by reforming social programs, the government must implement a real job creation program, in compliance with the consensus reached during the G7 Summit on Employment?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I do not think that as a member of the government I am any less sensitive to the people in my riding who have lost their jobs than the member opposite. I accept the fact that every member in the House hurts when a person in their riding loses a job.

The fact is that we need to put in place specific strategies on the one hand to make sure we are protecting the aged, the sick, and those people who have no chance, no means or no need to re-enter the workforce. They must have their income levels protected. At the same time we have to ensure that those people of my age who see the old jobs disappearing have the tools they need to get back into the productive workforce.

It is a delicate balancing act. It is going to cause some pain, but we will have to do it because without the pain of the change in the workforce we will end up in the 21st century with no new jobs for those people in my age group who need to get back into the productive workforce.

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HOCKEY CANADA

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, my question is also for the Deputy Prime Minister.

As the Deputy Prime Minister is aware Mr. Alan Eagleson, a former board member of Hockey Canada, is under indictment in the United States and awaits an extradition hearing in Canada.

Meanwhile serious questions have been raised about the financial dealings between Mr. Eagleson and Hockey Canada, a federal non-profit organization created by the Government of Canada and subsidized by the taxpayers of Canada to tune of over $3 million.

• (1140)

Would the Deputy Prime Minister provide to the House full financial disclosure of all aspects of Hockey Canada including the air travel logs and detailed income and expenses for Hockey Canada since Hockey Canada has been incorporated?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, as minister responsible for amateur sports I may be in a better position than the Deputy Prime Minister to answer the question.

It will be appreciated that the matter is the subject of court action and therefore it is inappropriate to comment on it. Quite apart from the court action, I would say that some money has been provided under the Canadian Heritage program to Hockey

Canada. There is no evidence that any of that money could have been misallocated and therefore cause a source of concern.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, if the minister recognized parts of that question it is because it was a question essentially put to the House 15 months ago by a present cabinet minister of the government to the previous government. The problem has been ongoing and the same essential evasion of an answer has been ongoing for quite some time.

Be that as it may, my supplementary question would be to the Minister of Justice. Would the minister assure the House of the government's full legal co–operation in pursuing the extradition of Mr. Alan Eagleson to face trial in the United States?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the extradition proceedings provided in the Extradition Act contemplate an application to court which may or may not be made if extradition is sought and ultimately a procedure by which I may be asked to pass upon the application for extradition proper.

I do not think it is appropriate for me to comment, other than to assure the hon. member that I have every confidence the system will work as it should.

* * *

[*Translation*]

NATIONAL DEFENCE

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is for the Deputy Prime Minister. In a report on the defence choices that Canada must make in this post cold war period, a think tank called the Canada 21 council made some thirty recommendations on defence and security. It recommended among other things, that Canada builds three support ships for humanitarian aid and peacekeeping.

Could the Deputy Prime Minister commit herself today to implement this recommendation of Canada 21 and give the MIL Davie shipyards a mandate to develop the smart ship, a ship that could effectively support the Canadian contribution to peacekeeping?

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I thank the hon. member for his question. I think it is a good question.

The Canada 21 report the hon. member refers to was the result of a blue ribbon panel that looked at the overall security of Canada. I tell the hon. member the department has reviewed the recommendations at first blush and is still looking at them in detail. Some of the recommendations are not necessarily conducive to the Department of National Defence because they refer to security in the overall sense.

We are looking at all the recommendations. While I would not want to comment on this one specifically, I would take this opportunity to say that one of the strong recommendations with respect to defence is that a defence policy review be conducted. I am pleased to report to the House that it is well under way.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, I would like to ask the Deputy Prime Minister a supplementary question regarding the MIL Davie shipyards. Could the Deputy Prime Minister tell us who in the government will be in charge of putting the case for the MIL Davie shipyards, one of the most important in Quebec, since the Minister of Finance, also responsible for regional development in Quebec, will not be in a position to uphold the campaign commitments of the Liberal Party due to his personal interests in marine transportation and to his reluctance to even talk about it to his Cabinet colleagues?

• (1145)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is quite clear that marine transportation policy is a responsibility of the Minister of Transport. Indeed, he has answered questions on the matter, in the House, on several occasions. The hon. member said, as did his colleague, that the Minister of Finance did not have the right to act in certain areas or to set policy because he was formerly in business. This is a disgrace.

When you talk to Ghislain Dufour, he asks that more businesspersons come to Parliament. This is the second time that the hon. member tries in one way or another to suggest that things are not right because the Minister of Finance was previously in business. This is unfair.

Let me just add that the Minister of Transport already made some commitments in this House regarding the smart ship.

* * *

[*English*]

AGRICULTURE

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, my question is for the minister of agriculture.

U.S. agriculture secretary Espy is quoted as saying he will take unilateral action if an agreement cannot be reached the next time he meets with his Canadian counterpart. Secretary Espy wants a cap on wheat exports to the U.S. and zero tariffs on poultry, dairy products and eggs.

What assurances do we have that the minister of agriculture will stand up for the rights of Canadian farmers in dealing with the United States?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food): Mr. Speaker, I want to thank the hon. member for his question. It is on subject matter about which I know he cares very deeply.

I spoke by telephone this morning with the United States Secretary of Agriculture, the Hon. Mike Espy. We explored in that conversation whether we were close enough in our respective positions on Canada–U.S. agriculture trade to make a face–to–face meeting between us sometime next week a productive undertaking. Obviously we are dealing with some very difficult issues.

We may well have further communications later today and there may be the possibility of a useful meeting between the secretary and myself at some point next week.

The member asks what assurances can be offered of our intent to stand up in defence of Canadian farmers. Such assurances have already been offered in the House and elsewhere by me as minister of agriculture, by the Minister of Foreign Affairs, by the Minister for International Trade and by the Prime Minister and that will be very much the approach we take into any further meetings with the United States.

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GOVERNMENT EXPENDITURES

Mr. Ken Epp (Elk Island): Mr. Speaker, my question is for the Minister of Finance.

The budget calls for spending $163 billion in the upcoming fiscal year, some $40 billion of which will have to be borrowed. Spread out across the population of Canada this works out to spending about $1,500 per family per month of money that is collected in taxes and other revenue and spending an additional $500 per family per month of borrowed money.

My question for the minister is this. In view of the fact that there are thousands of families who do not even make $2,000 per month and many more for whom that is away too much, will the minister acknowledge that this level of spending is away higher than we can sustain in the long run?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as the hon. member knows, the borrowing bill C–14 is in front of the House today and the figures quoted in his question are substantially off. If he refers to the debate that is taking place, and to his members who are participating in the debate, he will get his figures correct.

The government is, as is every Canadian, very worried that there is such a fiscal demand on the government. We have a very clear plan over the next couple of years. The member will be happy to see the plan succeed so our deficit will be under control.

Mr. Ken Epp (Elk Island): Mr. Speaker, I was using the number $39.7 billion as the deficit. I was aware that $35 billion is the amount that is in the current request for borrowing.

Will the government undertake to formulate some achievable goals for deficit and debt reduction and state them, and to challenge the people to work together? In other words, I would like to know whether we can expect, sometime in the foreseeable future, that we can stop adding to the debt.

• (1150)

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am somewhat surprised by the question because the government has answered it several times. The budget documents state quite clearly what our plan is. We are on target. The figures show that the deficit is under control.

We will continue to monitor the situation very carefully on behalf of all Canadians and within the coming years we will see the light at the end of the tunnel and have a balanced budget.

* * *

[*Translation*]

FEDERAL DEFICIT

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, my question is for the Deputy Prime Minister and is along the same line as the one asked by the hon. member who spoke before me. I hope that she will not mind if I ask her a question that would normally be for the Minister of Finance.

We are told this morning that the federal deficit for 1993–94 will reach a new record level. As a result of upward pressures on the deficit at the end of the fiscal year, it could top $45.7 billion at some point during the last two months of the current fiscal year.

Would the Deputy Prime Minister confirm that the federal deficit could exceed the record level of $45.7 billion forecast in the budget?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I thank the hon. member for his question.

[*English*]

I think that we are all encouraged by the recent figures Stats Canada released showing that the deficit for the current fiscal year seems to be somewhat improving as the year goes on. However, we feel it is more appropriate to discuss the total picture at the end of this year and not on a month–to–month basis.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, my question has nothing to do with month–to–month accounting, but I would still like the government spokesman to tell me if he can make a commitment, on behalf of his

government, that specific expenditure reduction measures will keep the deficit from exceeding the record level of $45.7 billion forecast for the current fiscal year?

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, every minister is very conscious of the limits within his or her department. Every effort is being made to monitor the situation not only on an annual basis but on a month–to–month basis.

We are confident that the figures presented in the budget will be followed and monitored throughout the current fiscal year and that we will be on target next March.

* * *

IMMIGRATION

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

During the last three months my constituents sent me only letters critical of the current rate of immigration, none suggesting that the current rate is acceptable or that it should be increased.

Could the minister please give a simple and short answer to the following simple and short question? How many Canadians have contacted him in his capacity as minister in recent months with comments critical and supportive of the number of immigrants he is planning to admit next year?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, if the member's experience is anything like mine then each day and each passing week brings a wide variety of representations by letter or by telephone on issues that face us. Of course it is no way in which to fashion public policy. What is important in fashioning public policy is meaningful consultation.

In response to the hon. member's question, may I point out that the 1 per cent of population immigration figure, which is used for this year, arose from broad consultations which took place by the last government during 1993 when eight public meetings were held across the country involving hundreds of Canadians from all segments of society.

May I point out as well that the 1 per cent reflects a platform on which this party sought and won election last fall. May I lastly point out that the minister is committed to a process which he announced on February 2 for a review of the 10–year framework for immigration policy in which all Canadians will have an opportunity to participate, including those who may have written and phoned the hon. member's office.

• (1155)

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, I gave three days' notice to get a numerical answer that I believe and legal counsel told me is an appropriate question to ask of the minister.

I would like to know how many people have contacted the minister—

The Speaker: Order. I think the hon. member would be able to get that information by putting a question on the Order Paper. You will permit me to note that a direct answer cannot be given for obvious reasons.

Perhaps if the question were put on the Order Paper, we could get an answer for the hon. member.

* * *

HAZARDOUS MATERIALS

Mr. Julian Reed (Halton—Peel): Mr. Speaker, my question is for the Minister of Health.

In December 1993 a resident of the constituency of Halton—Peel experienced an alarming accident when a cotton housecoat she was wearing caught fire causing a powerful blue flame.

During the investigation of this incident, a federal lab report indicated that the flammability of cotton is significantly increased with the use of household fabric softeners.

What measures have been taken to publicize and correct these hazards?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I am aware of the incident that the hon. member has brought up. A woman wearing a terrycloth robe leaned across a lit candle and there was a flash flame across the terrycloth. Fortunately there was no injury although it was a frightening experience.

I am also aware of the report that says a fabric softener may increase the flammability of certain types of material. Unfortunately only one kind of material was tested in this report so we cannot draw definite conclusions.

We are continuing our study of the matter. Let me reassure Canadians through you, Mr. Speaker, and the hon. member as well, that textile flammability regulations under the Hazardous Products Act which were brought in in 1971 have been extremely effective in preventing flammable textiles from staying on the market.

We certainly intend to continue enforcing—

[*Translation*]

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, my question is for the Minister of Justice. In his annual report, the Commissioner of Human Rights reveals that the federal government goes against several of its own legislative provisions by allowing Revenue Canada to deny homosexual couples access to various fringe benefits given to heterosexual couples.

Does the Minister of Justice intend to propose amendments to applicable Canadian legislation in order to put an end to this type of discrimination against homosexual couples?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, in its campaign for office, in its throne speech and in statements made subsequently in the House, the government has committed itself to amendments to the Human Rights Act which will add sexual orientation as a ground on which discrimination is prohibited.

We intend to follow through on that commitment.

* * *

KEMANO PROJECT

Mr. John Cummins (Delta): Mr. Speaker, it is the opinion of many distinguished scientists that the Kemano completion project has the ability to devastate wild salmon in the Fraser River system.

Currently the effect of this project is being monitored and is under review on the Nechako basin alone by the B.C. Utilities Commission hearings. The Rivers Defence Coalition, a coalition of groups opposed to the project, have expended their resources and are being forced to withdraw from the hearings.

What steps will the Minister of Fisheries and Oceans take to ensure that the public interest represented by the Rivers Defence Coalition continues to be heard at the hearings?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, following a number of conversations I have had in the last few days, including a conversation yesterday with the member who has just put the question, I have been attempting to ascertain all of the facts with respect to the continuance of the hearings and the participation of all relevant groups.

• (1200)

I have had an opportunity to discuss this matter with interested colleagues, including my colleague and friend the Minister of the Environment. Once we are in possession of all the facts we have undertaken to see whether there are additional appropriate measures which can be taken by the Government of Canada to ensure that indeed the commitment of the Prime Minister to open and transparent hearings is fulfilled.

We want the truth, the whole truth and nothing but the truth to come forward in the days ahead.

ROUTINE PROCEEDINGS

[*English*]

IRVING WHALE

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it gives me great pleasure to table a number of documents in both official languages in relation to the *Irving Whale*. They include the risk assessment of the *Irving Whale* salvage options, the final report, the *Irving Whale* salvage feasibility study, and the *Irving Whale* survey.

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GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to seven petitions.

* * *

IRVING WHALE

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I rise today with good news. I wish to advise the House that the Government of Canada intends to lift the sunken oil barge *Irving Whale* in order to avoid environmental disaster.

People living on Prince Edward Island will be happy that this cloud hanging over their heads will finally be lifted.

[*Translation*]

The people of the Magdalen Islands will also be glad to know they will no longer be threatened with pollution from the time bomb that is the *Irving Whale*. As well, the tourism industry and the lobster fishery will be threatened no longer.

My colleague, the Minister of Transport, and I have carefully assessed all available information and we have decided to put forward a proposal to raise and salvage the *Irving Whale*. This is an excellent example of co–operation between our two departments. Transport Canada and Environment Canada have worked together in a prompt and efficient manner to solve an old

problem. The *Irving Whale* has been lying on the bottom of the sea for 8,593 days, threatening to spill its oil at any moment.

Mr. Speaker, I am quoting from a report of a former Environment Minister, who is now Leader of the Opposition. This report, tabled in September 1990, called for immediate action to deal with the *Irving Whale*. The report was released by the Minister of Environment of a previous Conservative government, namely Lucien Bouchard. Since then, it is obvious that nothing has been done to raise the barge. It took this government only 135 days to find a solution.

[*English*]

The *Irving Whale* has been lying on the bottom of the ocean for 8,593 days. Those 8,593 days did not pass without comment and outrage from the people of Atlantic Canada and the Magdalen Islands.

More recently, in 1989 the Leader of the Opposition while Minister of the Environment with much pomp and circumstance commissioned the Brander–Smith report. It reviewed tanker safety and marine spills response capability.

• (1205)

In meetings throughout Atlantic Canada during his tenure in 1989 the commission was repeatedly warned about the threat the *Irving Whale* posed. It was warned in Halifax. It was warned in Saint John. It was warned in Charlottetown by Prince Edward Island's Minister of the Environment. Unfortunately, the minister of the day did not act.

[*Translation*]

The review report announced, as I mentioned earlier, by the former Environment Minister, says, on page 127, and I quote: "The barge *Irving Whale* sank in the Gulf of St. Lawrence. No attempt was made to salvage the barge or its cargo". Despite the condition of the barge, nothing was done.

[*English*]

In the same report recommendation 613 on page 131 states that a decision must be made as to whether or not to remove the oil or raise the barge. However nothing was done.

It took this government only 135 days to listen to the concerns of residents of Atlantic Canada and the Magdalen Islands and to make a decision to find a solution to this problem.

[*Translation*]

The *Irving Whale* sank in September 1970 and lies in 70 metres of water off North Point, P.E.I. It contains an estimated 3,100 tonnes of Bunker–C oil. We are taking this action today because we know that an ounce of prevention is worth a pound of cure.

Of course, the proposal to raise the *Irving Whale* will undergo an environmental assessment and the public will have the opportunity to comment before a final decision is made.

Public consultations will begin shortly and will include the fishing and tourism industries, environmental groups, municipal officials and the general public. Public meetings will be held in Quebec, as well as on the Magdalen Islands.

[*English*]

Public hearings will also be held in Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland. We will begin immediately with the preparatory work including planning, contracting and the environmental assessment review. If the government's proposal is supported by the environmental assessment and the public meetings, the lifting will take place this summer if possible, but the summer of 1995 at the latest.

Raising the *Whale* could be completed in about 40 days, half the time it would take to pump the barge. This option will remove all possibility of future pollution. Once the *Whale* has been raised it will then be moved to a suitable location to be pumped and cleaned under controlled conditions.

This site has been regularly monitored by air and surface for years and still is. Last September a combined operation by the Canadian Coast Guard and the Canadian Navy successfully capped leaking vents and reinforced the tank hatches.

As soon as the weather permits, divers will be going down to verify the condition of the barge. This will ensure that the *Irving Whale* will not leak until it is lifted.

The private sector has completed three reports on the removal of oil from the *Irving Whale*. As promised in this House, I am happy to table them today.

[*Translation*]

Based on the best technical and scientific information available at this time, and taking into account the report's findings, the Minister of Transport and I believe the best option is to raise the barge and remove its cargo.

Analysis by the Canadian Coast Guard shows that raising the barge is safe, technically easier and more cost–effective. Raising it will cost about $10 million while the cost of pumping the oil from the bottom would cost $27 million.

[*English*]

Lifting also presents the least risk to the environment and to the safety of those involved in the operation. As well a lifting operation uses known technology, leaves no residual oil and is less prone to uncontrolled cost escalation and time overruns.

I want to publicly acknowledge the work of the Minister of Transport on this important issue. I particularly want to acknowledge the dedication of the public servants in both depart-

ments who worked very hard to pull this package together from the perspectives of financing and the technical applications.

• (1210)

I would be remiss if I did not also publicly acknowledge the leadership role played by the minister responsible for Prince Edward Island, the Secretary of State for Veterans. As we speak he is on the island viewing this presentation. Also there are the members of Parliament from the respective regions, including the hon. member for Egmont who worked very hard on this issue and the hon. member for Malpeque who particularly brought a new perspective to the issue.

[*Translation*]

And also the hon. member from Îles–de–la–Madeleine, who worked very hard to resolve this issue.

[*English*]

Mr. Speaker, the hon. member laughs. The member should not laugh because this government can be darn proud of the fact that in the short period of 135 days it has been able to solve a problem that had been hanging around his government for almost nine years.

I am quite proud of the fact that we got our act together. We found the financial tools necessary and we are going to raise the *Irving Whale*.

Based on the assessment of all available information, the Canadian Coast Guard and Environment Canada are proposing to raise the *Irving Whale*. This solution is the best suited to fully resolve the problems. This solution also poses the least risk in terms of the environment and human safety.

I want to emphasize that the government is committed to a thorough and complete environmental review of the proposed action. We will give serious consideration to all new information brought forward during the environmental assessment and consultation process.

Finally I want to thank my hon. friend, the Minister of Transport, for his commitment and co–operation in helping develop this solution. I also again want to thank my colleagues, the hon. Secretary of State for Veterans and the hon. members for Egmont, Malpeque and Bonaventure—Îles–de–la–Madeleine who have been working so hard to find a solution to this potential disaster.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, as an ecologist and a recognized environment specialist, I can only welcome this announcement. As a matter of fact, I took an interest in the *Irving Whale*, a potential ecological time–bomb, as soon as I became the opposition's environment critic.

On January 21, I had the honour to ask my very first oral question in the House. It concerned the *Irving Whale*. Since then, both my constituency office and my Ottawa office have been receiving phone call after phone call, and numerous faxes, either from the Magdalen Islands or Prince Edward Island.

All these messages told me something very strange. People in that part of the country are concerned about two things. First of all, they want this carcass to be emptied of its content ASAP. And second, they wonder who will pay for the clean–up operation on this time–bomb. That is not even mentioned in the minister's statement.

As far as my first question is concerned, we were told this afternoon that the barge was going to be raised. This proposal will go ahead provided it clears the public hearings process and the environmental assessment review.

My understanding is that the three reports tabled here at noon are aimed at finding the best solution to get rid of this danger. How is it then that the environment factors were not taken into account?

• (1215)

There is a chance that the proposed solution, which is to raise the barge, will not pass the environmental assessment review process, in which case we will be back to square one.

Those three studies have already cost a significant amount of money. It is fine and dandy to hold public hearings, but if they lead to different conclusions from the ones in the report, does that mean that the latter are skewed and that we must start all over again?

We are running out of time. Therefore, I suppose that the hearings in question will be more like briefings, especially since the Easter–Gagnon committee already consulted people two weeks ago. And then the minister comes in this afternoon and announces that there will be further consultations. Well, if the Easter–Gagnon consultations were so efficient, why do we need more? To spend more money? To stage a show for the media? I wonder.

I now wonder about the work carried out by the Easter–Gagnon committee, which held two series of hearings at the beginning of March 1994 with more than 25 groups, associations, municipalities, political parties and individuals, since the minister just announced with much pomp and circumstance yet another series of public consultations. Is this another way to postpone, I repeat, to postpone action? Setting up committees and undertaking reviews is fine, but a government that takes action is even better.

As for the second solution, not a word. Irving, which still owns the barge, gets off scot–free once again. Twice in 24 years, with the same party in power.

I believe, like most residents of that region and like all members of the Bloc Quebecois who are asking serious questions, that taxpayers should not have to pay for this cleanup. Bloc members will keep their eyes open to track the real costs directly related to this wreck.

True, the *Irving Whale* has been lying off the islands for 8,593 days, but let us not forget that, of these 8,593 days, 3,450 were spent under the Conservatives and 5,308 under the Liberals. To these 5,308 Liberal days, we must add all the days to come until the summer of 1995.

If the minister is proud of herself and her colleagues, I know many people earning their living from the sea who want this *Irving Whale* business to end as quickly as possible.

The problem is simple. For a quarter of a century, a barge containing 3,100 tonnes of bunker C has been lying on the bottom of the ocean 70 meters below the surface, off the Magdalen Islands and Prince Edward Island.

• (1220)

Rust is doing its work slowly but surely.

The Irving family was compensated for the loss of its oil tanker by its insurance company. Someone must be bright enough to decide that this wreck cannot be left on the bottom of the ocean for another quarter century, and someone must take the initiative to raise it while there is still time.

As the Minister of the Environment said, we have decided to raise the barge because we know that an ounce of prevention is worth a pound of cure.

Indeed, every day that the minister spends on reviews and consultations increases the risks. The Bloc Quebecois urges the government to move quickly to make those responsible pay and to act safely because we do not have the right to cause an environmental disaster in that beautiful part of Quebec and Prince Edward Island.

In closing, I would like to thank all the people of the Magdalen Islands and Prince Edward Island who regularly contacted my riding office or my office here in Ottawa to give me information, but mostly to share with me their main concern. I am aware today, Mr. Speaker, that if the government acted so quickly after only 135 days, it is because there was on the opposition benches someone who—

Some hon. members: Hear, hear.

Mr. Chrétien (Frontenac): And I will end on this, Mr. Speaker, there was on the opposition benches a critic who cared about the environment and about this issue, and even in the Standing Committee on the Environment and Sustainable Development, I rose at every meeting just to be told, "Wait, wait, we are going to do something".

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): We can tell it is Friday!

[*English*]

Mr. John Cummins (Delta): Mr. Speaker, I would like to congratulate the minister on her announcement today. *Irving Whale* has been a ticking environmental time bomb since it sank in 1970 and another Liberal administration allowed it to remain there.

Nevertheless, the minister should be congratulated for this action. At the same time she should be condemned for her inaction on another issue in the gulf area, namely, the proposed pumping of waste water from Scott Maritimes Limited pulp and paper plant two kilometres into Northumberland Strait.

Nearly 30 years ago area residents were told the treatment system for effluent from the Scott Maritimes mill would result in water suitable for swimming or even drinking. The results today include a dead, stinky lagoon and area fishermen say a mile long area of dead bottom near Powell's Point where no plankton grow and no fish swim.

Nova Scotia's current proposal for remedying this situation includes a $17 million upgrade of the effluent treatment system which it operates, the bypassing of the existing stabilization lagoon and extending the effluent pipeline two kilometres into the Northumberland Strait.

In a letter to you, minister, dated November 8, 1993, to which you have not replied, Mary J. Gorman and Percy Hayne Jr. informed you that fishermen were fed up—

The Acting Speaker (Mr. Kilger): Order. I would just like to remind members to not forget to pass their comments through the Chair and not directly to one another.

Mr. Cummins: My apologies, Mr. Speaker. Mary J. Gorman and Percy Hayne Jr. informed the minister that fishermen were fed up with the daily dumping of 87 million litres of effluent into Northumberland Strait by Scott Maritimes Limited.

• (1225)

One, they asked the minister how the federal government can justify agreeing with the Nova Scotia government's recent proposal to pipe Scott's effluent to MacKenzie Head, long considered by fishermen to be a vital spawning area.

Two, they asked whether the federal government can guarantee that the chemicals which have not already flowed into this strait over these past 30 years but which have been accumulated in Boat Harbour settlement ponds will not now be inadvertently piped to MacKenzie Head.

Three, they asked whether the federal government and all parties involved in these negotiations consider it justifiable to diffuse and disperse toxic, bioactive chemicals into our oceans

which influence sexual maturity and reproduction in fish when alternate technology exists.

Four, they asked whether the federal and all parties involved in these negotiations will lobby Scott Maritimes whose multi–million dollar profits have been subsidized by the taxpayers of Nova Scotia for the past 30 years to consider an alternate bleaching process and once and for all stop polluting Boat Harbour and Northumberland Strait.

The Halifax *Chronicle Herald* called for a full scale public review of the proposed upgrading of the effluent system. The province's $17 million plan should be tested in the fire of informed debate, they claim.

They go on to say that Atlantic Canada's offshore banks have few enough rich spawning grounds left and the region cannot risk sacrificing more on the altar of political expediency.

We congratulate the minister on the *Irving Whale* announcement but suggest that she not be too self–satisfied because there is another ecological disaster in the making and she should do something about it.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 12th report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Foreign Affairs and International Trade.

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

* * *

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada) moved for leave to introduce Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act.

(Motions deemed adopted, bill read the first time and printed.)

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, with leave of the House, I move, seconded by the hon. member for Windsor West, that the twelfth report of the House of Commons Standing Committee on Procedure and House Affairs tabled earlier today now be concurred in.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

(Motion greed to.)

* * *

• (1230)

[*English*]

PETITIONS

LATVIA

Ms. Judy Bethel (Edmonton East): Mr. Speaker, pursuant to Standing Order 36 I would like to present a petition from Canadians across the country who are concerned about what is happening in Latvia.

Along with the member of Parliament for Parkdale—High Park, over 600 Canadians are asking Parliament to urge Russia to withdraw its troops from Latvia. The people of Latvia have repeatedly demanded the withdrawal of Russian troops from a radar station on their border. They are concerned about the health impacts of radiation from this station.

The Canadians who signed this petition would like the federal government to make future aid to Russia dependent on respect for human rights of the people of Latvia.

CANADA POST

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, pursuant to Standing Order 36 I would like to present a petition from the residents of Moberly Lake, B.C.

They ask Parliament to enact legislation to change Canada Post policy. People who have received mail at an existing post office for many years are forced to collect their mail at another site of Canada Post's choosing. If they do not change to the new facility they must pay a fee to continue to receive mail at their old location.

These residents do not believe this change–or–pay policy is fair. All Canadians are allowed one free mode of delivery and these residents believe they should at least have the choice of collecting mail at the same site as they have for decades.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, question No. 12 will be answered today.

[*Text*]

Question No. 12—**Mr. Easter:**

Who were the members of the Canadian government's GATT negotiating team from June 1992 through to January 1994, what are their backgrounds and the positions they held prior to becoming members of the team and the dates of their appointments?

Hon. Roy MacLaren (Minister for International Trade): The negotiating agenda of the Uruguay round of the GATT encompassed a wide range of issues. Accordingly, government officials from the Department of Foreign Affairs and International Trade, Department of Finance, Agriculture Canada, Industry Canada (incorporating the former department of consumer and corporate affairs and Investment Canada), as well as Department of Canadian Heritage, Ministry of Transport, Government Services and Justice, took part in the negotiations.

Given the number of officials involved over the two year period covered in the request, it is impractical to track down and list each individual. As such, listed below are the names of our chief negotiator and ambassador to the GATT and the assistant deputy minister, multilateral trade negotiations, Department of Foreign Affairs and International Trade.

Ministers of the crown assume full responsibility for all policy decisions taken by the government during the GATT negotiations.

Ambassador G.E. Shannon, Canadian ambassador to the GATT and chief negotiator, Department of Foreign Affairs and International Trade; appointed 1990

Mr. Germain A. Denis, assistant deputy minister, multilateral trade negotiations, Department of Foreign Affairs and International Trade; appointed 1988

[*Translation*]

The Acting Speaker (Mr. Kilger): The question mentioned by the parliamentary secretary has been answered.

Mr. Milliken: Mr. Speaker, I would ask that all remaining questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

[*English*]

The Acting Speaker (Mr. Kilger): I wish to inform the House that pursuant to Standing Order 33(2)(b) because of the ministerial statement, Government Orders will be extended by 25 minutes.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1994–95

The House resumed consideration of the motion that Bill C–14, an act to provide borrowing authority for the fiscal year beginning on April 1, 1994, be read the third time and passed.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I am rising to speak on third reading of Bill C–14, the borrowing bill. I will not waste the time of the House in saying that we are opposed to this bill and opposed to the general budgetary and borrowing policies of the government.

[*Translation*]

Bill C–14, an Act to provide borrowing authority for the fiscal year beginning on April 1, 1994, will make the national debt increase again in the coming year, with the deficit reaching $40 billion and the borrowing authority $34.3 billion. This means that the national debt will grow by nearly $100 billion over the next three years. That is why we from the Reform Party continue to oppose this bill.

[*English*]

The parliamentary secretary for finance said in his statement earlier today that generally speaking, and I quote: "this borrowing is a normal part of government operations". That is correct. It certainly has become normal for the Government of Canada to borrow sums of this kind. It is not just a normal part of the Government of Canada, but it has become a normal part of the operations of crown corporations. It has become a normal part of the operations of provincial governments, a normal part of the operations of municipal governments to borrow millions and even billions of dollars.

• (1235)

What is the consequence of this? The consequence is that at the federal level we owe half a trillion dollars of debt that will increase under the current budgetary policies by another $100 billion over the next three years. As a nation we owe publicly, all levels of government, approximately the value of our entire economic output in a single year. That is the consequence of the normal activity of borrowing.

The Prime Minister said earlier this week we borrow from the left, we borrow from the right. We borrow from Canadians. We borrow from foreigners. We borrow for today. We borrow for tomorrow. We borrow to pay interest on what we borrowed yesterday. We certainly do borrow. That is the one thing that governments do. That is the one thing the government does, and

that Conservative governments have done. They borrow, borrow, borrow.

Having said that, let us look at the amount of money involved in this particular act of borrowing. The bill requests authority for fiscal year 1994–1995 for $34.3 billion borrowing representing a deficit estimated to be at this point, $39.7 billion.

The parliamentary secretary in his statement in question period suggested that the hon. member for Elk Island was incorrect in his analysis of this, that we are not borrowing any more than $34.3 billion. That is not correct. We are asking for borrowing authority to go into the marketplace to borrow $34.3 billion but as I will discuss later in my speech we are borrowing on top of that. We are borrowing from a number of non–budgetary accounts, particularly government superannuation accounts, which themselves represent liabilities of the government.

The member for Elk Island was entirely correct in his analysis although the technical borrowing requirement in this bill is somewhat lower than the borrowing stated in the deficit. I will discuss that at some length.

As I said in my speech at second reading it is hard for ordinary people to get a handle on exactly what these kinds of numbers mean, but let me try to do that. I did that before but let me try to do it again and be a little clearer.

When we talk about borrowing or a deficit of $40 billion we are talking about the equivalent of enough money to eliminate the goods and services tax entirely and pay it back twice. We are talking about enough money to not only pay our current old age security system but to pay it two more times to every single recipient. Another way of putting it, with money like this we could talk about increasing the budget of every single federal program by over 30 per cent.

That is the consequence of the kind of borrowing and borrowing policies that governments of all stripes and governments at all levels have been pursuing for the past generation.

What are we doing with the money? What is the alternative? One of the reasons we are borrowing as much this year is we have the famed infrastructure program that now is turning into a program for just about anything any municipality wants to do. The federal government is encouraging other levels of government also to borrow additional money to fund new infrastructure projects.

What does infrastructure include? There are traditional and clear economic definitions of what an infrastucture program is. Infrastructure is not simply investment or capital. Infrastructure is those kinds of capital investments that have a use for a wide range of future economic activities.

We began to see the broadening of this definition when we saw convention centres funded under this program. In the city of Calgary the current controversy is the possible funding of the expansion of operations and seats within the Saddledome in order to persuade people to keep the National Hockey League franchise in Calgary. It is part of the bargaining between the Saddledome Corporation, the Calgary Flames and others.

Many Canadians are hockey fans, including myself. Many of the people calling my office to protest this are also hockey fans. But is this really an infrastructure program? Is this the kind of project we want our money to be spent on?

• (1240)

I know it annoys other members who have served more than six years but our party puts a lot of emphasis on the need to reduce spending on things like MPs pensions and some of the other perks and even some of the salaries. In particular, we talk about the tax free expense allowances that are extremely generous, non–receiptable, that are included in the pay of every member of Parliament. Why do we talk about them? Not because we believe the deficit could be eliminated by cutting them but because of something I read on an airplane recently.

I cannot remember who said it, but it was an interesting phrase. He said that what concerned him about fiscal policy is that he wished fiscal policy was framed by people who had a stake in its outcome. That is the whole point with the pensions of members of Parliament and why it is a concern when we talk about how we are using the money we are borrowing.

Very shortly, and we will have a debate on this, and it will not be long before the value of the pensions of former members of Parliament will exceed the total amount of money that Canadian taxpayers are spending on current members of Parliament. These are the people who made the decisions that put us where we are today financially. They have made themselves permanent wards of the state so that we borrow, borrow, borrow to support this extravagant scam endlessly. That is why Canadians are concerned about these kinds of expenditures and this level of borrowing.

Let me turn to the red book. The government always insists that we read the red book. Of course we always take those suggestions to heart. Let me spend a little bit of time to talk about what the red book said about borrowing.

I quote from pages 19 and 20 where the government talked about balanced policies for jobs and growth. One quotation is from track two of its economic strategy.

> A Liberal government will reduce the deficit.

Under this budgetary policy and the borrowing bill the deficit will be higher than was planned last year. It is supposed to come down after we make accounting changes. It is supposed to come

down but it is higher than it was projected to be during the time we were debating the red book in the election. In fact it is $10 billion higher. We have not reduced the deficit.

It says:

> We will implement new programs only if they can be funded within existing expenditures.

I admit there has been some cutting and reallocation but expenditures are increasing. In fact program expenditures are increasing so not all new initiatives are being funded within existing expenditures.

The red book said:

> Nine years of Conservative government have seen Canada's debt almost triple, from $168 billion in 1983–84 to $458 billion today. Despite repeated promises to reduce the deficit, the government has turned in deficits in the $30 billion range every year: the latest was $35.5 billion.

Of course that was all accurate. That was the best information at the time the red book was written. But what is the policy today? The policy today is to increase the deficit another $150 billion in the life of this Parliament. We are going in the same direction the Conservatives had been going in the last 10 years.

Does the budget project a deficit below $30 billion? Not quite. It says that in the third year we will finally go below $30 billion but we do not publish the data for the third year or show the columns where we can see the deficit going to $30 billion. We are merely told to accept that as an act of faith and as an extension of the boom times which we assume are coming.

On page 20 of the red book—the red ink book. I like the red ink book expression.

> After nine years of Conservative budgets, the federal government's deficit is 5.2 per cent of gross domestic product. This is too high.

What is the projection in the budget for this year? It is a deficit GDP ratio higher than 5.2 per cent. Off hand I cannot remember but I believe it is close to 6 per cent.

• (1245)

The next statement concerns the 3 per cent target and as advocated by the member states of the European Community and the Maastricht treaty, that of course is not entirely accurate. I discussed that in previous debates and I will discuss it today if I have some time.

In any case this budget and these borrowing proposals are very different than the promises outlined in the red book. I would also note, as I have noted before, this is the highest planned deficit and the highest planned borrowing in our history. We have had higher deficits and we may in fact have a higher one after the accounting changes. Last year's deficit may still prove to be higher than this year's. This is the first time we have ever started with a deficit and with borrowing requirements this high.

The tendency has been in the past years for us to be underestimating our requirements and to be exceeding those requirements in the course of the year. Last year's borrowing authority for fiscal 1993–94, Bill C–117, that was given royal assent on May 6, 1993 had requested at the time borrowing authority of $31.5 billion based on a $26.5 billion estimated financial requirement. That was for last year. We see in fact that under this bill the borrowing requirement has increased.

The government justifies these policies, this particular level of borrowing, by saying that it really can justify it through two objectives or two goals. One is that it will help us achieve a lower deficit later and that it will help lead the government in its plans toward economic growth and job creation. Let me just express the scepticism as both a taxpayer and an economist that I have about deficits today achieving lower deficits tomorrow and in particular an interim target of 3 per cent of GDP.

I was a supporter at one time of the previous government when it first came to office which used much the same kind of rationale for not dealing with the problem quickly. What did we see in the eighties and early nineties? We saw that as governments refused to deal quickly with their debt and deficit problems they accumulated deficit on top of deficit, debt on top of debt and we have the situation today in which the biggest factor behind the long term deficit and the growth of debt in Canada is not in fact the recession. It is the accumulated debt and the interest payments on that debt.

When we have that kind of a dynamic it makes it very difficult for deficits today, which will add to debt and add to debt charge burden, to lead to lower deficits in the future.

Some members of Parliament of the governing party are apt to refer to the great early 20th century economist, Lord John Maynard Keynes, in justifying this kind of economics. I wonder how many of them have in fact read what Mr. Keynes wrote on this subject and what kind of analysis he used and what kind of circumstances under which he justified these kinds of budgetary policies.

I know the hon. member for Capilano—Howe Sound has, as I have in the past, read these things. We can certainly say that these were not the policies advocated by a learned man such as that. I do not agree with everything he wrote but he never advocated permanent, ongoing structural deficits, not at all.

It is also important to say that he wrote at a time when governments had very little permanent financial obligations of their own. Governments were in fact a source of funds rather than a drain of funds. It was a very different situation and one that cannot be justified at this point.

• (1250)

The second point the government has made is that these borrowing policies will lead to economic growth.

Just as an alternative opinion—our party has a very different economic philosophy—let me read what the job creators of this country said about economic growth and job creation. We know that with governments being as insolvent or increasingly insolvent as they are jobs will come in the future from the private sector. I think the Liberal Party generally acknowledges that fact.

The Canadian Chamber of Commerce in a news released dated February 14 said a million jobs can be created according to preliminary results from entrepreneurs in a study the chamber had conducted. It had 658 responses so far from employers representing a range of sizes of firms, all the way from very small firms to some of the very large firms. It indicated that with the right kinds of economic policies there were capacities within these firms for a total increase of employment of one million Canadians.

The kinds of economic policies it said were necessary, if the debt and deficit were reduced, if payroll taxes and corporate tax rates were lowered, if the government regulatory burden were eased and training and education of the labour force improved, could create an average of 14 jobs per firm in the next three years.

Mr. Mills (Broadview—Greenwood): Ask it to give back the grant it got to do that study.

Mr. Harper (Calgary West): The member says ask it to give back the grant that it received to do that study. I think it would probably be willing to do that. In fact, our party has advocated, with the support of the business organizations of this country, an elimination of most, not all, the major business and industrial subsidies. I know individual firms will fight that but we found no resistance to that policy from business organizations. In fact, it is one of the reasons why many of them have been supporting the Reform Party and, I would add, in increasing numbers since the budget came out.

Those were the policies. What I did not see in that list of policies that the business community said were needed to increase jobs was any mention of an infrastructure program. I did not see any mention of increased spending. It was precisely the opposite. It did not say it needed an extra $40 billion in borrowing this year and $100 billion over the next three years. There are a few things in here that are the same as the track the government is on, but the things here are a very different policy than what the job creators say need to be done to create the jobs in this country.

Let us go back for a second to the budget which underlies this particular borrowing bill because it is important to review that and I know I have done this before. The budget is based on a series of economic assumptions. In particular are the following first year assumptions of growth at an annual rate of 3.0 per cent; that interest rates will range in the neighbourhood of 4.5 per cent for the short term benchmark to 6.4 per cent long term; that inflation will remain low in the 1 per cent to 2 per cent range; and that the ability of the tax system to generate income for the government will recover as the economy recovers. It fell last year from about 17.7 per cent down to 16.1 per cent.

These are all important assumptions and most of them are defensible. However, what happens in the subsequent year assumptions to justify these kinds of targets? Growth is projected to increase permanently to about 3.8 per cent. Inflation will continue to stay at record lows. The revenue GDP ratio that the tax system establishes will rise. Unemployment and job creation will increase. Interest rates will not only fall but stay at record lows.

I would point out, as I did in my earlier comments, that these assumptions are somewhat better than the Progressive Conservative assumptions but very much reflective of the same kind of thinking. After a very short time period we are reasonably pessimistic in the first year but after that we can be more optimistic. What we have is a pattern of record low interest rates, record low inflation, a return to growth, not as high as the Conservatives project, and job creation.

• (1255)

What is interesting and I emphasize it again is that overall the government's estimates are more honest than the Conservatives, although still along the same pattern. What is very interesting is the job creation estimate. It is the most realistic estimate in the budget, given the policies of this government.

It is estimated that the unemployment rate will fall from about an 11.2 annual average to 11.1 per cent this year and to 10.8 per cent next year; in other words, an extremely modest, almost no change policy on the total state of the labour force in the country. I say that is a very interesting projection for a government that claims that job creation is its primary purpose.

What this government has done and I commend it for that, although I wish it would be more frank in it, is admit that there is a link between ongoing high deficits and high spending and high levels of unemployment. It has admitted the link for the first time.

Previous governments said that they could keep these high deficits and could engage in gradual reduction strategies, keep deficits very high but the unemployment rate would fall. This government has admitted that as long as it keeps the deficit high, the unemployment rate is going to stay high.

The reason for that is the simple economic fact that the funds needed for job creation are created through private sector investment. Those are the same kinds of funds that governments hit when they go into the marketplace to borrow sums of money in the range of $40 billion a year.

One problem in the government's projections not just for future years but even for this year—it has come up in the House and I want to raise it again—is the projection on interest rates. In my initial speech on Bill C–14 I had indicated to the House that

interest rate projections were already about half a point above, on the long term, what they had been projected to be in the budget.

I said that they were between 6.8 and 6.9 per cent. I apologize to the House if I mislead the House on that. I had written that speech a few days before and by the time I had written it, interest rates were then over 7 per cent on 10 year government bonds.

It is interesting in that context to look at the pattern. There is a very definite pattern that has occurred in the financial markets since the budget was tabled and since we had our prebudget debates when the government gave an indication of its direction.

On February 1 and 2 we hit basically a trough not seen in a long time in interest rates in this country. Let me quote interest rates on government securities. We had a bank rate of 3.87 per cent. We had a rate on six month treasury bills of 3.76 per cent and we had a rate on 10 year government long term bonds of 6.4 per cent.

The government projected in its budget that for this year, 1994, the long term rate, the rate on 10 year bonds, would fall to 6.4 per cent which is actually what it was at on February 2 and that it would fall further in subsequent years to around 6.1 per cent.

It projected that the short term rate, and it used as its benchmark the rate on 90 day commercial paper, would actually rise slightly this year to 5 per cent, which is indicated by the term structure, and would stay there for the next several years. Those numbers are actually identical to the projections that the former government used in framing its last budgetary policies.

The rate on commercial paper continues to be below the rate of the government's projection, that is true, but that rate has been continually rising. It has not been rising as fast as the rate on key government securities.

According to today's *Globe and Mail* from the period from February 2 until today the bank rate has gone up from 3.87 per cent to 4.22 per cent. That is an increase of 35 basis points. The rate on six month treasury bills has increased from 3.76 per cent to 4.58 per cent. That is a three–quarter of a full percentage point increase in the time period every single week, most of it is since the budget was tabled. On 10 year bonds there has been an increase from 6.4 per cent to 7.38 per cent. It has been hovering around 7.4 per cent for the last several days, or a full percentage point above what the government had projected.

• (1300)

The government has not published all of its interest rate projections for this year, only two. The government continues to insist it can live with numbers like this and come in at the same target that was projected in the budget. I really question that.

What the government certainly cannot have is a continued increase in the rates over the next several weeks. Even since the bank rate was set last week we have had another quarter cent drop in the value of the Canadian dollar.

That is occurring. We know it and we know why. We know it as individual Canadians when talking to our friends and neighbours. We know it as public policy analysts looking at some of the financial newsletters in this country. People are taking their capital out of this country. They are taking their capital out of Canadian government bonds because they are denominated in Canadian dollars. They are putting it elsewhere because there is an increasing insecurity about the financial state of this particular institution, the Government of Canada.

This lack of caution on interest rate projections is the most serious error by this government in its financial planning. We have a debt structure where a huge percentage of our debt is loaded at the front end. The average term of government debt in Canada is two and a half years. The average term excluding treasury bills is four and a half years. These are very short timeframes and very sensitive to unforeseen increases in interest rates.

The government also provides information in the budget which underestimates the sensitivity of its borrowing to changes in interest rates. It is important to note the sensitivity analysis.

People ask me why if all interest rates went up 1 per cent the government says its debt charge would only go up $1.7 billion. Why not $5 billion? Why not 1 per cent of the debt load?

The reason of course is that the debt rolls over. It does not roll over 100 per cent in a single year, but over a very short period of two, three or four years most of it will roll over. The real underestimation in that kind of sensitivity analysis is it does not take into account the fact that the debt itself compounds, not just the interest payments. The debt itself compounds when the level of interest payments and the level of the deficit are underestimated. That is a very serious issue. It is one of the reasons we got ourselves into these kinds of problems.

I remind the government of the importance of real deficit targets. An article in yesterday's *Financial Post* said that the government does in fact have figures for the third and subsequent years of its financial planning period and it is prepared to table those in August. Why in August? Why do we not see them now? I suspect we will get the same story in August as we got in the budget: The situation is much more serious than government thought and it needs to re–evaluate it. We have heard that story before.

Not only do we have to have a deficit target. Any country in financial problems has to have a debt target. I go back to the fact that the Maastricht treaty does not speak simply of a 3 per cent deficit–GDP target. It speaks of a 60 per cent debt to GDP target. If it is over 60 per cent debt to GDP the only way to achieve that target would be to run zero deficits or even surpluses.

Canada's debt to GDP ratio under this budget even under the government's own assumptions is estimated to rise to a level of 75 per cent of GDP by the end of the planning period. Once again that is only for the federal government and is on a net basis, not on a gross basis which the Maastricht treaty talks about. It talks about gross basis and about all levels of government in the country. These are unsustainable levels.

With respect to the committee and report stages, we agreed to bypass report stage because we are anxious to have meaningful debate and we did not have amendments from committee. Nevertheless I want to mention some things that could have been mentioned in a report stage debate. I did not want to hold the bill up for that, but it is important that we mention it.

• (1305)

Once again there are problems in the process and in some technical aspects. We agreed not to have a report stage debate. However we thought that before we had the third reading debate we would at least have the published minutes of the committee hearings. This is another problem. I point out once again how much the government views this entirely as a rubber stamp process.

I do not have those in my hands and I doubt I will today. Just before I spoke I received a transcript of our hearings on this bill. However the public and we do not have published minutes of the committee hearings and debate on the technical aspects of this bill although we went through report stage and are now on third reading.

That is inexcusable. We are not in so much of a rush here that there is not the right of Parliament and the public to have final published minutes and proceedings of the committee that are relevant to the debate we are now having in the Chamber.

Because of that I am going to take a few minutes to outline some of the technical aspects of the bill. I will indicate quickly some of the discussion in committee and how it might be helpful to the government in the future.

The budgetary deficit is projected to be $39.7 billion. Against that the government is borrowing through internal accounts a sum in the neighbourhood of $9.5 billion. That is the temporary surplus we have on non–budgetary accounts, mainly superannuation accounts.

The government must cover exchange fund earnings of $1.1 billion which are included in budgetary revenue but in fact are not available for normal budgetary purposes and a reserve of contingencies for $3 billion. This is one of the ways the government gives itself some leeway. Although it commits to keep the deficit within bounds it allows for considerable reserve so that it can have access to more borrowing without going directly to Parliament in this fiscal year. That is how we reached the total borrowing authority of $34.3 billion, which the public will note is different from the budgetary deficit.

This is not the greatest control system. The budgetary deficit itself includes $2.4 billion reserves for as yet unplanned expenditures. It is true that Parliament would have to authorize additional expenditures if they were of a non–statutory nature. However these various contingencies of $2.4 billion within the budgetary deficit and $3 billion within the borrowing authority itself provide the government with considerable flexibility to err not only in its interest rate projections but also in various other aspects of its financial planning.

There is nothing wrong with a little bit of leeway. However I would think if we got into errors of that magnitude it would be appropriate for the government to have a system whereby it came back to Parliament. It would explain those errors and ask Parliament for the appropriate authority and discuss why it had erred.

One of the problems with the present reserve and contingency requirements is that they are actually open to multiple justification for their usage. We do not have simply a margin of error on an interest rate or a margin of error on statutory spending. Most of these things can be used in one way or another. That is a serious deficiency of this particular process.

There is another important issue raised in committee which the government should examine. That is the nature of its debt management.

There were some technical questions concerning not only the term structure of the debt but also the tendency of the government to borrow almost exclusively in Canadian dollars. It does so at a time when the value of the Canadian dollar is increasingly unstable and there are risk premiums involved. This will increase the cost of this borrowing to the public, to the government and to the taxpayer.

• (1310)

It also encourages the government in a somewhat less than responsible attitude toward borrowing. By borrowing in Canadian dollars there is a sense of greater flexibility should there be a financial crisis. With the lower yields offered on other currencies it should consider diversifying and of course reducing that borrowing.

I will end very quickly by reminding everyone of the budgetary situation. The government faces a $40 billion deficit. It was higher than we had believed even during the election campaign. The government's response has been the smallest of expenditure cuts, even smaller tax measures and the adoption of various programs that are something probably less than effective in

getting economic recovery. As well it will only add needlessly to our burden.

I oppose the bill. I urge the government once again to reconsider this borrowing and some of the expenditure plans which underlie the borrowing. I promise we will continue to fight this bill and these kinds of policies.

I urge the government to look at its counterpart, the Democratic Party in the United States, which reconsidered in particular the strategy of adding additional spending programs on top of a deficit management situation.

The Acting Speaker (Mr. Kilger): The first three speakers at third reading of Bill C–14 had 40 minutes without questions and comments. We will now go to the next stage of debate which is 20 minutes and 10 minutes of questions and comments.

In recognizing the Parliamentary Secretary to the Minister of Industry would he indicate to the Chair at the beginning of his remarks whether he will be taking the full complement of 20 minutes or sharing his time.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I am splitting my time equally with another member. I understand I cannot question the previous speaker, but I will begin my remarks by making a comment.

I listened to the hon. member talk about all of the budget cuts the Reform Party would wish for and the cuts in terms of grants to business.

The hon. member even went so far as to suggest that the Chamber of Commerce might be willing to return to the treasury the $400,000 it received for doing its study on what business recommends in terms of fiscal reform. First I want to say that I in no way, shape or form have anything other than respect for the work the chamber does, but I am not sure that it would return the $400,000.

I wonder sometimes if the Reform Party realizes that the real challenge for fiscal reform is in the tax act. When the time comes to tackle that problem I wonder whether the Reform Party will remain steadfast to its principle of a single tax system.

With the $40 billion or $50 billion worth of tax grants to business, mostly foreign and multinationals, a lot of them in the energy sector, I am wondering whether the Reform Party will remain as committed to the cuts. When I asked this question of the leader of the Reform Party he began to shy off on cutting those tax expenditures. In due course we will really test the Reform Party's commitment to comprehensive tax reform.

I listened to members opposite today talk one after the other about gloom and doom and how there was not anything in the budget that would inspire some hope for Canadians. I could not help but think that a lot of the members had deserted their earlier commitment to try to be constructive in this House. We have only been here a couple of months and it amazes me that members opposite could not acknowledge anything positive in the budget.

• (1315)

I would like to raise something I believe is most meaningful to the small business sector. We heard from members opposite today that we must support small and medium sized businesses. We heard members opposite agree that our greatest hope for putting people back to work rests with the small business community. We all know, because we have all knocked on the same doors and we have all heard from many small business people across the country, that the greatest problem they face today is access to capital.

On pages 4 and 5 of the budget the Minister of Finance announced that for the first time ever we would have a committee of Parliament take on a study of access to capital by small business. This is not a study that includes only government members. This is a study that includes members of the Bloc Quebecois and members of the Reform Party.

Members opposite should have told Canadian people that the government should be applauded for the way in which it has acted so speedily in setting up this study in the industry committee. We have been studying the matter for four weeks. We have heard over a dozen intelligent business people from many regions of the country confirm what all of us have heard about the difficulties of small business. We are already beginning to see signs that the bankers are responding to this very difficult problem that exists in our country today.

It is important that we as members of Parliament not criticize just for the sake of criticizing. By the way I accept constructive criticism. There are some areas in the budget that are tough for all of us. We have never had a perfect budget. It is tough. We have a tough fiscal situation. At the same time we have to acknowledge the fact that we are starting to see some movement in access to capital for small business. All members of Parliament should be delivering that message of hope to their constituents.

We can be tough on the banks in the House of Commons, but at the same time we should acknowledge when banks and bank managers begin to respond. I am not saying the process is complete. Last week the Canadian Imperial Bank of Commerce announced the appointment of an ombudsman for its bank. Small and medium sized business people who are having difficulty at the branch level could go to the ombudsman to seek fairer treatment. Today the Toronto–Dominion Bank set up a three–person ombudsman system. It is almost like a court of appeal for people who are having difficulty.

These are only beginnings but I believe they are important beginnings. As members opposite have said repeatedly, small business represents our greatest hope. We must support small business. The biggest thing it has asked for is help in changing the attitude of banks and financial institutions and help in finding new sources of capital so entrepreneurial spirit can flow again. We have begun the process.

• (1320)

I must also say that the members of the Bloc and the Reform parties on the committee are working hard and are working co–operatively. By the end of June we will be able to bring solid, constructive recommendations to Parliament and to the Minister of Finance, recommendations for amendment in terms of regulation and recommendations for banks to change their process and attitude. I believe we will be able to bring in new sources of capital through mutual funds, pension funds.

Even though the process is not complete today, I believe it is incumbent upon all of us as members of Parliament to tell our constituents that it is under way, that we have only been at it for a month but in another two months they should see even more dramatic results.

I do not believe that when we go back to our ridings we should only bring bad news. I listened to a Bloc member this morning refer to our party as a party of darkness, as if members of the Bloc were the only ones who feel the pain of students, fathers or mothers who do not have work. We feel that same pain. We are trying just as hard and are just as concerned as members opposite to get the country back to work.

When something in the budget is constructive and hopeful—and I believe changing the attitudes of banks is a very meaningful exercise for all of us in the Chamber—we should not be shy in acknowledging it or in saying that in that particular area the government is moving forward and the government is on the right path.

It is not that we are looking for an accolade. That is not the point. The point is that we have a responsibility in the House to inspire and show some hope for the 1.3 million small business men and women out there who are having a very difficult time right now.

Other projects were announced in the budget on behalf of small business. The officials in all departments are interacting with small business in terms of the paper burden. They are all but locked up in a room right now trying to simplify the forms and consolidate the paper small business has to deal with when it comes to interacting with government: all the various forms in Revenue Canada and in Consumer and Corporate Affairs. There is an intense effort by officials and people from business. They are working together to try to reduce the paper burden. It is important for our constituents to know we are working vigorously on that. That is another result of the budget.

I also mention the fact that the finance committee working on comprehensive tax reform is another hopeful signal or hopeful sign for small business. It is very important to challenge the path we are taking the country down at this moment. We accept their challenge on any issue.

• (1325)

It is Friday afternoon. Hon. members will be going back to their ridings. I tell them not to be shy in telling their constituents about some of the good things the government is doing.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, it is always a pleasure to exchange comments with the parliamentary secretary, but I think I ought to tell him, with respect, that his speech contained two contradictions. I want to point out that his impassioned defence of small business has always been well received by my party. I know that some of my colleagues here today are working very hard with him in committee.

He is probably aware that Montreal is the poorest city in Canada; the Montreal area has the largest number of poor families and poor people in this country. In East Montreal, we had a program called the PRIEM program, which was set up five years ago. All parties involved in this program asked the government to extend it. The program gave small businesses access to capital to update their facilities, and it created about 30 per cent of the new jobs in East Montreal.

If the minister and his government had been serious about using small business as part of their economic recovery strategy, it seems to me Montreal would have received a favourable answer to its request for an extension to this program. It did not, however. We and other members had a meeting with the Minister of Finance. We made certain representations, as did the community of Montreal, but unfortunately, the program will not be extended. That was the first contradiction I wanted to point out, and I would appreciate it if the minister would comment.

I would also like to hear his comments on a second issue, the technology question. On several occasions the minister has said in the House, with considerable eloquence, that his party was prepared to go all the way with technology and that this was a major priority. Unfortunately this was not reflected in the budget, and the scientific community got even less than it expected. There is not much in the budget that would point to a genuine national strategy on technology.

I wish he would offer some thoughts on the information highway. All parties concerned agree that if we are to have a national information highway some day, government funding will be needed. It is not true that only private capital is needed.

However, we can find no indication in this budget that the government will help implement this information highway.

[*English*]

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I say to the member that I welcome his spirit in debate. I always have.

First, I cannot speak to the specific example the member has given. I am not aware of it. The member can send me the details on it and we can study it.

Second, I cannot make a commitment, which sounds strange because of our commitment and our special sensitivity to the city of Montreal.

The third point concerns the information highway. Two days ago the Minister of Industry announced the new chairman of the national advisory committee on the information highway would be the former vice–chancellor of McGill in Montreal. The member should know the whole process of studying the information highway will be contrary to what we read in the newspaper. It is going to be one that is very open. We will be listening to experts from every region of the country. These meetings will be in public. Naturally when we have committees some of them have to be private but there will be an extensive consultation process and this government and our Minister of Industry have made the information highway a priority.

• (1330)

As the Prime Minister said earlier this week in the House, our commitment to this sector of the economy is most important in terms of job creation and I think the member will see in time that in no way, shape or form will we feel shy or cut short our participation in that very important sector of the economy.

The Acting Speaker (Mr. Kilger): The parliamentary secretary had given an indication to the Chair that he was sharing his time.

If not I would be in the hands of the House as to whether there would be unanimous consent to allow an additional five minutes for questions and comments to the parliamentary secretary. I know a good number of members have been seeking the floor. Or we could simply resume debate.

If there is no one from the government side who is going to be sharing the time and if the House wants to consider unanimous consent, is there consent to an additional five minutes of questions and comments for the parliamentary secretary?

Some hon. members: No.

[*Translation*]

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, every year after the happy holiday season the people of Canada and Quebec enter a period of fear. In fact, at this time of year, people fear two kinds of disasters: snow storms and the federal budget.

In both instances, they are unable to forecast the extent of the impending disaster and they feel they have no control over what is going to happen. The only thing they know for certain is that the two events, whether of natural or ministerial origin, can be costly and have an impact on their quality of life.

To a certain extent, we can protect ourselves against the meteorological vagaries of winter, and we can be philosophical about them, knowing that everything will melt away in the Spring anyhow. The storm raised by the federal budget is another story. The fiscal and budgetary whims of Canadian Finance Ministers are getting less and less predictable and more and more painful.

This year, people were expecting a very severe winter and a very hard budget. In both instances it is as if the sky had fallen. We can get used to the snow and the cold, as we known it is going to end eventually, but the budget has inflicted severe injuries to the country's economy and the scars could be permanent.

The Minister of Finance and the government he represents have demonstrated a total lack of imagination and creativity. Once more the axe fell on the unemployed and the aged who are submitted to dreadful cutbacks by this budget. The reason of this is that the Minister of Finance did not want to tackle the real economic problems of the country and cut into useless spending by the government.

Yet, the Minister of Finance had only two responsible things to do before preparing his budget. First, he should have used the long cold evenings of January to read the report of the Auditor General, and I doubt he did.

• (1335)

Second, he only had to listen carefully to the concrete and progressive proposals brought forward by the Official Opposition. This would have prevented him from racking his brain in search of a scheme that would allow him to attack once again the poorest people in our society.

The Auditor General tabled his report to the House of Commons for the fiscal year ending March 31, 1993. All 800 pages of it! Eight hundred pages of horrible findings on the appalling management of public funds in Canada. Eight hundred pages of concrete recommendations on ways to better manage the Canadian government machinery. I will say it again, I doubt that the Minister of Finance took the trouble to go through such a valuable document as the report of the Auditor General, because the provisions contained in the budget do not reflect in any way the expectations expressed in the Auditor General's annual report for 1993.

The auditor managed to summarize in one sentence the expectations and aspirations of the Canadian people, and I think it is important to quote it in this House so that the government cannot plead ignorance when the time comes for it to find out the

effects of such a pitiful budget on the economy. Here then is the Canadian taxpayers' message that the Auditor General wanted to convey to the government, and I quote: "Today it is clearer than ever, to both public servants and parliamentarians, that Canadians expect them to demonstrate sound and prudent management rather than finding new ways to spend borrowed money".

I must admit the Report of the Auditor General of Canada is not an appealing document. I can see why the Minister of Finance would try to keep away from it as much as he can since the truths we find in there do not always make for pleasant reading. Journalists call them the Auditor General's horror stories and rightly so. Indeed, his report is full of pathetic examples of mismanagement and particularly unwarranted government expenditures which are all equally reprehensible. I will mention only two such stories, two unfortunate situations which show how careless the government can get when it comes to spending public funds.

One of the great government extravagances noted by the Auditor General concerns the use of Challenger planes by ministers or other parties close to government. Flying these airplanes costs almost $20,000 an hour. In 1993 alone, the total bill for these travels came up to $54 million and the example given by the Minister of Intergovernmental Affairs in that respect is certainly not comforting. Just imagine. For one day in the United States, not six months in Japan, but one single day, the travelling expenses of the Minister for Intergovernmental Affairs were in excess of $170,000. Our ministers are travelling in flying palaces while the government takes away a wheel from the inexpensive scooters of the unemployed. Such a situation is totally absurd!

Speaking of absurdities, how can they explain that the new President of Investment Canada has refurbished her office for a total of $132,000? That is the outrageous cost of the new bathroom and new kitchen in the office of Madam President of Investment Canada.

• (1340)

Was there no one in the government who could have put a stop to this foolish waste of money? While the government is busy installing deluxe toilets in the offices of senior officials, it is also literally taking the toilet paper away from senior citizens. Do these two groups not have the same needs, Mr. Speaker?

In all, the Auditor General identified in excess of $5 billion annually in overspending and shameful waste. It was really not necessary for the Minister of Finance to raid the pockets of ordinary taxpayers in order to recoup these billions of dollars. But, that is what he did and the people feel betrayed by this Liberal government which had nevertheless stated in its red book, and I quote: "We want a country whose governments are efficient and innovative".

When we see the results, it is not surprising that this government has already lost all credibility in the eyes of the public. In a mere six months' time, the Liberals have managed to alienate Canadian and Quebec taxpayers, a feat which the Conservative needed many years to accomplish. That is saying something! Were the Liberals really expecting to maintain their popularity rating by leaving family trusts alone, while at the same time targeting the unemployed and seniors and doing nothing to eliminate instances of administrative overlap?

I find it rather alarming that expressions such as "overlapping jurisdictions", "federal interference" and "administrative duplication" have become commonplace, even the norm in Canadian political jargon. We have come to trivialize these expressions because the federal government has, over the years, used its famous discretionary powers to excess to interference in areas of provincial jurisdiction. This has been going on since Confederation and has slowly become the traditional way of conducting federal–provincial relations.

This year's budget carries on this nice Canadian tradition. The Minister of Finance strove to perpetuate the federal government's great centralizing tendency, whereby this government has the power and the duty to interfere more and more in provincial jurisdiction or at any rate never to withdraw from provincial jurisdiction, all in the name of maintaining Canadian unity, of course.

This façade of national unity is starting to cost us dearly. A study by Treasury Board in 1991 showed that 67 per cent of all federal programs overlap provincial programs to some extent. Besides the tens of billions of dollars spent unnecessarily every year, we have a huge bureaucratic and administrative machine that is so complex that these federal and provincial programs become redundant and inefficient when they are not simply incompatible.

The Canadian bureaucracy is like a big beached whale and the federal government is doing nothing to save it. The most striking proof of this lack of federal will is still the issue of manpower training in Quebec. While the Conservatives at the end of their term recognized the need to return all powers for manpower training to Quebec, the Liberals have stopped the process under way. For the Liberals, it is unthinkable to take any action which would reduce the federal government's prestige, even if it meant saving $250 million a year. I think that the federal government's ego is as big and immovable as the beached whale mentioned earlier. We well know that even a dying whale is not easy to deflate.

• (1345)

Yet, the Bloc Quebecois had asked the government to cut the fat. Unfortunately, the government has once again opted for a miracle diet which promises results without pain. Putting our

financial house in order will require real austerity measures, accompanied by painful cuts that are inevitable if we are to achieve our economic aims.

The federal government continues to get into debt, and gets away with it. One fourth of this debt is incurred in Quebec's name. But beware, Quebec will not wait for liposuction to become necessary before doing what it must to ensure its future economic development. The only way for Quebecers to get rid of all these horror stories is still sovereignty for Quebec.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I congratulate the hon. member of the Bloc Quebecois on his reading the report of the Auditor General, particularly as regards the ministers' expenses. I sat for five years on the Committee of Public Accounts, and I know what he is talking about. But I am not sure he does. I think he forgot to mention that the Prime Minister and the Auditor General have undertaken a study on travel by ministers.

The Bloc Quebecois member referred in jest to the Challenger. Does the hon. member know where the Challengers are made? Should we stop manufacturing Challengers? What other means of transportation should the ministers use?

In conclusion, Mr. Speaker, the hon. member quoted something to this effect: "Some people—I do not know exactly to whom he was referring—said that the Liberal government betrayed them". I found such a comment rather strange, coming from the Bloc Quebecois, which, as a separatist party, is a traitor to this country, in my opinion.

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

The Acting Speaker (Mr. Kilger): If I heard correctly, the hon. member for Carleton—Gloucester did refer specifically to treason, and I believe that is unparliamentary. I would ask him to please acknowledge the fact that the Chair has to see that our debates are conducted in accordance with our Standing Orders and that we respect the spirit not only of the Standing Orders, but also of the House of Commons. I would ask him to withdraw the expression he used. The hon. member for Carleton—Gloucester.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, are you suggesting that the member of the Bloc Quebecois has the right to say that the members of the Liberal Party have betrayed Canadian society, but that I, on the other hand, do not have the right to conclude, Mr. Speaker, by saying that anyone who spies, for example—

• (1350)

The Acting Speaker (Mr. Kilger): Order. To my knowledge the last member who spoke, the hon. member for the Bloc quebecois, did not make the remark to which the hon. member from Carleton—Gloucester referred. I believe the hon. member for Carleton—Gloucester was referring to a comment made earlier in this House by another member.

Of course, I do not have before me the blues of all debates that took place today in the House. I would therefore ask hon. members to show some understanding for the problems facing the Chair, under the circumstances. Of course, the Chair cannot let members on either side call someone a traitor.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): Finally, I will take time to review the blues and, if necessary, I will get back to the House as soon as possible.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I rise on a point of order. This is about the term the hon. member just used, and it is not the first time the hon. member referred to betrayal or mentioned the fact that we have no democratic mandate, or have no right to sit in this House because we are members of the Bloc Quebecois. He has said this both inside and outside the House. The right to sit in Parliament is not a matter for debate. It is not a matter for political debate, either inside or outside the House. We are talking about the basic right of people to elect the representatives they want to elect.

Voters elected certain members of Parliament, and it is not up to the hon. member to question our right to sit in this House, as he did last week or as he did today, when he used the word traitor.

The Acting Speaker (Mr. Kilger): I am sorry, but this is debate, not a point of order.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I agree with the Chair's proposal to look at this problem and get back to the House next week.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, on a point of order. I have no objection to the Chair postponing any further discussion on the terms used earlier in the day by a member of the Bloc Quebecois. We will check the blues.

However, the Chair did hear what was said by the hon. member for Carleton—Gloucester. He used the terms traitor and betrayal, and the hon. member should withdraw immediately, because what he said was quite clear. After that, we will see if any members on our side used terms that were unacceptable. We will have to look at them in context. If I say that you betray your mandate, I am not saying that you are traitors to the nation.

The Acting Speaker (Mr. Kilger): Order. The hon. member for Carleton—Gloucester.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, could the Chair perhaps take the dictionary and read out the definition of betrayal, and then—

The Acting Speaker (Mr. Kilger): Order. To end this discussion, I promise members on both sides of the House that the Chair will make a full review of the blues and get back to the House as soon as possible.

It being 1.55 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

PARTY FUNDRAISING

Mr. Louis Plamondon (Richelieu) moved:

That, in the opinion of this House, the government should bring in legislation limiting solely to individuals the right to donate to a federal political party, and restricting such donations to a maximum of $5,000 a year.

The Acting Speaker (Mr. Kilger): On a point of order, the member for Laurier—Sainte–Marie.

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, I think the member recognizes having used the terms traitor and betrayal. Earlier—

The Acting Speaker (Mr. Kilger): Order. I want to say to the hon. member that I have indicated that I will review the text and check the words used and see if they were aimed at one member or the other. In other words, I want to know the full context in order to give this House the most accurate ruling possible under the circumstances.

I would like the House to proceed now with private members' business. The hon. member for Richelieu has the floor.

Mr. Plamondon: Mr. Speaker, I am glad to present this motion to this House and to launch the debate on the following motion: "That, in the opinion of this House, the government should bring in legislation limiting solely to individuals the right to donate to a federal political party, and restricting such donations to a maximum of $5,000 a year".

I would like to thank the hon. member for Frontenac for seconding the motion, and thank also all members of the Bloc Quebecois who asked to be heard in this debate.

I hope to get a favourable and co–operative hearing from the Reform Party, as well as the Liberal Party and independent members of this House, so we can move a step closer to better democracy by dealing with the financing of political parties.

This motion is extremely important, because it goes to the roots, to the foundations of democracy. It reminds us that the real bosses are the voters and not the big backers.

Over the last few years, several public financing experiments have been successful. The socio–political context has also demonstrated the need for a real reform of the financing of political parties. The Lortie Commission, set up by the previous government, was supposed to look into the matter, but it barely touched on the problem of financing, opting for the status quo rather than real reform.

Less than 20 years ago, several political parties in Canada were financed only by large corporations or unions. Today, the share of companies in electoral financing is about half of all the money collected by the various parties, according to 1991–92 data from Elections Canada.

Although the proportion has changed, the amount provided is still significant and a potential source of conflict. Since the reform of 1974 and the ensuing evolution of fundraising, small contributions from private individuals account for a larger share of the financing of political parties. Such democratization is very much due to the institution of a federal tax credit on political contributions, which was adopted in 1974.

Some may believe that present measures are sufficient to limit undue influence and that it is in no way necessary to cap donations. Yet, during the last ten years, charges of influence–peddling made against Senate and House members tend to prove the contrary.

I believe that party fundraising must be reorganized on the basis financing by the public. Legislators and politicians can only benefit from such a change.

• (1400)

Why am I positive about this? Because of two basic and fundamental principles which should influence all political activity: transparency and democracy. Canadians and Quebecers now demand absolute transparency from their elected representatives. Greed is certainly a very human instinct, but it is incompatible with the political ideal of serving the common good. In this context, the role of governments is to deter anything which could prompt someone to seek public office for personal interests. The fact is that all federal political parties felt the need to clarify their position on this issue, and made it one of the main themes during the last election campaign.

Numerous examples come to mind. For instance, some candidates and former members lost their party's official support for them, and that was bitter medecine indeed. Political organizers were publicly criticized. Some political decisions were reversed, contrary to all expectations. Whether lobbying, patron-

age, or conflicts of interest were involved, we found out, mostly through the media, whenever people had tried to influence those entrusted with public funds, in order to get some personal benefit for themselves or their agents. Money, of course, is always the great motivator.

As long as a significant proportion of party revenues comes from corporate or union sources, ordinary citizens will have to ask themselves whose interests we are looking after. As elected representatives, it is our duty to do everything we can to improve our image. So many people have a negative opinion of politics, which they view as a dubious, immoral and obscure activity in which it is better to not get involved. Reorganization of party fundraising would certainly solve part of the problem. Such an initiative would create a new climate of transparency which would restore some credibility for political parties and politicians.

How can a worker in my riding who barely makes $15,000 or $20,000 a year seriously believe that an engineering firm, a major bank or a contractor is prepared to give $50,000 to a political party without any hope of obtaining a return on that investment? How can that worker seriously think that his opinion carries as much weight as that of the engineer? To ask the question is to answer it. One would really have to have one's head buried in the sand to refuse to admit that there are interests involved in those public–minded donations.

And now what about the big fundraisers? Smokes and mirrors is often the answer. Good connections in the business community lead to access to the inner sanctum, the Senate, or to the possibility of demanding some sort of payback.

Restricting financing of political parties to the public would send a clear message of transparency and be an unequivocal sign that companies, unions, big fundraisers will no longer exert undue influence over the political decision–making process. Are we going to tolerate any longer the fact that Canadian chartered banks, which are the most important sources of capital for campaign funds, run political parties behind the scenes?

Financing by the public not only sends a message of transparency but, if adopted, sends a message of democracy. Since firms, associations and unions do not vote, there is no reason for them to play a predominant role in our electoral and political system by funding more than half of the activities of the Canadian political parties. In fact, they have many forums other than the political channels in which to articulate their views and their needs.

Canadian citizens are the ones who must control our electoral system. They constitute the foundation of our democracy. However, democracy is more than the right to a free vote and a secret ballot, it is more than holding elections every four or five years.

• (1405)

Democracy is many things and the financing of political parties is an important part of the democratic process, as important as the redrawing of electoral boundaries several years ago to ensure a better distribution of seats according to popular vote.

Obviously, it is easier for political party fund raisers to collect a $5,000 contribution than 100 contributions of $50. However, this fact, which could be indicative of some laziness on the part of fund raisers, results in parties which are highly centralized and where ordinary members have no place.

By giving in to this lazy attitude, political parties are agreeing to make themselves available to corporate contributors, turning their backs in the process on thousands upon thousands of Canadians. It may be an easier way to raise money, but it is surely less democratic.

Contrary to what some people claim, we are not breaking new ground in Canada as far as regulating the financing of political parties goes. At least seven provinces, in addition to the federal government, have laws governing contributions to political parties.

Four provinces, namely Quebec, Ontario, New Brunswick and Alberta, already limit the size of contributions that can be made to political parties and to candidates. Three other provinces, namely Manitoba, Saskatchewan, Prince Edward Island, as well as the federal government only require parties to disclose the source and size of contributions made. Moreover, seven of these eight jurisdictions allocate public funds to political parties that meet specific criteria.

It is obvious, however, that Quebec's legislation is the most progressive of all, not only with regard to political party financing but also all aspects of the electoral system, including provisions relating to political parties.

Quebec passed the Act to govern the financing of political parties in 1977, but the first reforms date back to 1964, under Jean Lesage.

Quebec completely redesigned voting rules, decriminalizing the whole process and placing electoral activities under the strict control of the chief electoral officer, whom they call director general of elections.

It is particularly interesting to note that the Quebec Liberal Party, which had relied heavily on corporate sponsors up until then, adjusted very well and very smoothly to the new rules. Its annual revenue in Quebec is in excess of $7 million. That is two and a half times more than the Liberal Party in office in Ottawa.

Statutory requirements regarding the source and amount of contributions have now become a standard of life in Quebec. This experiment has demonstrated beyond any doubt that financing by the people is feasible.

At the federal level, the Bloc Quebecois also proved conclusively that it could be done. Since its inception, the Bloc has never been funded by anybody other than the voters. No dona-

tions can be accepted from any corporation, union or organization. Yet, we won 75 per cent of the seats in Quebec.

Ottawa already has a piece of legislation providing for the disclosure of sources and amounts of donations received by political parties. The same legislation also governs party expenses. The purpose of this motion is to limit solely to voters the right to donate to a party and to restrict such donations to a maximum of $5,000 a year. This may be a difficult choice, but it is necessary.

The foundation of a political party is its membership. It is on this basis that parties succeed or fail.

A revamping of the financing process will put new life into the parties. It will replace establishment–controlled parties with truly popular, truly democratic parties.

I remind you in closing that the Quebec legislature unanimously endorsed such a bill when it had to make a decision on the funding of political parties by the people. It unanimously embraced the basic goal of democratizing political institutions. To take the same position here in this House would be a nice gesture for unity, a clear message that would be very well received by all citizens.

In closing, I would like to pay tribute to a member who spoke up and fought a long battle on this issue, namely François Gérin, the former member for Mégantic—Compton—Stanstead who, within the Conservative Party, fought a six–year battle for the funding of political parties by the people. He pursued his campaign with the Bloc Quebecois as he was the one who proposed, when the Bloc was founded, that political parties be financed only by individuals with the right to vote.

• (1410)

So this former member who sat for nine years in this House, François Gérin, was a pioneer on this issue—the funding of political parties by the people—in Canada. I am happy to thank him for this and to carry on his fight by taking this issue not to the parties themselves but directly to the House. I hope that the Liberal and the Reform parties as well as the independent members will give their unanimous support so that we can take another step toward democracy.

The Acting Speaker (Mr. Kilger): The hon. member for Carleton—Gloucester on a point of order.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, on a point of order. I can see that some of my colleagues believe that my words were unacceptable and, after due consideration, I think that some hon. members may have found what I said to be insulting. Therefore, I want to withdraw the words "traitor", "treason" and "betrayal", and I do so unequivocally.

The Acting Speaker (Mr. Kilger): I want to thank the hon. member for his decision, which I respect. I know that, from time to time, our debates can be very intense and will continue to be so, but I hope that the people in the Chair will be able, with the co–operation of all members, to keep our discussions at a respectful level, because we have all been elected here to serve Canadians in this 35th Parliament.

We will now revert to private members' business. The parliamentary secretary of the Leader of the Government in the House has the floor.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I listened carefully to the hon. member for Richelieu and I am pleased that he put this motion before the House, because it is very important. I know that there are several such private members' motions before the House, and I hope that we will be able to hold many debates on these issues in the coming weeks.

[*English*]

I want to mention the hon. member's very careful review of the situation in respect of election contributions that has maintained itself in the province of Quebec now for some time. While I recognize the validity of some of the arguments he has put forward, there are more compelling arguments for perhaps considering that while the situation may be a fair or reasonable approach there are other fair and reasonable approaches. The Canada Elections Act has taken that approach. Obviously it is different from what the hon. member has proposed. That is why he made the proposal he put before the House.

I note other people than myself have expressed views on this question. It is important for the hon. member to recognize that those views have been put forward by people who are fairly experienced and competent in the field.

The Canada Elections Act, as the hon. member stated, does not currently have a limit on the size of contributions. Nor does it limit who may make those contributions aside from non–Canadians. The language of the act in my view is a little loose on that point.

The hon. member is aware that during the last Parliament the special committee on electoral reform was struck to review the recommendations of the Royal Commission on Electoral Reform and Party Financing. I had the honour to be a member of that committee. I know we spent a considerable amount of time discussing the question of contributions to political parties. I believe a report to the House on the subject was made by that committee, which report was not acted upon by the previous government.

I am optimistic that during this Parliament we will have an opportunity to look over the provisions of the act once again and possibly come up with some recommendations to change the existing law. I have no doubt we will be looking at the proposal

the hon. member has put forward. However looking at it and accepting it are two different things.

In its deliberations the committee considered a limit because some members of the committee were enthusiastic about the prospect of a limit such as is suggested by the hon. member in his motion. However, it was not one that found favour with the majority of the members and accordingly was not in the report.

• (1415)

Why was it not there? The place to look is the report of the royal commission itself. The royal commission did an extensive review of political donations in Canada. It went over not only the volume, that is the total number and the number of people who contributed, but it also looked at their source.

I would like to read a brief passage from volume I of the royal commission report. The page number does not appear on my photocopy, but it follows table 7.1. The report reads:

> Large contributions from individuals are even less important as a share of total party revenue. In 1988, contributions of $2,000 or more from individuals accounted for 11.3 per cent of the total value of contributions to the Progressive Conservative Party and 7.9 per cent of contributions to the Liberal Party; only 14 individuals contributed more than $10,000 to the three largest national parties that year. The largest contribution from an individual—$103,000—was made to the New Democratic Party by Irene Dyck, and the largest donations to the Progressive Conservative and Liberal parties from individuals were $40,000 each.
>
> The largest single contribution in 1988 was just over $1 million; it was made to the New Democratic Party by the Canadian Labour Congress.

One suspects perhaps that they are not going to be so generous in the future.

> Contributions exceeding $10,000 from trade unions accounted for 11 per cent of total contributions to the New Democratic Party in 1988.

In reviewing the situation, the commission recognized that limiting contributions to individuals to $5,000 would have been very damaging to what was then one of Canada's three larger political parties. I would not call it one of the major parties, but it was one of the larger ones. To change the law, to restrict it in this way, would have serious repercussions.

I should note for the record what the recommendation of the royal commission was. I will quote recommendation 1.7.10:

> We recommend that the Canada Elections Act not impose limits on the size of contributions to registered political parties, registered constituency associations, candidates, nomination contestants and leadership contestants.

I think it is very fair to point this out. The vital thing about this part of the commission's report is that they did say, and I will quote from the page a little higher up:

> We recommend that disclosure requirements be broadened to cover registered constituency associations, as well as nomination and leadership campaigns. We also propose that twice a year, registered parties and constituency associations report on contributions, including the date each was received, and that their reports be filed within three months of the end of the reporting period.

The commission was recommending far greater reporting as an obligation on parties and constituency associations so that the members of the public could see who was making contributions to these organizations. The commission took the view—and I submit it was a correct and good view—that transparency in the process would make up for the lack of a limit because the limits can be got around altogether too easily.

The hon. member for Richelieu was a member of the Progressive Conservative Party before he fell by the wayside. He knows very well that the members of his party on the election reform committee, of which I had the honour to be a member, reviewed the situation of the Quebec law and discussed it fully in the committee. They were of the view that the $5,000 limit was one that was easily avoided by either corporations or trade unions, by those organizations making gifts of money to members who could then pass the money along as political donations to political parties.

In other words, a corporation that had $50,000 or $100,000 it wanted to give to a party could do it either by giving it to 20 different constituency associations in lumps of $5,000 or—the hon. member laughs. I regard that as a bit of coach and horses. Through the intent of his motion he may think it is legitimate, I am not so sure.

• (1420)

The other possibility is to hand the money out to directors or officers or members of the corporation and have them make the donations to the political parties involved. The money can be got there if a labour union or a corporation is intent on doing it.

It is quite unreasonable to put this restriction on these bodies so long as they have to disclose the amount of their contributions and that is exactly what the royal commission proposed.

It is exactly what our party proposed in the discussions in the committee. It is what we would have preferred to have and had we not run into so much obstruction from the now-gone Tories we would have achieved a law that would have done exactly that and brought about the disclosure.

I hope the hon. member will accept these comments in the spirit they are intended, will look at his motion in a new light and maybe withdraw it.

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, I appreciate the comments the hon. member just made. It indicates a debate and perhaps a bit of a difference of opinion on this matter.

I am pleased to add my comments to the debate. It represents an opportunity for the government to begin to help restore the faith of Canadians in the electoral process.

In the past we have seen Parliament held hostage to a variety of special interest groups by their contributions. They have found support in some or all of the recognized political parties of the past. My comments are really intended on a non–partisan basis.

Special interest groups have found support in some or all of the recognized political parties. The interests of Canadians have been neglected by politicians appeasing the demands of large financial contributors. A wide spectrum of demands from business, unions and even federally funded special interest groups are regularly brought to members and to the government itself.

In politics one soon learns that nothing is free. Whatever is accepted will have an invoice following along sooner or later. The larger the gift the larger the price tag on it.

The premise of this motion is not new. As the hon. member for Richelieu has already pointed out, the province of Quebec has had similar legislation in place for over 15 years. There is a difference. Quebec's contribution limit is $3,000. Even with this $3,000 limit Quebec's provincial Liberal Party was able to raise $6.5 million during the 1986–87 campaign.

Shortage of campaign funds has not been a problem. Instead Quebec has been able to add real credibility to its legislature in these reforms.

John Parisella, director general of the Quebec Liberal Party at the time supported this contribution limit by claiming: "There is no way a government is going to sell its soul for $3,000. No individual company has a hold on us. Nobody owns this government".

One has to look no further than the current New Democratic Party government in British Columbia to understand the danger of political manipulation. Unions have been major supporters of NDP campaigns. Since the last provincial election the unions have really hit pay dirt. Only unionized companies are permitted to bid for most government contracts. Also businesses that have solid records of treating their employees fairly are now being forced to accept union intervention without their employees even having a vote. We cannot permit special interests to dominate the political agenda simply because they give money to a political party.

François Gérin, who the member has already mentioned, a Quebec Conservative during the last two terms of government was the main advocate for federal reform of political contributions. He argued that a party's acceptance of large contributions was a conflict of interest that brought the whole political process into question. He understood the perception of his constituents as he said: "Someone who works all year to earn $15,000 and has a family of three cannot understand that somebody will give $25,000 and ask nothing for it". The average family income in his riding at that time was only $15,000.

• (1425)

François Gérin demonstrated in his own riding the capability to run a campaign without huge contributions during a non–election period. With only 23 per cent party support on the national opinion polls, his constituency association was able to raise three times as much money as he needed to fund an election. In his case he used a strict limit of $1,000 maximum contribution.

Despite his many attempts, Mr. Gérin was never able to convince the Conservative government to change the Canada Elections Act. He did convince the Quebec caucus of the Conservative Party to adopt this policy. In the 1988 general election every member of the Quebec caucus took a vow to accept only personal contributions.

The results were quite surprising: Conservative candidates won 62 of the 75 seats, a greater success than even the Bloc Quebecois received in the last federal election. While the Conservatives received only 43 per cent of the popular support in 1988 across Canada, in Quebec that percentage was 51 per cent. In his own riding Gérin received a decisive 60 per cent of voter support. A significant amount of this additional voter support resulted from the increased interaction he had with his constituents.

Limiting the size of contributions means depending on broader support; depending on a broader support base requires more interaction with the voters. With that, financial support becomes a more significant demonstration of an electoral mandate.

As matters now stand, voting at the polls can often be a last minute decision resulting in a luck of the draw election win. In such instances those voting may give little real consideration to the value of their vote.

The opposite can be true by candidates and their parties reaching out to include even those who can make only the smallest contributions. Those considering supporting a campaign with their money will take the time to develop an understanding of the issues, the local candidates and the political parties they represent.

Corporate and personal tax considerations may vary greatly. Regardless of who makes the contribution, the same tax credit is realized. But this tax credit is of limited value to an individual, whereas after claiming a tax credit a corporation can, and corporations have, written off larger amounts as advertising or promotion expenses.

This has resulted in leaders of business, unions, special interest groups and lobbyists using their influence and other people's money to contribute to political campaigns instead of using their own personal money.

The intention of this motion is to prevent this abuse. A few powerful individuals are often in positions to make decisions that are paid for by using other people's money without their consent.

Trade unions have freely spent money raised through membership dues to support particular parties. In the case of publicly held corporations, what could have been shareholders' profits have been used to support a particular political party. Money donated to special interest groups for special purposes is sometimes re-routed to fund political campaigns.

This motion would allow only individual constituents the opportunity to make a political contribution to any legitimate party or nominated candidate to a limit of $5,000.

Elections are intended to democratically elect governments that best represent the desires of the people. We must not permit powerful individuals using other people's money to dominate the political agenda or the democratic process.

Limiting the amount any individual can contribute will give a truer representation of a political party's popular support.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am having a hard time believing what I just heard from the hon. member from the Reform Party.

The hon. member tells us that political party candidates should be restricted in the amounts they receive. However only days ago his leader advocated that non-political parties should have the right to campaign, to contest and to challenge MPs and others with no restrictions at all.

• (1430)

There is something wrong when that kind of mindset sets in. There are rules for MPs and there is no rule for the National Citizens Coalition to campaign against him and yet he has to be subject to rules far more strict than the ones we have already.

I have another difficulty with the propositions advanced by the member. He said in his opening remarks the larger the gift, the larger the price tag. That is an insult to every Canadian who contributes to the electoral process. No one is going to tell me that my constituents who are making $20,000 or $25,000 a year, who come to my annual fund raiser and give me $100 are doing it to get something in return. I do not think my constituents deserve to be insulted by the likes of that. Neither do the member's.

Mr. Plamondon: Nobody said that.

Mr. Boudria: I was quoting the original remarks of the member from the Reform Party who just spoke—the larger the gift, the larger the price tag—referring to Canadians who gave their hard earned money to make sure that they have quality Canadians running for public office. No Canadians need to be insulted that way.

Mr. Plamondon: Qui te paie pour parler comme ça?

Mr. Boudria: Mr. Speaker, I want to spend a couple of minutes to tell this House how I raised money during my election campaign or otherwise. There is an annual fund raiser in my constituency at which people contribute $100. Last year 400 people attended the event. Granted, it was an election year. Normally approximately 300 or 325 people show up for this event. Many Liberal MPs attend the function in question as well. I know people who have attended the event who make $15,000 a year. I also have three other events a year to which people come and pay $5 for a spaghetti dinner.

Then I hear the member from the Reform Party who just spoke making these kinds of broad accusations that everyone who contributed toward the political process is some sort of a sleazebag.

Mr. Milliken: Shame.

Mr. Boudria: Those comments on the part of the member should be withdrawn. People contribute toward the process because they want good government. People who contributed to the member's campaign felt that he would do a good job and I do not believe that his constituents had a self-interest in contributing or helping him to get elected. They wanted good government just like the people who contributed to getting me or you elected, Mr. Speaker. The same thing applies. They do not deserve to be insulted because they took their holidays to work on an election campaign or took a couple of days from their pay cheques to contribute or because they took 15 minutes of what they would have spent on their coffee breaks to contribute.

I go back to the rest of the issue at hand, the motion by the member for Richelieu.

[*Translation*]

The hon. member knows that the Lortie commission did in fact recommend that no restriction be put on contributions. Of course, there should always be restrictions on contributions from foreign sources, to ensure that the Canadian system remains accountable to Canadians. I agree with that.

Mr. Milliken: The Conservatives did not agree with the proposition.

Mr. Boudria: We know that others did not agree with the proposition, as the hon. member for Kingston and the Islands just mentioned so appropriately and eloquently.

[*English*]

There is also the whole issue of the application of the charter to this kind of limitation.

Finally, I want to draw to the attention of this House how the application of such a rule as the member for Richelieu is advocating would be implemented.

[*Translation*]

We are aware that similar rules exist in some jurisdictions, for example at the provincial level in Ontario, where I used to be an MPP, as most of you know. That legislature puts a cap on contributions. However, if an individual wants to give more than the limit which, I believe, is set at $1,150 per year in Ontario, that person simply gives the extra money to his or her spouse or son, so as to circumvent the rule—

• (1435)

Mr. Louis Plamondon (Richelieu): Point of order, Mr. Speaker.

The Acting Speaker (Mr. Kilger): The hon. member for Richelieu on a point of order.

Mr. Plamondon: Mr. Speaker, the hon. member has just suggested that people from Ontario are dishonest. People from Ontario are not dishonest. They are not cheats.

The Acting Speaker (Mr. Kilger): This is not a point of order, but this is leading to debate.

Mr. Boudria: Mr. Speaker, as you have said it yourself, this is not a point of order. This is not even a good point, as the hon. member should know.

The point I want to make is that rules like this one, which can be so easily violated that it becomes absurd in a way, should never come into force.

I believe that it is more up to members of this House to stop saying that all those who contribute to a political system expect something in return, as was pointed out by the member from the Reform Party. However, I commend the member for Richelieu for putting the issue to the House. I know his intentions are honourable. He moved this motion because he too wants public standards of behaviour to be high.

Our party and our government made a commitment in this regard and, in the last few months, we noticed that Canadians realize that the government is there to serve them and not to serve its own interests.

Mr. Milliken: True.

Mr. Boudria: I would say the same about my colleagues opposite and I will say that the old ways of doing things are gone. Canadians got rid of all but two of those responsible for the situation we were in.

I would like to conclude by saying that I do not intend to support this motion. However, I congratulate the hon. member for Richelieu because I know that he meant well. But I want to warn all members of the House against making absurd accusations against people who want to contribute to the democratic process.

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, it is with great pleasure that I support wholeheartedly this motion regarding the funding of political parties through individual contributions brought in this afternoon by my friend and colleague, the hon. member for Richelieu.

I want to point out to the House that this is an historic moment since it is the first time that such a motion calling for federal political parties in Canada to be funded only through individual contributions is introduced in the House of Commons.

The concern of my colleague, the hon. member for Richelieu, for this issue is nothing new. He has been working on this initiative since 1988 and it is very important to him since 1988. He is convinced that attitudes have evolved and that Canadians are ready for a major change in the area of political party financing.

Canada, like other modern countries, must keep up with the times. It must follow the example set by the province of Quebec, which was not afraid to do away with questionable and anti–democratic electoral practices. It is obvious that the Constitutional Act, 1791, gave us not only a parliamentary system of government, but certain electoral practices as well.

• (1440)

History shows that individuals and organizations have always made self–serving contributions, giving a lot to control a lot. Even in its early days at the end of the 18th century parliamentarism had its champions of influence–peddling. Political parties and their sponsors would often offer an election favour to a hoodlum in exchange for beating up a stubborn voter.

There are numerous examples of notables who were in constant conflict of interest with political parties. A serious analysis will show that the the government's decisions were undoubtedly favourable to those who controlled the ruling party, who controlled democracy as the member for Richelieu said so well.

Mr. Speaker, it has to be recognized, and the House will agree, that election mores and practices have changed in Canada.

Indeed some practices have disappeared while others remain. Some new practices meet obstacles, namely the financing of political parties by voters only. This would concern the whole electoral system.

Not so long ago I was a young man living a quiet life in the small town of Coleraine located in the beautiful riding of Frontenac. My father, a well–known businessman and experienced merchant was a Liberal Party member and organizer. Of course, that was back in the 1940s and 1950s and at that time, the Bloc Quebecois did not exist as a political party in Quebec. My father had a decisive influence on me and I inherited from him my interest in politics. The only thing I could have faulted him

for at the time, given the political experience I now have, would of course be that he was a Liberal.

At the time, I had been amazed by some electineering tactics that Liberal organizers were practising in the riding of Megantic, Quebec. It took me some time to understand the connection between a refrigerator or a Bélanger electrical stove and a constituent. Later on I understood the meaning of the slogan: "Give the party a buck and you will get it back with a 1,000 or 2,000 or 3,000 per cent interest".

I have seen this with my own eyes, Mr. Speaker. I know what I am talking about. However, in 1994, these days are gone. This should not exist any more, and my colleague, the hon. member for Richelieu, expressed it very well when he proposed in his motion a principle that should allow constituents to control our electoral system and thus respect democracy and become the true possessors of that democracy.

The urgency of reform is recognized by every party. The previous speaker on the government side did say that his party was considering a reform of funding for political parties, but we will see how much courage they show and, especially, how fast they act. Will we have a committee or a sub-committee? I am anxious to see.

• (1445)

In November 1988, the leader of the Conservative Party, Brian Mulroney, promised to bring in public financing of political parties. Recognizing the effectiveness of Quebec's legislation on this subject, Mr. Mulroney thought it necessary to end financial contributions from corporations and unions.

For some time, people have been talking about credibility and trust and the government and the governing party are talking more and more about openness. We will see. Now is the time to prove this openness. They remember the sorry errors committed by members of the former government. They remember the conflicts of interest, the resignations, the dismissals and so on.

There must be no hesitation when the integrity of the government is at stake and especially when the integrity of Parliament is at stake. This House must show exemplary honesty. Those who have been elected to lead the nation must show the way. Very early in his first mandate, René Lévesque understood the need to clean up election practices by forbidding any corporation to contribute to the election fund of political parties. The 1977 Quebec Bill, to which several of my colleagues have referred, remains a model of financing by the people and of how to clean up the electoral system itself.

Those who doubt that it can work need only come to Quebec to see how it works. As was just said, the Quebec Liberal Party has collected much more just from the voters in Quebec than the Liberal Party of Canada has collected in that province from big companies, banks, etc.

In 1977, the press at the time was categorical and here I quote from *La Presse*: "Although the Parti Quebecois has rushed the process, this legislation is absolutely necessary; it is shaking up fund-raisers, upsetting many vested interests and destroying hidden influences that are unhealthy for the proper functioning of democracy". What was true in Quebec in 1977 is even more so in Canada in 1994. This motion means the end of slush funds and of influence peddling and the beginning of healthy democracy.

I close on this point: public financing remains the way of the future for our political parties. The present government must be concerned about it and accept the motion of the member for Richelieu. Canadian democracy—I repeat—Canadian democracy will be much better for it.

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I have listened with great intensity to the debate, both in the lobby when I had some phone business to do and in the House as much as I could.

I am here today because I am very interested in the motion of the hon. member for Richelieu. It affects all of us in the House. There is not a member sitting here who is not affected by the issue. If there is any issue that affects us all, it is this one.

I come here with an open mind. I have listened attentively and objectively to the arguments that have been put forth on both sides of the House. Quite frankly I take a certain comfort in my view of democracy. We have already studied the issue. We have looked at the issue. We have looked at other alternatives. To analyse it properly, as I understand the motion of the hon. member for Richelieu there are two aspects to it. One is that the donation should be made by an individual. The second is that the donation should be not more than $5,000.

• (1450)

The Lortie commission looked at the whole business of contribution to parties. In the last Parliament it was studied with great seriousness and was the focus of an awful lot of discussion both in committee and in the House.

In the hon. member's opinion his view of the world and democracy would improve the situation. The only reason for putting forward his private member's bill is to provide another form of control of the business of electioneering in Canada. As I say, we have already looked at this item and it has been studied.

There are existing controls on contributions and spending with respect to federal elections. Probably the greatest one is the very clear and explicit directions to members of Parliament and candidates on (a) how much they can spend, (b) how they can spend it, (c) the maximum limit that they can use to the cent and (d) how that has to be accounted for. If we are looking for

control, how money is spent in an election is very clearly defined.

There is another aspect which does not necessarily pertain only to the responsibility of the candidate, that is that a donation has to be reported. Any donation over $100 to a federal political organization has to be reported publicly. I feel fairly confident that with those two measures in place, if the hon. member's intent was to be concerned about control, there is excellent control. I do not think we need any more control. I have already raised the point that this has been studied democratically, debated democratically and decided on democratically.

There are other aspects as well. If we are to agree with and to approve what the hon. member is suggesting, there are other aspects we must look at. We cannot take the bill in its singularity and in isolation of other aspects.

The following aspects have been looked at. I am referring now to the source of donations, the amount of donations and other contributions to parties and their candidates, the definition of election expenses, limits on third party expenditures and tax deductions. If we open the door again we have to open it fully.

The underlying current I have heard alluded to a couple of times is very disturbing. The concern, somewhat obliquely stressed, is that there is a return other than the participation in democracy. I find that quite antagonizing. I find it disruptive. I do not find it democratic. I have not seen in my time in politics a return in any form other than the election of a member to represent people.

As one of the 295 members of the House I find it quite offensive for one of my hon. colleagues to suggest that those people who give freely of their time, their money and their resources do so for any other reason than to contribute to the democracy of this great country.

To summarize, I have taken into consideration the points made by the other side of the House, some of which are good points. However I come down on the side of saying that I do not see any compelling argument for me to support the bill as it stands or if it were considered in the larger context.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 98(1) the order is dropped to the bottom of the order of precedence.

Before closing the day, I know the member for Mission—Coquitlam is seeking the floor. A few weeks ago, if I recall correctly, she shared with us the good news that she was expecting to be a grandmother. I wonder if she could bring us up to date on that matter before we adjourn for the rest of the week.

Mrs. Jennings: Thank you for the opportunity, Mr. Speaker. I have a seventh grandchild. He is a boy. His name is David Michael Jennings. He weighed in at 9 pounds, 5 ounces.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): It being 2.55 p.m., the House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 2.55 p.m.)

HOUSE OF COMMONS

Monday, March 21, 1994

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*Translation*]

APPLICATIONS FOR BENEFITS

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services) moved

That, in the opinion of this House, the government should consider the advisability of introducing legislation that would ensure:

(a) that any person who was once entitled to receive a monetary benefit from the federal government and did not make an application to receive such benefit, is allowed to file an application to receive the benefit, notwithstanding any limitation period affecting the application;

(b) that, upon receipt of the application, the federal government shall grant such benefit to that person where it is satisfied that the person would have received the benefit had the person applied within the limitation period; and

(c) that the monetary benefit bears interest as determined by regulation of the Governor in Council.

He said: Mr. Speaker, what we are discussing today is the possibility of implementing a mechanism to address a fundamental matter of justice: How to treat Canadians fairly.

[*English*]

I want to stress that what I am saying here is exploring the advisability of bringing forward legislation or some other mechanism to make certain that if Canadians lose a particular benefit it can be recouped.

For those of us, and generally speaking I think that is everyone here, who want to be fair to Canadians and make sure that governments respond to real needs I believe this is a wonderful opportunity to do so.

Let me be the first to say that no doubt all kinds of reasons could be brought forward to indicate that we should not be doing this. Let us look at those. If it is the right thing to do then let us explore together this notion. I do not want excuses from people saying that it is complex, potentially very costly or how would we do it. What I would like to hear is how can we do this if it is the right thing to do in terms of treating our fellow citizens.

• (1105)

Remember as well that governments have very little limitation on their power to go back and recoup the money they feel is theirs. They can go back and get it with very few limitations. What I really want is to put the shoe on the other foot. Surely if it is right for governments to go out and get that which is theirs, and I believe it is, then it is right for citizens to get that which is theirs.

[*Translation*]

This fundamental principle is very important to me. Indeed, if governments, and I believe it is the case, can, in almost any situation, go back and get what is theirs, why should this not be possible for Canadians across the country? I know that a number of reasons will be invoked against doing so. Some will say the issue is complex. Others will ask what we should do in such and such a situation? Others still will say that it could be a costly proposition. I understand all that, but what I would appreciate today is some help and suggestions as to how we could do it. If we agree with the basic principle that governments can go out and get what is theirs, why should ordinary citizens not be able to do the same?

[*English*]

I maintain that if governments have an opportunity, and they do, to go back and recoup, citizens should have more or less the same kinds of opportunities.

Some may ask why I brought this forward. I brought it forward because there are a number of cases in which people have been treated, in my opinion, unfairly, insensitively and unjustly.

I will share with members three such cases. I met a gentleman of 81 years of age. The reason I met him was that he was having some difficulty in making ends meet. When I looked at his pension I told him that there was a supplement. I asked him where it was and he told me that he was sorry, he did not know what I was talking about.

I told him that his income was so low he was entitled to the supplement. I asked him whether he had ever received it. He told me no, he did not know it existed. Members will have to understand that this was not an 81–year old man who was not with it. He had worked late into his life at his business and it was only a few years before since he let it go. He was not making a

lot of money at the business, I assure members, but here was a gentleman who basically had been denied the supplement for a number of years.

When I brought it to the attention of the government three or four years ago, it looked at it very responsibly but, lo and behold, gave him 14 months of retroactivity.

Some people will say that it was too bad, he should have been with it, he should have applied on time. The truth of the matter is that he did not know it existed. The truth of the matter is that he did not have support systems in place that permitted him to know about it. The truth of the matter is that he got, in good old, plain Canadian English, shafted. I do not think that is right.

Let me give members another example. A lady came to me one day and wanted to chat about a special program that existed whereby her son might profit from training, but she did not have a great deal of money. It was helicopter training for her son.

She wanted me to make a special plea to the Government of Canada to find this funding. I asked on what basis she wanted me to make the special plea. To make a long story short, she had lived in a common law relationship with a soldier who had passed away. He had children from a previous marriage and they had some children from their own union. When he passed away she did not understand because of her situation that she was entitled to certain benefits.

Lo and behold, she sold her home and moved far away in order to start a new life. It was very difficult. She was alone. She had virtually no funds and she had a family.

Roughly 20 years later I found out that she was entitled to certain benefits. There were two types of benefits. In one case the retroactivity was two years and in another case it was three years. I maintain that is not fair.

Again we could argue that she should have known, she should have explored it, but she did not know and she did not explore it. She had lost a loved one. She was probably not in the frame of mind to go to the government and ask for help and inquire about special programs. She carried on as best she could and raised her family in a very meaningful way, and at a significant disadvantage. That is my second case. Cases like that, situations like that are unfair.

• (1110)

Let me talk about a third case. A single mother came to me who was near the end of her studies. She had worked for many years. She had children and it had been extremely difficult. She had received minimal assistance from government. When I explored her case I thought at first glance that she should have qualified for more. I asked someone to follow up and sure enough she could have qualified for more. There had been an error made along the way.

This person had to sell certain goods she possessed in order to make her way. If that error had not been made some time before she would have had significant additional remuneration in order to continue and complete those studies. However, the attitude was: "You have made it thus far. We will help you to go the rest of the way. There is no way we are going back". I think that was unfair.

Let me assure the House that there are literally hundreds of cases like that. Some will ask if there are, would it not cost millions of dollars. I suspect not but I really do not know and I am not going to pretend I do.

Surely all of us here want to make sure that when an injustice has occurred, very often not because of anyone's particular fault, it is up to us to see how we can prevent it in the future. That is one of the responsibilities we have as a Parliament and as members of Parliament. If governments can go into a citizen's pocket several years after when they find out that a citizen owes them money, a citizen ought to be able to go into the pocket of government and recoup that for which they would have qualified.

[*Translation*]

As I said earlier, I understand that there could be a number of reasons for hesitating. Of course, there is a whole series of programs; some are still in effect, while others ceased to exist a long time ago. There is no doubt that it could cost a fair bit; I understand that. I also understand that we do not have the means to make frivolous expenses. But this is not the basic issue, and we must not fool ourselves into thinking it is. It is not. The fundamental issue is one of justice.

If it is right, if it is fair for the government to go back and recoup what was owed to it, should we not allow ordinary citizens to do the same? I personally think so. And I hope that today, during this debate, we will explore, as I asked, the possibility of legislating or doing something else which would have the same result. I do not consider the process itself to be nearly as important as the final result, which is to ensure fundamental justice by enabling people to have what is theirs.

This is all I have to say. I will conclude by simply asking the hon. members to help me with an open and creative mind, to recognize that a fundamental injustice exists, and to suggest ideas as to how we could correct this situation.

[*English*]

That is all I ask for. I do not ask for a whole bunch of excuses, and we are really good at those, as to why it cannot be done, the complexity and the costs or what have you. I ask for members' creativity applied to this basic problem to make sure that justice is done.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, before I begin, I would like to extend my congratulations to the hon. member for Saint–Boniface for the honour bestowed upon him this past weekend by the International Assembly of French–speaking Parliamentarians. He was awarded the rank of knight of the Ordre de la Francophonie, du Dialogue et de la Culture. Therefore, I want to congratulate him both personally and on behalf of my colleagues.

Some hon. members: Hear, hear!

• (1115)

Mr. Brien: Now to the crux of his speech. After a number of days of budget debates, I am pleased to see the hon. member for Saint–Boniface get back to the concept of justice and staunchly defend the notion. This suits him far better than the role of ardent defender of the recent budget. Then, the notion of justice took a back seat to party interests. I much prefer to see him in the role he has taken on today.

The hon. member has said that we must focus on the underlying principle here, which is to give back to people what is rightfully theirs. I think we cannot disagree with this principle. However, care must be taken to ensure that the mechanism does not open the door to all sorts of applications from all kinds of people.

The first thing that needs to be done is to define exactly who these potential benefit recipients are and what type of benefit is involved. The hon. member mentioned income supplement recipients. He could have been talking about persons entitled to unemployment insurance. And what of all transfers to individuals?

Is this mechanism going to be limited to transfers to individuals, whether family allowances or pensions? Or will tax credits also be included? Would the government go this far, in keeping with the spirit of the bill the hon. member would like to bring forward? Would it be possible for individuals to claim unused tax credits several years after the fact? This process could end up being quite complex, and rather difficult to administer. Conversely, however, the Minister of Revenue does have the authority to make a provision retroactive and as such, he could in fact allow individuals to claim benefits retroactively. Of course, this would be to his disadvantage. But citizens should not be allowed to make it a habit of using tax credits in the wrong year, as this is relatively complex and would involve a rather substantial amount of extra work.

The basic question we must ask ourselves is why people do not understand the credits to which they are entitled? This is a very serious problem. How is it that individuals do not understand or that those around them cannot inform them properly of the benefits to which they are entitled? It took the intervention of the hon. member to help a senior citizen understand that she was entitled to receive an income supplement. That should not be. We must understand that the system appears so complex to some that they are quite lost.

Perhaps more emphasis should be put on making information accessible to the people. This may be a simpler way and also a less expensive one to ensure that individuals can receive the maximum.

Of course, there will never be a perfect system where all individuals will be able to claim all that they are entitled to. Occasionally there is negligence on the part of individuals, not all but some. It may be unconscious, but it happens that individuals are negligent and at times heedless. But it is not always the case.

So, the first major factor is information or the lack of it. Complexity is also a factor making it difficult for some to find their way around these matters. At this time of year, the income tax return is a timely example. In spite of the fact that the income tax form has been made easier and easier year after year, people are still finding it harder and harder to fill. More and more people are asking for outside help to fill in their returns even though the number of lines on the form and the number of pages in the Guide have been reduced. The complexity remains. The problem is not necessarily with the Guide and its complexity but with the complexity of the system per se. Again, in the spirit of the hon. member's proposal, I think that we should focus on making our tax system simpler to make it more understandable to individuals. I think that the scope of the motion should be broadened to include not only benefits, but also tax credits that individuals are entitled to. It could be interesting to look into that area as well.

Quite frankly, Mr. Speaker, I must admit that I have received very few requests. I have seldom had people come to me with this kind of problem, but there were a few cases. The fact that it is not a common occurrence does not mean that we should not look into it.

Let us examine a few positive aspects and perhaps slightly more difficult principles related to the application of all this. First of course, is justice. The principle of getting what we are entitled to, as we said earlier.

• (1120)

At the same time, how far would it go? How many years can we go back?

We talked about the case where a measure no longer applies. Let us say, for instance, that in a year or two—which is not unlikely—the unemployment insurance program is completely changed. What would happen to people covered by the system in place five, seven or ten years ago? There will have to be a time limit so that individuals cannot go too far back in the past.

On the positive side, this bill would be better for the disadvantaged. Some people are better able to understand the system or can get professional advice in order to claim what is due to them.

This principle favours redistribution in a way and that could be positive.

Of course, we would also restore the opposite right. The Department of Revenue can go back to your past and make you pay penalties and interest. So the reverse mechanism could be interesting.

What is negative is the complexity involved in managing all this, because it would not be simple. But, of course, we cannot say that we will not solve a problem because it is complicated. No problem is easy to solve and that is why we are here, to find solutions to complex problems. As for the management side, the hon. member seems to be earnest and it could be interesting to look more closely at a concrete, administrative solution allowing individuals to make sense of all this.

This should apply only to individuals, to people in difficulty, to disadvantaged people like those I talked about earlier. This principle should not be put in the hands of organizations or corporations already allowed to spread gains and losses over a certain number of years. It must not be a mechanism so open that everyone can use it to postpone or move up payments or to do what they like with tax rules because that would create great disorder in our tax system.

Really, there is something good in the fact that the rules cannot be extended indefinitely; that would be a bad idea. It could cause a problem, maybe even more so for seniors or the less educated people in our society.

There again, we need a time limit, even for those people, because otherwise the Minister of Finance will have great difficulty in financial planning.

If there were clear guidelines, it would be possible to plan, just as we plan for contingencies or set aside some financial reserves. We could do it with some programs, but as far as I am concerned, it must apply only to transfers to individuals.

Before I conclude, we must not forget one thing: the reason we are thinking about doing something like this today is that the system is terribly complex and individuals get lost in it. We often hear how complex it is.

People feel it is unfair because they think that those who know the system well take advantage of it and make better use of its benefits. They feel that because they do not understand it, they are being had. This feeds a deep sense of injustice and unfairness and we must all work to restore justice and some fairness, especially in the area of taxation, which is one of the most important reasons that people are unhappy with politicians.

In that regard, I think that I share the concerns of the hon. member for St. Boniface. It would be interesting to work on the principle of his motion, but we must keep in mind that it would be complicated to administer, it is not a simple problem and we must work to restore fairness in our tax system. I congratulate him. I reach out to him and we will work together.

[*English*]

Mr. John Williams (St. Albert): Mr. Speaker, I rise to oppose the motion put forward by the hon. member for St. Boniface. I know he put it forward with the best of intentions and he gave us some examples. There are some constituents in his riding who unfortunately have missed out on some of the government largesse through either lack of knowledge that programs were available or for whatever reason they were not able to claim the benefits available to them had they applied.

• (1125)

There are two sides to every coin. If there is a responsibility on one side for the people to apply for it and there is also the obligation for the government to pay then it should not be an open–ended commitment by the government to pay forever should it be found at some future point that someone did not apply for a benefit.

We must remember the concept that benefits are to help people in their daily living. It is not for them to build a nest egg or a small fortune because they did not apply for it last year, the year before, five years ago or twenty years ago. The idea of the programs we have today, be it the guaranteed income supplement, be it the family allowance program, be it the old age security program or be it the Canada pension plan, is to help people in their daily living. It is not a savings program for them to pass on to their heirs. That is the first philosophical objection I have to the point raised by the hon. member.

He talked about being able to recoup a lost benefit. Yes, I know in the interest of fairness it would seem that if I had missed out on an opportunity to claim a benefit from the government some considerable number of years ago, it might be nice if I were able to go back and claim it. However I do not think we can leave it as an open–ended commitment.

The hon. member talked about responding to real needs. I mentioned, as I said, we are here to help people in their daily lives, not to build savings. He said it was the right thing to do. Yes, perhaps there is some merit in the fact that it is the right thing to do. However I believe if the person does not take some onus and some responsibility upon themselves to find out what they are eligible to apply for, to find out the programs offered through the government, a certain onus should be applied on constituents to say: "I have a need that perhaps the government will provide. Let me check it out".

He also mentioned that the government had few limitations on its side in order to collect the money from our citizens. I beg to differ on that. There is the statute of limitations. There are many rules, for example in the Income Tax Act, that put very specific

deadlines on how long the government has before it loses its ability to go after the taxpayer to collect lost taxes.

I remember a tax case about four or five years ago wherein the government had for some unknown reason a tax return in its files that it had failed to process. About six years later the file was discovered and processed. In the particular case the taxpayer had actually owed the government $250,000. It went to court. The government lost because there was an item in the Income Tax Act that says the government shall process tax returns within a reasonable period of time. The court decided that six years to process a tax return and send the person a notice of assessment showing how much he owed was not a reasonable period of time. In that particular case the government was out a quarter of a million dollars, plus whatever interest would have been applied.

There are rules on both sides. As I said, there are two sides to the coin. We have specific limitation rules on the government being able to collect and I think it is only fair that we have them.

The hon. member talked about examples of social programs to help people. He talked about the need and desire that we be fair. I think the hon. member is trying to be fair and generous with taxpayers' dollars. The point we are trying to make as the Reform Party is that there is a limitation to what the taxpayer is prepared to pay. Therefore that suggests we should not continue to have an open–ended situation.

• (1130)

I was thinking in reading the member's motion that 100 years from now someone on reading their great–grandmother's correspondence may find that she said: "I did without my guaranteed income supplement because back in 1994 I felt the government deserved a hand. I passed up on my claim". The heirs come along and say: "Wow, here we are. Great–granny is long since gone but the claim is there". Let us not forget the interest. It is now tens and hundreds of thousands of dollars that the taxpayer would be on the hook for. Therefore, I cannot support the motion.

The member talked about people getting shafted. I remember some years ago while driving along I was pulled over by the RCMP. He advised me that I had entered a lower speed limit and because I was driving too fast he was going to give me a ticket. He said to me: "I've got good news and bad news for you. One, I'm going to reduce the amount of the ticket, but the bad news is that I'm going to give you a ticket anyway". I thought I was being shafted. I did not see that I was going to get any redress so I ended up paying the ticket.

I think the hon. member's point really is that we should simplify government so that we are here to help people in need. That has been the Reform Party policy. There is a myriad of programs out there. That is why people today cannot wade their way through the red tape and government bureaucracy to find the programs that are there for them.

I suggest the hon. member go back and examine the nature and philosophy of his motion. We should simplify government and make it more responsive to the needs of people. In that way people in need will know that we have a program available for them. The complexity of government adds to the cost of government. It removes government from being able to help genuinely needy people while throwing all kinds of money through all kinds of programs to many thousands of Canadians who could get by fine without the money but it just happens to be a program that is there for them.

I therefore speak against the motion. I feel that the government does much today and, in many cases, goes overboard in the way that it spends taxpayers' money. I recommend that we oppose the motion.

Mr. Julian Reed (Halton—Peel): Mr. Speaker, I rise to support this motion very strongly. I speak as a former provincial member who has had direct experience with some of the very issues the hon. member has brought forward with this motion.

Fairness in government depends on being able to impart information to the population in order that what is going on is understood. Very often the potential recipients of some of these programs that they do not get are not understood by the people who deserve them or by the people for whom they were created in the first place.

I recall one story of a gentleman who was very seriously impaired through asphyxiation. He was a mechanic in a garage and inhaled a lot of carbon monoxide. He had to be given resuscitation to be revived. He did not recover to the fullest extent so that he could go back and pursue his trade. When I met him it was during a period when I was not an elected member. I was in self–imposed retirement. I knew of his financial circumstances and they were very modest, to put it mildly. I asked him if he was receiving the supplements to which he was entitled. He said he had a disability pension. I asked if he got a guaranteed income supplement that the province of Ontario provides. He did not know about that.

We were able to start some wheels turning and he got the supplement. However his entitlement went back to the time of his accident, the time he was so badly injured. He did not receive anything for that time period because application had not been made.

I would say that is the motivation of the hon. member in putting forward this motion. It is in order to correct what really is an injustice when the programs of government or what government does are not fully known by everybody.

I am supposed to be familiar with all of the government programs. I do not know them all. I can say what it is like for a

private citizen who continues working day to day and really does not have direct familiarity with what is going on.

To be generous, I find the idea or concept put forward by my hon. friend in the Reform Party that "I'm all right, Jack, so everybody can look after themselves" unacceptable in this day and age. I believe we have a responsibility to make sure that whatever an entitlement is for a citizen that the entitlement gets to that citizen sooner or later.

I understand details are going to have be worked out and there will have to be some limitations and so on so as not to create the extreme kind of circumstances that my friend in the Reform Party has brought forward.

Certainly the intent of this motion is clear and laudable and I am delighted to endorse it.

The Deputy Speaker: Colleagues, there being no further members rising for debate and this not being a votable motion, the time provided for consideration of private members' business is deemed to have expired.

[*Translation*]

Pursuant to Standing Order 96, the order is dropped from Order Paper.

SITTING SUSPENDED

The Deputy Speaker: The sitting is suspended until noon.

(At 11.39 a.m., the sitting of the House was suspended.)

SITTING RESUMED

The House resumed at 12 p.m.

GOVERNMENT ORDERS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada) moved that Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act, be read the second time and referred to a committee.

He said: Mr. Speaker, I am pleased to rise today to move second reading of Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act.

[*Translation*]

I am pleased to support Bill C–18, An Act to suspend the operation of the Electoral Boundaries Readjustment Act.

[*English*]

The current process of adjusting constituency boundaries by independent commissions has been in existence since 1964 when the government of Lester Pearson passed the Electoral Boundaries Readjustment Act. Before then the House of Commons itself through a committee would carry out the adjustment of the boundaries of the ridings.

The current process has been in place since 1964. We believe that after 30 years the time has come for a full review of all aspects of this process by the House of Commons which passed the 1964 law in the first place.

According to the Constitution the readjustment process must take place after each decennial census. After both the 1971 and 1981 censuses the readjustment process was suspended to permit amendments to section 51 of the Constitution Act, setting out the formula for representation of provinces in the House and to make some changes to the readjustment process itself. In both cases the process was suspended at a late stage when the House was considering the commission's reports.

What we are proposing today is not something being done for the first time; it is not new or novel. There are certainly precedents for the bill that we are asking the House to adopt.

The government is of the view that the most opportune time to undertake a comprehensive review of the redistribution process is now before further effort and resources are expended on the process currently under way.

We should take a step back and have all aspects of the matter reviewed by the Standing Committee on Procedure and House Affairs in a thorough way. As I said, this is an appropriate time to do so while we are at an early stage in the process and the existing electoral boundaries commissions have not yet begun to hold public hearings on their proposals for new riding boundaries.

While the redistribution or readjustment process is technical, I believe it is worthwhile to take a few minutes to outline how it works.

There are two stages in the redistribution of seats in the House of Commons. The first stage is governed by section 51 of the Constitution Act. This section specifies the formula for determining the total number of seats in the House of Commons and the allocation of those seats among the provinces. The second stage of the process is provided for in the Electoral Boundaries Readjustment Act which establishes the process for the drawing of constituency boundaries for the ridings or constituencies within the individual provinces.

Section 51 of the Constitution Act requires redistribution after each decennial census and sets out the formula for determining the number of seats per province. The Electoral Bound-

aries Readjustment Act sets out the detailed process for the readjustment of the boundaries of each riding within a province.

• (1205)

As the first step in the process the chief statistician of Canada sends the results of the decennial census to the minister responsible for the Electoral Boundaries Readjustment Act and to the chief electoral officer. The chief electoral officer then calculates the number of seats allocated to each province by using the formula set out in the Constitution Act and publishes the results in the *Canada Gazette*.

The chief electoral officer, after having received the results of the 1991 census from the chief statistician, published in the *Canada Gazette* the allocation of seats to each province.

According to this seat allocation and if this process is completed under the current formula the number of seats in this House would increase from 295 to 301.

Eleven boundaries commissions, one for each province and one for the Northwest Territories, were created on September 1, 1993 under the terms of the Electoral Boundaries Readjustment Act. The chairs of these commissions were nominated by the respective chief justices of the provinces and the Northwest Territories. The two other members of each commission were nominated by the Speaker of the House of Commons.

Each commission must set the boundaries for each of the specified number of electoral districts in the province for which it was established. Community of interests, community of identity, historical patterns and geography may be taken into account.

Using population data from the 1991 decennial census, the 11 commissions have published their proposals for new boundaries for the ridings in each province with a notice of the time and place of their hearings or sittings to hear representations on the proposed boundaries. These public hearings are scheduled to start in early April 1994 and will continue until June of this year.

The commissions must complete their reports on the new electoral districts no later than one year after receiving the population data. The commissions' reports are sent to the Speaker of the House who must then ensure they are tabled and referred to a parliamentary committee designated to deal with electoral matters.

Written objections, each signed by at least 10 members of Parliament, may be filed with the House committee after the tabling of a report. The committee has 30 days to discuss any objections to a report. The committee's minutes and proceedings are sent back to the commissions which decide whether or not to adjust the reports accordingly.

The chief electoral officer then drafts a representation order describing and naming each electoral district established by the commissions and sends it to the minister responsible for the Electoral Boundaries Readjustment Act.

The Governor in Council must publicly announce the new boundaries in a proclamation within five days after the receipt by the minister of the draft representation order. These new boundaries for the ridings cannot be used at an election until at least one year has passed between the date the representation order was proclaimed and the date that Parliament is dissolved for a general election.

As members can see, a number of steps remain to be undertaken in the examination of electoral boundaries for ridings by the existing commissions.

Some dissatisfaction has been expressed with regard to the current process and the rules under which it operates. For example, the commissions publish their initial proposals without having had a chance to obtain input from interested parties so that when published these proposals generally come as a complete surprise.

Although some commissions explain the reasons for their proposals, they are not required to do so. It is therefore very difficult for a person who intends to make representations to a commission to know the reasons behind the proposal and to make objections or present alternatives in an effective and informed manner.

The criteria the commissions must use to set the boundaries may have to be rethought. These criteria are quite general. Depending on the approach taken by each commission, the rationale for drawing the boundaries for the ridings can differ considerably from one province to another.

• (1210)

The continual increase in the number of members of the House of Commons after each census is another issue of concern to many. For example since Confederation the number of seats in the House of Commons has increased steadily from 181 seats in 1867 to the current level of 295. If the redistribution process had not been suspended and new rules adopted some years ago, I think back in 1985, the number of members by now would have shot up already to more than some 340. That is something we should be considering.

What I have said are only examples of areas we believe should be thoroughly reviewed by the standing committee. The government has decided to ask the House of Commons to refer the electoral boundaries readjustment process to the House of Commons Standing Committee on Procedure and House Affairs for review and for developing improvements to the current procedure.

The government will create this review by proposing a motion to the House setting out the terms of reference for the committee. I would like to outline for the House what these terms of reference will be.

They will provide that the committee bring in a bill respecting the system of readjusting the boundaries of the electoral districts, the ridings.

The committee shall consider the general operation over the past 30 years of the Electoral Boundaries Readjustment Act including: whether there should be a continual increase in the number of members of the House of Commons after each census as now provided for in section 51 of the Constitution Act; a review of the method of selection of members of electoral boundaries commissions; a review of the proceedings of the commissions, including whether they ought to make alterations to the boundaries of existing electoral districts where possible; and a review of the involvement of the public and of members of Parliament in the work of the commissions.

The terms of reference would provide that the committee is to report no later than December 16, 1994.

Using one of the new procedures adopted by the House about one month ago when it approved the government's parliamentary reform package, the committee will in effect be authorized to frame legislation implementing its proposals. This will be the first opportunity for a parliamentary committee to initiate legislation in response to a request submitted by the government under the terms of the new rules which were adopted unanimously by the House.

Again I want to express my thanks to the opposition parties and members for their support of this parliamentary reform package, of which the procedure we are going to follow is one important element. We are beginning to follow through on our commitment to strengthen the role of members of Parliament in developing legislation.

The redistribution of the boundaries of the ridings is an important matter for the whole country. Therefore we are requesting the standing committee not only study the issue but also develop and recommend legislative measures it feels may be required.

In order to allow for this thorough review of all aspects of the process, in our view the current process now under way has to be suspended. Therefore the government has presented Bill C–18 for the consideration of the House. If passed it will suspend the operation of the Electoral Boundaries Readjustment Act for a period of 24 months.

I should stress the bill specifically provides that new commissions will have to be established within 60 days after the end of the 24 month period of suspension. They will follow the existing rules unless in the meantime there is legislation establishing changes which emerge from the work of the standing committee.

• (1215)

This is proposed to ensure continuity of the requirement under the Constitution to readjust the boundaries of the ridings after every decennial census.

Nothing prevents the Standing Committee on Procedure and House Affairs from making recommendations regarding this 24 month timeframe or the method by which commissions are established when it undertakes its review of this whole subject matter and makes recommendations for new legislation.

In conclusion, the adjustment of the boundaries of the ridings, the adjustment of the electoral boundaries, touches important questions of democratic representation in the House of Commons. Now is an ideal time to have a thorough review of the process undertaken by the House of Commons while we are still at an early stage and to hear Canadians through the standing committee.

As I have said, the committee hearings will be public and obviously it will be possible for witnesses to be heard. After 30 years we believe that this is an appropriate time to review the process to see if improvements in the results of that process can be brought about.

I commend this bill to the House. I urge its early adoption so that finally after 30 years the House, which passed the current electoral boundaries readjustment law, can review that law and see how it can be brought up to date in the light of our current and future requirements, requirements of the democratic process in this country.

[*Translation*]

Mr. François Langlois (Bellechasse): Mr. Speaker, my comments on Bill C–18, An Act to suspend the operation of the Electoral Boundaries Readjustment Act, tabled by the Government House leader, will be brief.

First, I want to say that the Official Opposition agrees with the principles underlying Bill C–18. We agree with the principles described by the Government House leader because these are general, non–partisan principles aimed at improving a system which has now been in effect for close to 30 years in Canada.

There is no doubt that the criteria set in 1964 must be reviewed. Our response might have been less spontaneous and more reserved if this legislation had been tabled just before an election, but the government deserves to be congratulated for acting at an early stage, when there is no controversy or dispute. Indeed, the government cannot be accused of gerrymandering the electoral map by referring the issue now to the Standing Committee on Procedure and House Affairs, for a review of the whole process.

While our objective remains Quebec's sovereignty, it would be irresponsible on the Official Opposition's part not to get

involved in this exercise, since we must represent the interests of Canadians from Newfoundland to Vancouver, that is from coast to coast and up to the Arctic.

Once the bill is referred to the committee, we will look, without any mental reservations and with a totally open mind, at the impact of the review and we will participate, in the most positive manner possible, in the development of new criteria regarding the philosophy exposed earlier.

The Supreme Court has already indicated some parameters which we have to follow, but parliamentarians definitely have some room to manoeuvre. There are aspects which we must review, including the continuous increase in the number of MPs. Should that trend be maintained? Should we do something about the situation? How should we go about this? To correct the situation we must first look at it, and the best way to do so is certainly by referring the issue to the Committee on Procedure and House Affairs.

• (1220)

One aspect I find particularly interesting in connection with the readjustment process would be, of course, to review the well–known senate clause which allows Prince Edward Island its four seats, not that I am challenging that—that is not the point—and in any case, we have all lived with this provision. Everyone agrees it would be bizarre, to say the least, for a province to be represented by fewer members than the number of senators it may have, although that does happen in the United States.

Perhaps section 51, if it still applies to Quebec in the next election, could be used to cover cases like the Magdalen Islands. This is an entirely separate community which no longer has its own member of Parliament, because since the 1968 reform, it has been part of the riding of Bonaventure—Îles–de–la–Madeleine. This is not a political issue. In fact, we find the same situation in the province of Newfoundland, where Labrador exists as a distinct entity only because Newfoundlanders are willing to have their electoral districts contain more voters than would normally be the case, so that residents of Labrador, on the mainland, can have their own representative. These are only two examples.

Perhaps more examples of truly distinct communities within this country will be submitted to the Committee on Procedure and House Affairs—I am not sure—but it would certainly be the proper place to make these submissions, as well as adjust other criteria.

I think the government made a wise decision to stop the train at the first opportunity, in other words, before it would be to expensive to do so. The Official Opposition is not in the habit of making frivolous compliments. However, I think the government acted sensibly by intervening in the readjustment process at the earliest opportunity, instead of waiting, as the previous government so often did on other occasions, until all public money was spent before stopping the train. It waited until we had paid our fare and the train had reached the station.

If the train must be stopped, and we on this side of the House believe that it should be stopped, we can at least save on the fuel and the staff we need on board that train. In any case, I do not support the argument that since a certain amount of money was authorized during the 34th Parliament, we should go ahead.

I believe that on October 25 of last year, we made a dramatic turn, at least in Quebec. We will see in the months to come whether or not this also applies to the other side. We should not feel overly bound by the decisions of the 34th Parliament, and in particular by the Lortie report already mentioned by the hon. leader of the government in this House. The Royal Commission on Electoral Reform is only a small part of what we will have to study before we come to some conclusion.

The report of the Lortie Commission should not be the exclusive background or even the only basis on which to build. In fact, the mandate does not set any limits nor give strict criteria to the Standing Committee on Procedure and House Affairs. Therefore, the Committee will be free to act as it sees fit.

To conclude, Mr. Speaker, the Official Opposition will use all its capabilities—God and you know we have a lot—to influence the work of the Standing Committee on Procedure and House Affairs.

[*English*]

Mr. Stephen Harper (Calgary West): Mr. Speaker, I am rising today on Bill C–18, an act to suspend operation of the electoral boundaries readjustment process.

• (1225)

Mr. Speaker, you will know, having studied these questions, it is never a good time to adjust boundaries of sitting politicians. It is never a good time to do districting. It always causes problems and controversy. In the past these things were resolved in the House through political processes in which the powerful members of parties imposed solutions on the Chamber as they occasionally do in other aspects of debate.

Since 1964, as the government House leader has indicated, we have attempted to move toward an independent process for that. We have had an independent process. The process has actually, in my view, worked reasonably well. The problem has been the periodic interference of politicians with the operation of the process.

This motion asks the House to give its consent in principle to Bill C–18. That would be a contradiction. It is not possible to agree in principle with something entirely lacking in principles.

This bill is an indication of what is wrong with Parliament today and what is wrong with the operations of this place and explains why many citizens have such a jaded and cynical view of what transpires here.

We have a wide range of euphemisms in describing what we are about to embark on by adopting Bill C–18. The basic pitch for Bill C–18 is that we are prepared to bring the public into a consultation in order that we can have a better process for defining electoral boundaries.

What we have is an attempt to railroad for a long time the process for redistribution that is mandated by the Constitution and specifically by this bill, which serves only to suspend the existing process which is about to enter the public hearing phase. We are asked in effect to suspend the public's right to debate the boundaries for which we have already as a Parliament and as a government authorized the expenditure of millions of dollars so that we can turn that study over to the operations of a parliamentary commission dominated by politicians.

Doug Fisher, the former member of Parliament and widely respected columnist, noted in the Ottawa *Sun* on March 18:

> It's ridiculous, even beyond irony, how quickly the newly–elected become owners of their ridings.

Just as an aside, I am as guilty of that as anyone, referring to my riding. Calgary West is not my riding. It is the riding I represent in the Parliament of Canada. There is a big difference between that and my riding. However, that is the talk and is the attitude most of us have here only a few months after being elected.

Mr. Fisher goes on:

> In large part our costly decennial census is to establish where the people are so electoral constituencies can be adjusted to reflect: (1) the equality of each citizen's vote; (2) the total number of MPs in the next Parliament; and (3) the number of constituencies for most provinces (not all—some have "floors" against losses).
>
> Some weeks ago the official redistribution process produced the new riding maps required by shifts revealed in the 1991 census. At once many MPs, most of them new, particularly Ontario Liberals, began to protest the riding changes. Of course, this means an attack on the enacted formula for increasing the number of MPs.
>
> The chief justification for sticking with what we have is the presently popular one of saving money.
>
> Yes, stalling redistribution would probably save $25 or $30 million in the short run—

That is an exaggeration. It is about one–tenth of that.

> —but it offends the "rep by pop" principle and stacks up some already inordinately populous ridings and leaves others small and decreasing in numbers. The electors who must be done first, of course, are those in large cities and their suburbs.

• (1230)

That is Mr. Fisher's commentary. I am going to elaborate on it. It is reflective of what is wrong with Parliament today. It is very interesting how in question period and in debate, day after day a government member or government minister defending a particular position or a particular bill, no matter how ludicrous the argument, can receive not only an ovation from the side opposite but usually a standing ovation for the silliest of comments. Yet when something is brought in that affects the personal self–interest of members of Parliament, it is amazing how quickly and independently they can mobilize to get action. I am always amazed that whenever we raise questions here about issues like pay, the pension scam or the ridiculous tax–free unaccountable expense allowance, we get hoots and hollers from the other side and the independent voice rises up with all this concern.

The same is true with electoral boundaries. As soon as our own electoral fortunes are put in some jeopardy or our political plans for the future are threatened, government backbenchers can bring great pressure to bear on government members, but the rest of the time we run from committee to committee busy working, approving things, having the satisfaction of merely being present among the great men and women who form the cabinet, maybe even getting some photographs of ourselves for our householders where we can be seen with the leaders. As I say, when it concerns self–interest like electoral boundaries or pensions or some issue like this, boy does the voice of the independent member ever rise to the fore in a hurry.

This is why this is such an important issue for me and many members of my party. This is really the first time in this Parliament where members of our party are being asked to make a difficult decision between what is the right thing to do based on the principles that govern this country versus protecting our own narrow self–interest through getting together and having all party agreement on something.

Many of us in this party, and this will come out in debate and it is no different for me, are dramatically affected by the proposed changes. Many of us are unfavourably affected by the proposed changes. I am sure there are some who will even support stopping this process, and I respect that. But for the majority of us that is not a basis to interfere with a process that is independent and should be independent, is consultative and should be consultative, and by and large has been working and is necessary and mandated legally and constitutionally.

I say that is a very important issue for us. That is the reason we are going to oppose this bill. That is not to say that the process cannot be improved, not to say that there are not legitimate issues that the public wants addressed. What this party is

looking for is some real commitment on the part of the other members of the House, particularly the government, to show that it has some real plans to address the problems that it claims are behind its decision to suddenly try and suspend this process.

Let me spend a few minutes talking about some of those things. The government House leader has today provided a number of arguments for this particular bill and this particular course of action, as did my friend from the Bloc Quebecois. I want to comment on some of those things because I think it is important to say what could be improved and also to say where in very many of these instances the rationale for proceeding is simply not consistent with the actions that are being requested here.

First, there is the issue of public consultation. We, as members of Parliament, will be prepared to consult the public on a new process leading to new boundaries. As I already said, this bill blocks a public hearing process which is about to get under way and which is mandated by the bill. Some, not just myself as a member and other members, but private citizens have already contacted these commissions with the intention of making submissions. In the past it has been claimed that these boundaries are presented as a fait accompli. That is simply not true. It is true that the parameters of the act which are mandated under the Constitution are a fait accompli but the boundaries themselves are not a fait accompli.

• (1235)

If I have time I will discuss what kind of changes commissions are generally interested in looking at. In the last process I am told by officials of Elections Canada that 20 per cent of the proposed ridings were altered in that particular public hearing process.

The second point is that we are prepared to proceed on a non–partisan basis. I take the government at its word that there is certainly no question of the committee or politicians drawing the boundaries. Yes, they want to block the independent commission and set up their own study of the process but there is no thought that politicians themselves would redraw the boundaries. I accept that. I would be shocked to believe that any party in this House would propose such a thing.

It is interesting when we are supposed to be proceeding on this question, which is one of the questions of the fundamental rules of the game and of how electoral law operates, that the government is prepared to proceed with this bill and presumably with its entire agenda on this without the consent of one of the three recognized parties of the House. From that fact alone we have every reason, and I suggest the Bloc Quebecois also should have every reason, to be suspicious that this is in fact a non–partisan venture.

You will recall, Mr. Speaker, that one of the acts of the previous government that I supported was it changed a part of the formula in the Constitution for redistribution that had been put into the act in the 1970s which had special discriminatory measures against Alberta and to a lesser degree British Columbia. There was a formula that talked about different kinds of provinces and treated them differently. When the Conservative Party revisited the formula and revised it and did it in a way that limited the growth of the Commons, it did away with those discriminatory provisions. That was a formula instituted by a previous Liberal government.

The government says: "It has been 30 years and we have a long time desire to study the electoral process. Furthermore, this process has not been revised in some time". I cannot say that I am an expert on everything that has transpired with the bill since it was tabled in 1964 but just looking at a copy of it I can say that it is not the case that the bill has not been amended since 1964. There is a list in the back of the present publication of the bill by Elections Canada that describes or gives a list of amendments from 1964 to 1992.

Just glancing at this I see a list of about 25 or so amendments that have occurred over that period. I suspect some of them are very small, but by and large this is a process that has been functional except for the periodic interference of politicians.

If there was this desire to study this process, if this had been a pressing matter, why did this not come to the fore before the tabling of boundary proposals that were not particularly looked upon favourably by members of this House? Why did we not undertake that process before?

In 1985 we had debate over the formula. We changed the formula in the Constitution which mandates this process. At that time we did not do a comprehensive revision of the process. There was no debate on this issue. While we set these new boundaries in place in 1987 and elected MPs in them in 1988, there was never any study throughout that time.

I was here for a large part of that time. I do not remember any call on behalf of any number of members to have a parliamentary study into this before getting into the next process. I did a quick glance of my red book. I did not find any particular mention in the government's election plan of a desire to alter the Electoral Boundaries Readjustment Act. Last year we had the Lortie commission. We spent millions of dollars on that commission to look into all aspects of electoral law. It and the committee that studied that report deferred discussion on this set of issues.

• (1240)

As my friend from the Bloc mentioned, there is no agreement on those things in the Lortie report. The government has expressed some interest but it is not bound by the Lortie report. The Bloc is not bound by the Lortie report. We have strong objections to the Lortie report. We have spent millions of dollars having a royal commission study some of these questions and none of us are prepared to move on them. Why are we now

talking about instituting yet another study, this time by members of the House of Commons?

It is important to mention one fact here. We had a briefing by officials from Elections Canada on Friday. I would bring to the attention of the House that senior officials of Elections Canada said that far from this being an issue of discussion there had been no consultations with Elections Canada on this bill and that senior officials were not provided with a copy, a draft or otherwise until it was tabled in the House of Commons. That was only last Friday.

This is in sharp contrast with the repeated consultation detailed in the Chief Electoral Officer's report, the most recent report "Toward the 35th General Election", during previous electoral reform efforts, including for example Bill C–213 in 1991, Bill C–78 the Referendum Act and most recently Bill C–114. Members can see the details and the consultations that occurred with Elections Canada in adopting those courses of action.

Let us look at the issue of cost. This is the most interesting for me. The government with its $40 billion deficit is now concerned with the great costs that may be incurred in proceeding with a $2 million to $3 million completion of work already in progress.

The claim is we are going to save money by doing this. We have budgeted $7.8 million for this process of which more than half is already spent.

It is important to note that there is absolutely nothing in the course of action we are asked to take that could possibly save money. Even if we establish a parliamentary committee it will be travelling around the country studying these questions and racking up costs. Meanwhile people at Elections Canada will still be paid to prepare a revision to the process when it kicks in a second time. We are simply wiping out the $5 million that has been spent. We are incurring additional costs and time here in the House and we are ultimately going back to square one on some kind of electoral boundaries readjustment process.

There is a very outside chance, if we can ever get a sense of what precisely it is any party is actually proposing we change about this process, that we may get a better act or better boundaries. What is absolutely clear is that it will cost a lot more to proceed with this course of action.

When this bill was placed on the Order Paper on March 17, it contained the standard recommendation: "His Excellency the Governor General recommends to the House of Commons the appropriation of public revenue under the circumstances and in the manner and for the purposes set out in the measure entitled Bill C–18". In other words, we already recognized in tabling this bill that it will cost more money than we have budgeted, not less. It will cost more whether we come out at the other end with absolutely nothing or whether we approve the process or change it or anything. It will cost more money. The least costly action without doubt is to proceed in the manner we are already proceeding.

If we can get some commitment to improvements before we decide to flush $5 million down the toilet, I guess we would be prepared to look at that. In the absence of that, we see no reason in proceeding in this manner.

• (1245)

The government has talked about precedents, about previous suspensions of the process. I was here when that occurred in the 1985–87 period when we suspended the process. Ultimately the reason we suspended the process was the same and only reason we have today to suspend the process, because the public does not like the growth in the number of seats in the House of Commons.

In 1985 the government suspended the process for that reason and brought in a new amending formula under the Constitution to limit the growth of seats in the House of Commons. In the previous redistribution the seats were supposed to grow from 282 to 312. Under the act brought in by the former Conservative government we were limited to 295 and to much smaller growth in the future.

That may still be too much growth. Our party has offered the suggestion to the government that all parties get together to make a commitment to an amending formula that would permanently cap the growth of seats in the House of Commons. That could be done if we respect certain elements of the Constitution that require interprovincial agreement.

There are other requirements that would allow us to cap the growth of seats in the House of Commons and still respect the general principle of rep by pop, provided we could get agreement of the House and agreement of the Senate. If that were to be done to answer the one legitimate public demand out there at the moment, which is that we limit the growth of seats in the Commons, in all honesty it would be perfectly legitimate. The electoral boundaries adjustment commissions have no mandate to examine that question. They are simply to draw boundaries under the current formula and under the current calculations.

We can have these public hearings and it is going to surprise many people that what they think they are to talk about is not the purpose of the commission. The purpose of the commission is to change boundaries. It is a catch 22. Either we give a legitimate reason for doing it and react to public demand, or we admit that all we are concerned about is the boundaries. In fact we are concerned about them before the public has actually had any chance to speak its own mind on the issue.

I would point out that the government has an ancillary motion to the bill that looks to reviewing the issue. We will review the issue of number of seats. We will review the issue of operations. We will review the parameters of discussion and of commission deliberation on boundaries. We will review, review, review. All

the bill really does is suspend the process and suspend public input in the interim.

That would be very interesting since the government is a master of studies and reviews. We have 15 or 18 studies or reviews of government legislation. We are reviewing foreign policy. We are reviewing defence policy. We are reviewing social policy, unemployment insurance and welfare. We are reviewing tax policy. We are to review family trust. We are reviewing the GST. We are reviewing just about everything.

Would it not be interesting if we were to take the attitude that until we finish the review of unemployment insurance we will stop paying it; or, until we finish our review of foreign policy we will shut down our embassies and suspend their operations; or, until we review our defence policy we will tell our guys in Bosnia to take a holiday and enjoy the sights?

It is a very different aspect when it comes to being not just a review. We are very anxious to review these matters. I am sure members of the House affairs and procedures committee from this party would be all the more willing to review an important question like that one. Members who are concerned with parliamentary reform and electoral reform would be happy to study some of these questions. In the absence of any sense that this is going anywhere other than suspending the process, I do not think we will take a look at that.

I would also note that there has been some hint at it. We know the real reason is that there has been political outcry from certain members about the proposed boundaries. I would call on members of Parliament, particularly Liberal members of Parliament, to play a different role on this question. I appreciate there are severe pressures.

• (1250)

There are many members on the Liberal backbenches. Most of us in opposition are inexperienced members and are not aware of the process involved in these kinds of issues. Having been surprised, having tried to figure out how we were going to have some influence and suddenly having discovered that Parliament cannot vote down these proposals because the commission is independent, we demand that Parliament can the process.

I call on members of the Liberal frontbenches to educate their backbenchers or their MPs on exactly what the issues are. I noticed the government House leader did some of that today. He informed them—and it is very important to inform members, particularly some members who have spoken in the House—about the fact that this was not an option. We do not have the option of saying that we are not going to redistribute seats in the House of Commons. This is required by the Constitution and we have had a readjustment every census since Confederation. That is an important democratic protection.

It has its origins in the reform bill in Britain of 1832. For centuries we had virtually no redistribution in the House of Commons. We had ridings in Great Britain wherein there were two or three eligible voters. They were called rotten boroughs. Some members of the government are fond of quoting Edmund Burke who is sometimes called a conservative and proclaimed to be the father of modern conservatism. One speech Liberal members like to quote is the one in which he said he did not feel he had to represent his constituents; he was protecting something called the national interest. Of course he made most of these statements from the safety of a rotten borough because he could not get elected making statements like those.

I hope that is drawn to the attention of the frontbench so that it can provide some leadership on it that says we have a legitimate process in place, that we have already delayed it and that we should now get down to business. Our friends in the Bloc mentioned many objections today as did our friends in the government and others in the past. Many of the objections to the particular boundaries have nothing in common. What is good for myself and my riding may be bad for the person in the next riding. I said there is never going to be a good time to redraw boundaries. Other than keeping the seats pretty much as they are, there would never be any particular alignment of boundaries that would be satisfactory to the vast majority of members of Parliament. That is the one option, for reasons of protection of the public and the voter, the Constitution rules out.

I want to mention a serious concern about the intent of the act. It suspends the process for a period of 24 months, which would effectively mean it would be virtually impossible to foresee a situation where we had a redistribution prior to the next election. If there is not a redistribution prior to the next election which we expect in 1997–98, the first redistribution from the 1991 census would probably not occur until early in the next century, at which time we would likely already have the results of another census requiring redistribution.

If the bill for that reason is not in violation of the Constitution I suspect it is certainly in violation of the spirit of the Constitution and might be a very interesting reference to the Supreme Court. This has always been a question. I am not a constitutional lawyer. I would be more than happy to hear the interpretation and advice on this question from hon. members such as the hon. member for Vancouver Quadra. The Constitution requires Parliament to redistribute seats in the House of Commons and has always done so. What if it simply refused or undertook actions which amount to a refusal? What then would be the recourse of the population? Would it then be incumbent upon the Supreme

Court to redraw the boundaries for us? In that context I think the bill raises some very substantial difficulties.

• (1255)

[*Translation*]

I would also like to comment on the position taken by the Bloc Quebecois on this bill. It is most interesting, but I hope the Bloc will carefully reconsider its position and its support for this measure.

It is interesting to see how a party that claims to be a party of principle, that exists for the sake of Quebec's independence, for the sake of its own ridings and the ridings of Quebec in this Parliament, it is very interesting to see how that party could be concerned about the redistribution process and the possibility that existing ridings might change in the next election.

I think the Canadian public, especially in Quebec, will take a good look at the reasons for all this. The Bloc Quebecois claims to be concerned about the cost of government and the federal system, but they are prepared to support a plan that will most certainly increase those costs. The advantage of this plan is that ridings will not change in time for the next federal election.

I think this demonstrates a lack of confidence on the part of the Bloc Quebecois in its ability to achieve its goal, the independence of Quebec, before the next election.

Of course I realize that in the Bloc Quebecois, as in the Reform Party and the Liberal Party, there are members who for obvious reasons object to the proposals for electoral reform made by the present commissions.

We realize that. But I would ask the Bloc Quebecois to think twice about giving the power to change this process to commissions appointed by the government and to committees of this House where government members have a majority. Quite frankly, I think the Bloc should take a long, hard look at this plan.

I would also like to comment on what was said about electoral redistribution and representation by the Bloc Quebecois member who just spoke. For instance, in referring to the Magdalen Islands, he mentioned regional representation.

Mr. Speaker, you and I are very concerned about regional representation in this country. That is why we support a thorough and complete reform of the Canadian Senate. The real representation for Canada's less populated areas should be in that house. The Bloc Quebecois has consistently opposed such reform, and now it mentions the possibility of regional representation here in the House of Commons, which works on the principle of "rep by pop". I see a contradiction here as well, a policy for parliamentary reform which needs work, and I say this with respect, not only for the sake of the Parliament of Canada but perhaps also for the sake of the Parliament of an independent Quebec, if the Bloc is able to achieve its goals. From the Bloc's comments it is clear there are a lot of problems with their current position.

• (1300)

[*English*]

I see I only have a short amount of time left. I know my party has a number of people who have asked to speak to Bill C–18. We are aware from Elections Canada that the process of looking at these boundaries is going to continue until it clears both Houses of Parliament. In the meantime we would like to use our speeches to educate the public as to the opportunities that exist here and what exactly is the state of this law and this process.

Many members will be explaining how the changes that the commission has proposed affect them. We will be explaining it in open forum here to the public. Members of the Reform Party will certainly be free to say whether they like or do not like those changes and any proposals which they would take to the independent commissions and which they would urge the independent commissions and other citizens to look at. I think we will see very quickly the number of difficulties with politicians trying to direct such a process. I believe most of our members will be indicating that getting ourselves involved in this process without a clear plan is not the method to use.

I have asked a number of members of my party to indicate to the public how both politicians and constituents can contact Elections Canada and participate in the public hearings in their ridings. There is a process being set up now. Elections Canada is already incurring the costs of setting it up and we might as well make sure the public is aware of the opportunities. We can use this particular debate to do that.

This will indicate the kinds of things that the public really would want to see before we begin to intervene and change this process or incur further costs or further delays.

The main reason is to mention that the only reason most people would really want to see this process stopped is to agree that we limit the number of seats in the House of Commons. Canadians are dramatically overgoverned. I call on the government and the Bloc Quebecois to sit down with us and reach a formula very quickly that could lead to a permanent capping of the number of seats in the House of Commons.

We could introduce that through both Houses and that would suspend the process for reasons the public would support and then would allow us to get on with business in a way that would not only serve the public interest and would not have the extreme delays planned in this bill but would fulfil a legitimate public reason for doing so.

Let me finish by moving:

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

Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act, be not now read a second time but that it be read a second time this day six months hence.

• (1305)

The Deputy Speaker: On a point of order, the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, I have no point of order. I am standing to speak to the debate. I do not see anybody else standing. My friend in the Reform Party is standing.

The Deputy Speaker: If the member for Kamloops is asking to speak on behalf of his party, I think he realizes he has to have the unanimous consent of all the members in the House. Is the hon. member asking for that?

Mr. Riis: No, Mr. Speaker. I was watching the government benches and I saw no one stand and I watched the Bloc benches and no one stood but I overlooked my friend in the Reform Party. I will simply wait for my appropriate moment.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, I appreciate the opportunity to rise today to speak to and to oppose the provisions of the legislation before us in Bill C–18.

One has to ask what precipitated the government's decision to attempt to suspend the legitimate work of the federal electoral boundaries commission. Was the government responding to public concern and opinion or merely trying to circumvent for whatever reason the prescribed process? Or, heaven forbid, is the government responding to disgruntled politicians?

To British Columbians, we once again have the example of central Canada controlling the outcome before the polls have even closed on the west coast. On election night the Leader of the Official Opposition made his acceptance speech at seven o'clock Alberta time, six o'clock B.C. time, before the polls had even closed. In the case of this electoral boundary review we in B.C. had not even received our report when Ontario MPs were crying foul and wanting to throw out the process.

This process has been in effect in Canada, every decade since 1867, tied to the census. In this case the redistribution is tied to the 1991 census. One can legitimately ask how the House of Commons can cancel this mandate. I am very disappointed that apparently the government can do exactly that.

There is no precedent for this attempted action. It was not an issue in the campaign. It was not an issue after the campaign. It certainly was not in the Liberal red book.

I am led to the inescapable conclusion that some government MPs are not pleased with lines on a map as a part of the redistribution process and therefore want to throw out the whole process.

I am not 100 per cent satisfied with lines on a map either, but a part of the process is public hearings. I am already scheduled for May 26 in Nanaimo, B.C. and I am actively seeking support for my proposals. This is all part of the process. Where is the public outcry? I suggest it does not exist and that self–interest is the issue here. This is an attempt to politicize a process which should be depoliticized and tied to the census as much as possible.

We have received no commitment from the government that three party agreement will be necessary to approve a new boundaries review process. As well, there is no contingency plan to save the work done by the current commission if the procedures and House affairs committee should fail to put forward a new proposal for consideration by the House.

• (1310)

Ultimately this could mean $5 million worth of wasted work, the start of another commission and the appointment of new members. This could even kill any chance of redistribution before the next federal election—so much for redistribution every 10 years based on population shifts in the census.

The government would have us believe that it wants the procedures committee to examine the growth in the number of seats from the current 295 to the proposed 301, capping the total number as a reason to suspend the committee's work.

The government has failed to convince me that its intentions are credible. The government wants the committee to examine the merits of adding 10 new seats in Ontario, which means Toronto, three new seats for B.C. and two for Alberta. The way it is right now is for Toronto to get four new seats and B.C. two new seats.

During the negotiations for the Charlottetown accord the three old parties brought the Premier of British Columbia into the fold by assuring British Columbians that we would obtain two additional seats in the next redistribution, contrary to early negotiations. British Columbians remember this commitment. As a matter of fact, British Columbians cannot believe that Parliament is even entertaining throwing out the process this week.

Just who is upset here? I am unaware, as is the office of the Chief Electoral Officer, of any hue and cry from the public. It is another example of politically motivated interference. In this instance we have not even allowed public hearings to unfold and determine the degree of reception or opposition to the proposals. Instead, we have the government jumping to thwart the process.

I represent a riding that includes half the coastline of Vancouver Island and half the coastline of mainland B.C. As is the case in Toronto, my riding is a fast growing region and consequently would be affected in a major way by redistribution.

Currently my riding includes the northern half of Vancouver Island, the Powell River district on the mainland of the province, territories south to the sunshine coast and the Gibsons area and north to Bella Coola and Ocean Falls. It is a vast area of territory with no logical connection at times between different parts of the riding.

With redistribution I would lose all mainland portions of the riding on the one hand and make it a pure island riding to include the top half of Vancouver Island and some islands in the northern part of Johnstone Strait.

On the other hand, it would be the coastal mainland from north of Powell River to Cape Caution, which is a land of mountains, glaciers, fiords, logging and fishing camps and Indian reserves. Their natural lines of communication are to points on Vancouver Island. Not many people are involved but this mainland coastal area should remain a part of this newly designated Vancouver Island North riding.

That is what people think and that is the subject of my presentation to the electoral boundaries commission.

• (1315)

Adding this area to a redistribution population of 96,302 would mean a population of about 98,000 for Vancouver Island north. Half the population of the current North Island—Powell River riding on the mainland would predominantly amalgamate with west Vancouver to form the west Vancouver sunshine coast riding with a redistribution population of 100,265.

The north mainland coast area around Bella Coola would join the Cariboo—Chilcotin riding with a population of over 85,000. Bella Coola on the coast has a road link to the Chilcotin. It is the only road link from the mainland to the central B.C. area and the only road link between Gibsons and Kitimat.

I can assure members that my constituents have little opposition to the changes. As I said earlier the riding is a little bit of everything right now. The proposed changes represent some form of continuity. Most of all the process allows for public input at hearings to be conducted upon the receipt of representation by interested parties in this process. What could be more democratic than that?

The only time we as politicians should get involved in this process would be to ensure that seats do not increase capriciously at the whim of government and cost to the taxpayer.

The government's attempt to circumvent the legitimate redistribution process is transparent and unacceptable. What is needed is a long term look at the parliamentary requirements for sitting members. Everyone knows Canada has too many politicians. Let us put this expensive and time consuming redistribution to bed first. Then we can deal with Canada's long term parliamentary needs without the red herring of someone's ox being gored in the current process and therefore attempting to subvert the process.

The Deputy Speaker: The Chair assumes the Reform Party is dividing its time and that we are now on a five minute question and comment period.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I listened with interest to the member's speech. I wonder if he could elaborate on one point.

He raised the issue of opposition to the Charlottetown accord that had occurred in most parts of Canada, but particularly in his riding. He referred to the provision in that accord which would have guaranteed the province of Quebec a minimum of 25 per cent of the seats in the House of Commons in perpetuity and also that the accord would have resulted in a growth of seats in the House of Commons.

He mentioned there is growth and that B.C. is getting two more seats. He also thinks most people in his riding could live with the boundaries. Therefore would he and members of his riding be concerned that the parliamentary committee composed and dominated by politicians who supported the Charlottetown accord might use the process of electoral review and reform to propose amendments to the formula and the act that would implement aspects of the Charlottetown accord through the back door? We have seen that on other issues.

The Deputy Speaker: To the hon. member before he replies, the Chair, as members know, recognizes a member from another party. There was none until the member for Calgary West got up and that is the only reason he was recognized.

There is a member from the Liberal Party who wishes to ask a question or make a comment. I would ask the member to be as brief as possible, please.

Mr. Duncan: Mr. Speaker, the collective memory on the Charlottetown accord in British Columbia is still very much there. The province voted two–thirds against the provisions of the Charlottetown accord. The collective memory on the promise and guarantees concerning redistribution is very much in the forefront.

• (1320)

If in the long term the process could be brought around where this distribution is put to bed—the promises were made, let us fulfil those promises—if we could then go to a circumstance where for the greater good we either cap or even reduce the number of sitting members of Parliament for the next redistribution, then most Canadians would accept that with glee, particularly those in British Columbia.

Mr. Julian Reed (Halton—Peel): Mr. Speaker, this is just for the hon. member's edification. He said he did not hear of any objection among voters to proposed redistribution. I would inform him that the riding of Halton—Peel has received objection loud and clear to the way the proposed lines are drawn.

The chamber of commerce of one of the major municipalities in the riding has expressed objection. Even a returning officer has expressed an objection to the way these lines are presently proposed. I want the member to know it is not some concocted situation; my own constituents are telling me this.

There are some other things to consider. The region of Durham is not in the riding I serve but it has now moved to reduce the number of school trustees. Here we are with a proposed redistribution that would add members to the House probably with a carrying charge of—what do we cost, a half a million dollars each per year. If we add six new members we are adding another $3 million.

The hon. member may not consider that to be important in the scheme of things. However some of us do consider it important especially when our school boards are taking the initiative and making serious changes in the density of representation in their districts. It is something the House may well consider in the years to come.

If one looks at Australia for example there are about twice as many voters per member in that country. We are at the point where we have to make some changes. Either that or we are going to have to knock out one of these walls.

The Deputy Speaker: The hon. member for North Island—Powell River briefly, please. I believe the Reform Party is dividing its time and there will be another speaker getting up in about a minute.

Mr. Duncan: Mr. Speaker, there will be objections whenever boundaries are redrawn. I appreciate that.

British Columbians have had knowledge of these changes for nine days. Discussions were going on in this parliamentary atmosphere on the Hill wanting to kill this process before British Columbians were even made aware of what the provincial boundary redistribution was.

What we are saying is that once again Ontario is controlling the agenda. In order to represent properly the area of the country where I come from and my views on the long term of what is good for the country, I am suggesting that we must continue with this process as has been done every decade since Confederation.

• (1325)

Mr. John Williams (St. Albert): Mr. Speaker, I rise today to record my opposition to Bill C–18 which suspends the operation of the Electoral Boundaries Readjustment Act.

There are major issues which should be examined here. Some fundamental Canadian human rights are being trampled. Let us look at some of the issues that should be considered before passing Bill C–18.

The first one is that political interference is being proposed. The principle of political interference in electoral boundaries was debated long ago. The decision was it should not be allowed and the concept of an independent drafting of the electoral boundaries was the way it should be done.

Politicians should be removed entirely from the process. Looking back to the 1960s and prior there was a great deal of political interference in the drawing of electoral boundaries. Unfortunately that led to blatant political manipulation of the whole situation.

In his book *The Election Process in Canada* Professor Terence Qualter identified four roles parliamentarians used when they were allowed to manipulate the system and redefine the boundaries of the electoral districts. Let us look at what he identified.

They were most concerned about maintaining the boundaries for the MPs sitting in the House. They wanted to protect the incumbents' districts so that another election could be fought based on the same old boundaries; if they won last time, perhaps they could win again. It was self–serving from that point of view.

And what about retiring members? They would dispense with those ridings. They would not have to protect those ridings and could use them to their advantage.

What about members of parties in the minority, the smaller parties and the independents? Some are sitting here today. Those were determined to be dispensable. They would draw the boundary to eliminate them rather than ensure fair and reasonable representation for the people across this land and rather than ensure that people who had a different point of view could be elected and their position heard in the House. When the job is left to the politicians, the minorities are left on the outside rather than just being given a seat on the backbench, which of course is the case today.

Of course given the opportunity, MPs would again respond to political pressure to create more seats in the urban ridings rather than do a realignment to ensure real representation for all Canadians.

In the 1960s the need for reform was recognized. They wanted to throw out political involvement. They wanted to get rid of it and bring in a non–partisan commission that would do the job for them.

The act established a commission in every province. The chief justice of every province was to appoint a judge to be the chairman of the commission. That seems to be a great non–partisan way to start.

The proposal at that time was the government would put forward a member and the opposition side would put forward a member on the commission. They said no, that allowed for political involvement and therefore the power would be given to the Speaker to appoint additional members to the commission.

We want impartial non–partisanship to ensure that democracy works in this country. We are the servants of the people; we are not their masters. We are here because the people want representation. They want democracy in the House. It is not for us to take it upon ourselves to manipulate the public to ensure we protect our jobs at the expense of free debate, other positions and real representation of the people.

• (1330)

The commissions were established and today we have Bill C–18 that wants to take that non–partisan, impartial situation and throw it out the window because we do not like what has been done. We established the commissions last fall with the intention that they would come forward, as they have done before, with proposals based on reasoned, rational opinions as to why boundaries should be the way they are proposing.

Once they make their decisions or proposals the whole matter is opened up to input and debate by the people who can then be heard. We could ask them what they think. Is this reasonable? Have we followed the trading boundaries of a constituency? Have we kept the historical names? Have we followed the democratic movement of people across the country? Have we made a reasonable decision? Let us hear from the people, not from the politicians. Let us hear what the people have to say.

That is what the government does not want to hear. It wants to cut the democratic process off at the pass because the proposals being made by the non–partisan, impartial commissions will now affect its ridings. Government members do not like it and hence we are back to political interference through Bill C–18.

Why does the government now wish to scrap their work? The commissions based their work on the census performed in 1991. Have the numbers changed? I do not think so. The government now wants to take these same numbers, massage them and manipulate them for its own benefit.

Have the people on the commissions been incompetent? I do not think so. These are educated, learned people on these commissions who have the country's best interest at heart. Would self–serving politicians do a better job with the same numbers? I do not think so. Do we believe that politicians are better suited than judges and ordinary Canadians to decide how they should be represented? I do no think so either.

That is what Bill C–18 proposes to do. It proposes to take the same numbers or the same figures and rework them or massage them, all for the benefit of themselves. The public would end up with the short end of the stick where the hearing process is short–circuited and the people who are independent and impartial have been told that their work is no good.

Here we are today bringing the process under the scrutiny of the politicians. We wonder why politicians have a poor reputation in the country. I would suggest one of the real reasons our reputation is tarnished and people have no faith in us is that when we appoint an impartial inquiry to do the job and we do not like what it says, we throw it out the window and start again by doing our own.

That brings me to the second issue, the public participation issue. It was stated in 1964 as being one of the main reasons for the act that was introduced at that point in time. We wanted to hear that. We are the servants of the people of the country; we are not the masters. They should dictate to us how they ought to be represented in the House. It is their House; it is not our our House. They are the ones who should decide how it should be done.

That is why we have mass distribution of material by the commission to every household in the land. Let Canadians see what is being proposed. Let them have their input. Let the impartial commission hear what they have to say and decide on the merits of the input whether there should be any real adjustments.

The government seems to have the idea that this input can be dispensed with, that it can be reviewed, and that the time and nature of public involvement should be scrutinized and set aside. That would be a bad day for democracy, a bad day for our reputations. That is why my colleagues in the Reform Party on this side of the House are vehemently opposed to the particular bill.

• (1335)

We have some members on this side of the House who are supporting the bill. Of course I am talking about the Bloc. I wonder where they are coming from on this particular issue. We know what their agenda is: it is to break up the country. Nothing would give them greater satisfaction than to have a referendum tomorrow to say that Quebec wants to go its own way.

I wonder if they are supporting the bill to give them the opportunity to work up or stir up the emotions in the country about real representation by members from Quebec and about their opportunity to sit in the House and have their voices heard. There are only 75 MPs from Quebec out of a total of 295. They can argue about having a minority status, as does every other province including Ontario. Therefore I wonder what is their particular involvement in the bill.

If there is a point to be made, it should be that we capped the number of MPs in the House. We have enough MPs. To create an opportunity to continue raising that number at great expense to the taxpayer who thinks we will add to the number just to help

ourselves to more taxpayers' dollars also tarnishes our reputation.

In conclusion, the Reform Party and I are opposed. The taxpayer is opposed. Every constituent in the country is opposed. I say let the hearings proceed and let us hear what the people have to say.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I listened very carefully to the three speakers from the Reform Party and their rationale for wanting to abort the process we are proposing in the House of Commons. I am somewhat shocked at some of the things I heard. Here is a party that purports to want to save taxpayers' money. They are talking about increasing by six the numbers of representation in the House of Commons. We know it costs at least a million dollars a year for every member of the House. I have great difficulty in how they rationalize that.

I would like to get back to the previous speaker concerning the fact that there has not been any public input into this matter. I wonder how much public input there was into the electoral commission. If I could use the example of the province of Newfoundland, it has had a population increase in the last 10 years of something like 600 people. Yet the boundaries of every riding in the province of Newfoundland have been redistributed at great cost to the Canadian taxpayer. I wonder how much consultation there was with the people of Newfoundland.

There is no doubt in my mind that British Columbia needs a redistribution of its boundaries so that the ones with the heavily populated areas are shifting some over to the less populated areas. My colleagues in the city of Toronto will probably have by the next election 300,000 electors in their ridings. That is an incredible burden for those members of Parliament.

If we look at the ridings in the national capital region how can we justify this shifting? They are not increasing anything. They are not doing anything. They are just shifting and creating additional costs.

How can the previous speaker, as a member of the Reform Party who is constantly and consistently preaching restraint to this side of the House, talk about expending millions and millions and millions of taxpayers' dollars because of recommendations by a commission that never consulted in the first place?

• (1340)

Mr. Williams: Mr. Speaker, in response to the hon. member's question, she is accusing us of aborting the process. Bill C–18 is designed to abort the process that has been in place and has worked for the last 30 years. I find it quite incredible that the hon. member would accuse us of trying to abort the process when the bill is designed to do exactly that.

Then the member made the point about the extra costs of more MPs. We are saying let us cap it. We have more than enough today. Let us put in motion a serious commitment from the House saying that 300 members are surely enough to get an informed debate in the House. That would be quite sufficient.

I address her last point about how the commissions are redrawing the boundaries even though there has been no increase in population. These people had the 1991 census figures to work from. Those are exactly the same figures the government would work from if it proposed to go ahead with Bill C–18. There may have been a population shift from one end of a city to another. I do not know, but that is what we paid these people to determine.

In her final point she mentioned the public hearing process. The public hearing process was about to start. They cut it right off before the public had an opportunity to say that it seemed a bit strange to redefine boundaries strictly for the sake of redefining them. Let us give the public the opportunity to say that. Maybe it will say that the recommendation by the commission is wonderful. If that is the case then let the public say it. Let us hear what the public has to say. That is the whole purpose of public hearings.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I am happy to have an opportunity to say a few words regarding Bill C–18. I want to acknowledge the co–operation of our friends in the Reform Party for providing this opportunity.

I must say I come at this matter with some mixed feelings. On the one hand I have to ask what motivated this particular Bill C–18. I remember an effort a few days ago when I suspect all of us were trying to get some understanding of what the parliamentary agenda would be for the next number of days. We asked what the legislative program was and Bill C–18 was not mentioned. Then some time last week the formal indication from the government was that Bill C–18 was considered to be a priority and ideally would have to be dealt with expeditiously and with all–party agreement to move it through all stages in one day.

Perhaps two weeks ago, before the electoral boundary maps for British Columbia were made public, rumours about Parliament Hill had it that the government was contemplating this initiative. At that time I was curious about what motivated it, where it came from, what was behind the suggestion. It was new to me. I have been here for many years and I had not heard there was a serious concern regarding the legislation as it was presented.

Like everyone else in my constituency I received the maps of changes to the electoral boundaries in British Columbia. I must say that on looking at the maps of the new boundaries I was totally mystified. As a professional geographer who has some background in cartography, map making, map reading and constructing maps, I was told that the mapped boundaries

regarding new constituencies were to recognize geogıaphy, were to recognize history, were to acknowledge the flows of commerce, and were to represent social realities that existed on the landscape of Canada.

I studied all of them and I could find no correlation between an interest in geography and the boundaries on the maps. Historically the boundaries made no sense. As a matter of fact I can only assume it was some sort of creative artistry on behalf of the commissioners who decided on the boundaries in the central interior of British Columbia. I can only assume that whoever they were, and I say this with all due respect, they must have visualised the interior mountains of British Columbia as a flat plain with no topographical variation at all because the reaction was immediate.

• (1345)

The next morning, after Canada Post had delivered all of these proposals, there was a hue and cry that went up in the communities around Kamloops. People who normally would never say anything positive about their member of Parliament because of their political affiliation rose up and said that they must rally around their member of Parliament and stop this process before this lunacy continues any further.

It was interesting. The talk shows and the editorials were not only negative, but viciously negative about who would be perpetuating these changes on behalf of the constituents of central British Columbia, suggesting that the whole process was extremely undemocratic, that it had no relationship with the real world in which people lived.

That was the first clue that something was up. Very quickly I understood why these changes were being contemplated. It was because members of Parliament were obviously going to be quite upset. As my friend in the Reform Party indicated earlier, we perhaps do take some ownership of these constituencies. We find that this particular change of boundaries would certainly not represent in any way, shape or form the democratic future of the electors of the Kamloops constituency, to say nothing about all of the surrounding constituencies as well. I am sure that my colleagues who represent those constituencies will be participating in this debate later.

Therein lies a dilemma. On the one hand to proceed with these changes would be folly. I know there are changes made from time to time by the electoral commission. In my experience I have never seen any. I have been involved in this process over the years and have argued in favour of changes and there has been virtual unanimity by all of the interveners that a particular part of the boundary should change or shift and so on to represent the reality of that area, but I have yet to see any changes ever made. However, I will assume that some are. Again, I think there almost is this impression that these borders are written in stone. By the time the public process begins it is perhaps at best a time for some tinkering or some minor alternations. Essentially the parameters of the boundaries remain.

When looking at the process today, I think to most Canadians this comes as a shock. They receive the map, which is probably the first they have ever heard of this process, and they are surprised. They have had absolutely no input. Members of Parliament and others who are interested in electoral boundaries also have had absolutely no input up to that point. The rationale itself in terms of creating the boundaries can differ from one area of the country to another. While cultural relations, social patterns or commercial flows might influence the boundaries in one part of Canada, perhaps only geography would influence them in another part.

The whole process seems a little odd. If we are serious about changing the boundaries of federal constituencies to reflect the electoral and demographic realities of the country, this seems to be a rather outmoded process to do it in a positive way. Therefore, I suggest that there is some need for change.

On the other hand I question the motive at this point. What is behind this? I listened with interest to the government House leader who indicated that the government would study the operations in terms of how the act is utilized. The government will examine whether it will increase the members as we automatically do now after each census. It will examine how the members of the commission are selected and review how the public and perhaps members of Parliament and others ought to be involved in the process.

This sounds laudable, but surely the most fundamental question that has been side–stepped or perhaps almost ignored is the number of members of Parliament. There is probably a fairly clear indication that the people of Canada do not want these Chambers just to continue to mushroom census after census until we get—I do not know what the limit would be—hundreds and hundreds of members of Parliament.

The question would be what size of a constituency can a single member of Parliament serve well. Of course that would largely be determined on the resources made available to that individual.

• (1350)

I recall a few years ago discussing with a member of Parliament from India at the Lok Sabha the size of constituency they had. She replied that she was not really certain but it was something in the neighbourhood of four million to five million in the constituency.

I thought that if we have problems, they certainly have theirs as well in terms of communicating with their constituents. We do not have two million or three million but again, the numbers of 85,000 or 95,000 are not necessarily written in stone. I suspect that if one looks at other jurisdictions one would find

areas with smaller constituencies in terms of numbers and others with larger.

Perhaps we ought to consider seriously whether there should be any increases in the number of members of Parliament at this point. We have all heard from our constituents that this at best would be something that we would move on very cautiously and perhaps we ought not to move on it at all other than simply cap it with the present levels for now.

We have to look carefully at why we are doing this. One of the ways that we have protected ourselves in the past is to have a process as a result of section 51 of the Constitution and associated with the Electoral Boundaries Readjustment Act first introduced in 1964.

It is very appropriate for us to remember that this process was set up as an arm's length process away from members of Parliament. The assumption presumably was that MPs might have a vested interest in how the boundaries might be reallocated in their area of the country.

Therefore an independent process, a commission, was set up that would proceed and make these recommendations quite apart from the House of Commons or from the Parliament of Canada but at least providing input at the last stage of the process, which we have just been notified of recently.

We ought to move very cautiously now. The government has indicated that it has concerns about these maps as do I. Because it has concerns about these maps and because it has concerns about the boundaries, we should now curtail this arm's length process, this independent process, stop it in its tracks and send the whole matter to the appropriate parliamentary committee for discussion.

We have to be very cautious of this. I have been here through a number of governments. I know that because the government has the large majority in the House that it is going to do what it decides to do anyway. Our purpose as members of the opposition is to point out some of the concerns that exist if the government is to proceed this way.

The government is saying that it does not like the way this independent commission is working. Therefore it is going to change the rules. If necessary, it will even change the Constitution of Canada to get its way.

We must be careful. When we start indicating a possible change to the Constitution, when we start involving ourselves in what is a very independent process from Parliament because the government in this case does not like the process, what problems does this open up? What problems could this present?

I have very mixed feelings about this initiative. I question the motive behind this initiative. I certainly say that the present process could use some improving. As someone from a province like British Columbia I also have concerns about representation.

I recognize that the proposal would indicate that British Columbia would be allocated two additional seats in the House of Commons. This is under the old formula and would recognize the tremendous population growth that is occurring throughout the province and particularly in some of the urban areas. Obviously there is a need for changes in order to have a better reflection of representation by population.

I cannot go without making two observations. If we are going to be discussing these kinds of changes, is there not some way that we can do this and also examine senatorial reform? There is a need, I think we would all agree, to reform the upper House. Some would suggest that we eliminate the upper House and others would say we should reform it in a variety of ways. There is general agreement that the Senate ought to be reformed and become much more of a democratic institution.

• (1355)

I also have to draw attention to my friend in the Bloc who represented the Bloc Quebecois in its review of this legislation and to indicate as others have that I find it somewhat curious that the Bloc is facilitating or is prepared to facilitate this legislation to redraft and redraw the federal boundaries in the province of Quebec.

I have listened carefully to almost all the speeches the members have made. There is a theme throughout these speeches that within two or three years there will be no need for the Bloc, that the process of change in Canada will occur as per their plan and therefore there is little need to concern themselves as members of the Bloc Quebecois as to how this place will operate two or three years from now.

There is some inconsistency I might say by the suggestion that we need now to examine the new electoral boundaries in the province of Quebec to see if they make sense in time for the next general election, particularly in terms of some of the comments made in the House over the last few weeks.

I want to say with regard to the process proposed by the government, recognizing the need for change and ensuring a more democratic process in the next general election, certainly I have some concerns about the way the boundaries have been drafted particularly in central British Columbia.

I think we have to discuss this very thoroughly and not rush the legislation to ensure that the process being proposed by the government is not by itself undemocratic, that the process being proposed by the government is not behaviour that we saw too often in the past nine years where the government, if it did not

like a particular regulation or law, as important as it was, simply used its overwhelming number in the House of Commons, its muscle in Parliament, to push legislation through.

We can take some comfort that this matter would go before the Senate before changes would be made and again, with the different political relationships in the Senate compared to the House of Commons, there might be some safeguard there.

In closing I want to say that the process is of deep concern. The need for reform is certainly there. Whether this is the most appropriate way however is still a requirement of the debate.

The Speaker: It being two o'clock p.m., pursuant to Standing Order 30(5) the House will now proceed to statements by members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

UNITED NATIONS CONVENTION ON CLIMATE CHANGE

Hon. Charles Caccia (Davenport): Mr. Speaker, today, March 21, the United Nations Convention on Climate Change comes into effect.

This agreement among nations represents the first international step in support of the reduction of greenhouse gases such as carbon dioxide. Carbon dioxide as we all know is produced when we burn natural gas, oil and coal.

Today we must remind the government and the Minister of Energy to act on the promise to reduce emissions of greenhouse gases by 20 per cent by the year 2005. Federal, provincial and municipal governments all have a role to play but the Government of Canada has to lead at the national and international levels.

The problem of climate change can only be resolved if every nation pulls its weight.

* * *

[*Translation*]

SEMAINE NATIONALE DE LA FRANCOPHONIE

Mr. Louis Plamondon (Richelieu): Mr. Speaker, this week is the Semaine nationale de la Francophonie, which provides francophones all over the world an opportunity to stop and think of the role played by the French language in the development of our communities. This week-long event aimed at making this international forum know will allow us this year to emphasize the key role of Quebec within la Francophonie in North America.

I wish this week will also be a time to develop a certain level of open-mindedness with regard to Quebec's linguistic specificity, reinforce ties between francophones in America and elsewhere, and bridge gaps between linguistic communities in Canada.

I certainly hope that la Francophonie will be celebrated in the workplace, schools and businesses, and by all Quebeckers.

I call upon my colleagues from across Canada to practice this year's theme, which is: "En français, bien sûr", or "In French, of course".

* * *

[*English*]

YOUNG OFFENDERS ACT

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, a couple living in my riding of Calgary Southeast were victims of a senseless crime. They had their car stolen, taken for a joy ride and then vandalized. These citizens had done their part to protect themselves from crime. They had locked their car. They parked in a lot under a street light.

The police believe that young offenders were responsible for this crime. This is a growing problem not only in Calgary but everywhere. Stealing cars is becoming fun for young offenders. They know they can get away with it. If they are caught they know that the Young Offenders Act will protect them. Young vandals in one instance even spray painted a car with the words: "Thanks, Young Offenders Act".

We have to make young people more accountable for their crimes and protect the rights of victims. Restitution can be a pretty major deterrent if given due consideration.

We need to change the Young Offenders Act to make Canada a safer place; safer for you, Mr. Speaker, safer for people in my riding of Calgary Southeast and safer for all of us who care.

* * *

NEW BRUNSWICK YOUTH DAY

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, today, March 21, is New Brunswick Youth Day.

I would like to take this opportunity to pay tribute to New Brunswick youth as valuable members of our present communities and an important consideration in all that we decide and do.

Young New Brunswickers and our young people across Canada are faced with peculiar challenges and need our support. Government services targeted for youth are improving. We need only look to the national youth services corps as an example of the kind of creative, youth specific programming necessary to assist young New Brunswickers and Canadians through tough and changing times. As we attempt to make change we must all realize that young people need to be involved in designing the programs and policies that affect them.

In honour of this special day I salute New Brunswick's youth and remind us all of the valuable contributions made by young people across Canada each and every day.

* * *

RACIAL DISCRIMINATION

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, today is the United Nations International Day for Elimination of Racial Discrimination, which persists whenever the principle of merit is undermined by prejudice.

We must safeguard against reverse discrimination, the antithesis of the principle being defended, as we work to meet our hiring targets for qualified minorities and tearing down the barriers to their full participation.

Tolerance and respect are put to a greater test during harsh economic times. Witness the views of those who see immigrants as stealing jobs from other Canadians, who see only their difficulties, forgetting that there are others who are worse off.

Today we are challenged to work together to foster economic growth and rededicate ourselves to our nation's reality.

Canadians are a people of many colours and races, all of whom heighten the intellectual, social, cultural and economic standing of Canada in the eyes of the world.

* * *

FORUM FOR YOUNG CANADIANS

Mr. Wayne Easter (Malpeque): Mr. Speaker, I and many other MPs had the opportunity to have a dinner with a group of youths visiting Parliament last week. The group was here under the Forum for Young Canadians program.

In my opinion the Forum for Young Canadians is a valuable educational program that brings young people from all parts of this great nation together to learn about our political process. The forum allows young people to learn about our political system through participation and workshops, presentations and a mock Parliament. It gives students real, hands–on experience. It is also valuable because it allows friendships to form between the participants from all provinces of Canada, friendships that last a lifetime.

It is programs like the Forum for Young Canadians that we as members of Parliament must continue to support and expand because their benefits are enormous. These youths are the leaders of tomorrow and their individual and collective experience will lead to the development of a greater nation.

[*Translation*]

RACIAL DISCRIMINATION

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, we learned this morning that fewer racial discrimination complaints were received by the Quebec human rights commission last year. We all know that racist behaviour has not been eliminated and that making other cultures known is one of the best ways to stop this behaviour.

On this International Day for the Elimination of Racial Discrimination, the members of the Official Opposition associate themselves with the thousands of Quebeckers and Canadians for whom racial discrimination is a social evil which must be fought at all cost.

We must strive daily to eliminate any form of intolerance toward people with a difference. We must promote a society where nobody feels out of place because of the colour of their skin, their religion or their country of birth. That is the challenge facing us all at the turn of this century.

* * *

• (1405)

[*English*]

CALGARY NORTH

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, several of my Calgary North constituents have raised concerns about a member of the other place and his work on behalf of a developer in Calgary.

Since his appointment this individual has acted for the developer in public hearings and has also very actively lobbied city officials to advance the developer's interests.

Calgary North constituents are particularly outraged that someone they are paying to represent Albertans should use his influence in this manner and by the fact that he is doing so at the expense of his attendance in the other place which is now sitting.

I call on the Prime Minister to ask the government leader in the other place to investigate the ethics involved when a member of that place lobbies—

The Speaker: Order. The Chair is having a little bit of difficulty about one member attacking another member in the House. I believe that the tradition has been in the House to extend this to the other House.

Although the hon. member has not mentioned a specific person or a specific riding, I think the hon. member is probably leaving very little leeway for misinterpretation.

I would encourage the hon. member to reconsider and perhaps tomorrow we could have another try at it if it is not quite that specific, if the hon. member would not mind.

S. O. 31

RACIAL DISCRIMINATION

Mr. Stan Dromisky (Thunder Bay—Atikokan): Mr. Speaker, many of our colleagues in the House are wearing the multicoloured bow which was conceived and created in Thunder Bay.

The bow is a symbol for March 21, the International Day for the Elimination of Racial Discrimination.

This day was declared by the General Assembly of the United Nations in 1966 and in 1988 federal and provincial ministers agreed to commemorate March 21 in Canada.

The multicoloured bow is a visible symbol of our commitment to the elimination of racial discrimination as the poppy is to Remembrance Day.

The red, yellow, black and white ribbons represent the colours of the human race. They also signify the beauty and harmony created when the diverse people of the world unite.

We wear the bow today to show support for the elimination of racism in Canada.

* * *

CANADIAN WHEAT BOARD

Mrs. Marlene Cowling (Dauphin—Swan River): Mr. Speaker, I would like to speak to the House briefly about the Canadian Wheat Board.

As some members of the House will know, the Canadian Wheat Board is western Canada's single desk selling agency for the export sale of wheat and barley.

There are some presently advocating that the powers of the Canadian Wheat Board should be fragmented and weakened. This is not the time to weaken the Canadian Wheat Board, our single desk selling agency. Rather it is exactly the right time to strengthen it and expand its role in the international grain market.

The Canadian Wheat Board has served the interests of western Canadian farmers superbly over the years and continues to do so.

* * *

[*Translation*]

SEMAINE NATIONALE DE LA FRANCOPHONIE

Mr. Ronald J. Duhamel (St. Boniface): The President of the Association canadienne d'éducation de langue française, Mr. Normand Boisvert from my constituency, recently announced the second Semaine nationale de la Francophonie, from March 20 to 26, 1994, under the theme "En français, bien sûr".

The primary objective of the Semaine nationale de la Francophonie is to heighten Canadians' awareness from every region in the country. The Association emphasizes the following: On top of the benefits flowing from an increased use of French in all lines of activity, it also wants to generate initiatives promoting an interest in reading and writing, improve the quality of the spoken and written language, and also create and maintain opportunities for positive dialogue between francophones, francophiles and other Canadians of good will.

I invite everyone to fully benefit from this second Semaine nationale de la Francophonie.

* * *

CANADA EXPO 1994 TRADE FAIR

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, the Canada Expo 1994 trade fair opens tomorrow in Mexico City. Over 400 companies and 1,000 business people will participate in this event.

• (1410)

Today, we want to make up for an oversight by the Prime Minister's Office. Indeed, it is unfortunate to see that, in its documentation prepared for the media, the Prime Minister's Office did not mention one single example of successful Quebec company in Mexico, while it does name several companies from elsewhere in Canada.

Consequently, we want to mention the success, in Mexico, of Quebec companies such as Bombardier, Canam-Manac, SNC, Roche and several dozen others.

We also take this opportunity to wish the best of luck to all Quebec companies participating in this important trade fair.

* * *

[*English*]

HEALTH

Mr. Nelson Riis (Kamloops): Mr. Speaker, I noticed in *La Presse* that the Minister of Health has indicated the federal government will soon decriminalize the growing of cannabis or hemp for commercial purposes. She has indicated that Parliament will be asked to pass a law to enable her department to issue licences to grow marijuana depending on the level of THC, the hallucinogenic agent in cannabis.

Perhaps the minister sees us as a country in which people will live in houses made of hemp particle board, read hemp newspapers, wear hemp clothing, drive cars powered by hemp based methanol, dine on hemp seed tofu or enjoy THC free marijuana candy bars.

While many Canadians support this initiative, I wonder if the whole issue of hemp cultivation and decriminalization ought not to be referred to the appropriate committee of the House to prepare legislative recommendations for Parliament rather than dealing with this critical issue in such an ad hoc fashion.

RACIAL DISCRIMINATION

Mrs. Sue Barnes (London West): In 1966 the United Nations declared March 21 the International Day for the Elimination of Racial Discrimination in commemoration of the 1960 Sharpeville massacre in South Africa.

Since 1989 the Government of Canada has sponsored a national anti-racism public education program. This campaign works with key institutions and organizations to raise awareness of the existence of racial discrimination and to promote effective means to combat racism.

There is no justification for racial discrimination. Any doctrine of racial differentiation is scientifically false, morally reprehensible and socially unjust. We should recognize that prejudice and discrimination are problems that must be acknowledged and addressed.

As individuals in one of the great democracies of the world we must all bear a personal responsibility in the elimination of racism and racial discrimination. Only then will Canadians be able to participate fully and equally in our society.

* * *

HYUNDAI AUTO CANADA

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, Hyundai Auto Canada has recently made a corporate decision to close its aluminum wheel plant in Newmarket, Ontario. Seventy people in my riding of York—Simcoe will lose their jobs.

I stand here to pressure Hyundai Auto Canada to ensure that these 70 individuals receive all of the benefits and entitlements they are owed.

ORAL QUESTION PERIOD

[*Translation*]

EMPLOYMENT

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. Last week, the Minister of Finance took part in the G-7 jobs summit, where he proposed a tax credit for companies that create jobs or that maintain jobs in spite of technological change. Furthermore, the G-7 countries agreed to make employment their priority in 1994.

Now that he is back from the summit, does the minister intend to implement a real job recovery strategy based on concrete measures in order to give back some hope to the million and a half people who are now unemployed in Canada?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, yes, when we were in Detroit, the issue of a tax credit for hiring workers was raised. A suggestion was made by Mr. Reich, the U.S. Secretary of Labour. It was also a suggestion made in Canada at hearings held by the human resources minister. We are prepared to consider this suggestion along with many others.

But one thing is very clear, and I was delighted to see that the measures we took in our budget—that is, our approach to job creation, lower payroll taxes, unemployment insurance reform—are exactly the same as those recommended by the OECD. That is also the conclusion that was reached at the meeting. We must say that even the G-7 supported us.

• (1415)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, if these words are not followed by concrete action, we can only conclude that it was hot air. When the minister boasts that his own proposals were supported, if no action follows, I do not see how he can talk about support.

Mr. Speaker, I think that we must ask him today to tell us clearly if he intends to establish this kind of tax credit for companies that create or maintain jobs. Can we expect a ministerial statement on this and not just hot air?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, in the budget, we took what is perhaps the most important step, namely the lowering of payroll taxes. Not only was the unemployment insurance premium rate reduced to $3 but we also showed that we intend to continue in the same direction when the minister's reform is completed.

At the same time, we said that we will really look at our whole taxation system to see if there are obstacles to job creation or, better yet, to see what could be done to encourage employment. We clearly intend to do that. It is not hot air but very specific action.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister whether he admits that his budget is going the wrong way on employment by attacking the unemployed rather than unemployment and its structural causes. I would ask him to admit that he will not stimulate employment by reducing 85 per cent of the benefits for unemployed people.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we clearly stated that this government's priority was job creation. We adapted our budget policies accordingly. In the past few months, we have already seen the situation improve. It will take some time, but I am convinced that the finance minister's budget has put the country on the right track for job creation.

PUBLISHING INDUSTRY

Mr. Michel Gauthier (Roberval): Mr. Speaker, my question is for the Minister of Canadian Heritage. In the Ginn Publishing affair, today's *Toronto Star*, quoting sources in the Prime Minister's Office, made surprising revelations on the heritage minister's behaviour.

In particular, we learned that the minister did not see fit, before authorizing the deal, to read the legal advice on which he bases his own authorization.

How does the minister explain the thoughtless and irresponsible way he acted in authorizing this bad deal without first reading the legal advice in question?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I see that the favourite soap opera of the hon. member for Rimouski—Témiscouata is also watched by her colleagues. But soap operas are works of fiction and not fact.

I gave the facts to this House. I said that I had read and studied the recommendations made by the Department of Justice and I think that the decision that was made was explained and understood; the hon. member only has to read *Hansard* to know where we stand.

I hasten to say that the alternative would have been to use taxpayers' money to finance questionable legal proceedings. I prefer to see this money support the publishing industry I deeply care about.

Mr. Michel Gauthier (Roberval): Mr. Speaker, does the minister also admit that, after reading the legal advice prepared for the previous Conservative government in 1990, he realized this advice was far from definite regarding the government's obligation to honour the so–called verbal promise it is now invoking? And would he agree to table the legal advice on which he is now trying to base his position?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am very happy to see that the hon. member has started to read English–language newspapers. They do not necessarily cover all that goes on in the minister's office. After reading and studying the advice, I came to the conclusions I stated on several occasions in this House. I think I cannot tell him much more than the truth.

* * *

• (1420)

[*English*]

JOB CREATION

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my question is for the Prime Minister who again today reiterated his government's first priority is job creation. It is becoming increasingly clear to Canadians that the government does not have any coherent strategy for the creation of sustainable jobs.

Past experience proves that government financed projects usually fail on two accounts. First, they do not create sustainable jobs and, second, they rob millions of tax dollars that could be used to prepare workers wishing to enter the new economy or could be used to assist the most vulnerable members of our society.

When will the Prime Minister abandon his contradictory approach to job creation to increase spending on one hand and decrease spending on the other? When will he commit his government to reduce overall public spending so that taxes can be cut and the private sector can create real jobs for 1.6 million Canadians?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, as was indicated in the earlier question, I have just returned from a meeting of the G–7 on jobs in Detroit and over the weekend a meeting of APEC, the fastest growing segment of the world's economy at the present time, dealing with many of the same issues.

It was fascinating. The measures those fast growing countries are taking are exactly the ones that we outlined in our budget.

What are they? They are a reduction of the cancer killing taxes on jobs such as unemployment insurance premiums. They are an encouragement to small and medium sized business, the major creator of jobs not only in this country but in all other countries. They are an encouragement of the newer technologies, networks for small businesses, access to new technologies, matching grants between universities and the private sector.

We have set out a very clear jobs plan and that jobs plan is going to make this a much stronger country for Canadians.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I am glad that the minister recognizes some of these cancers but one cancer he did not mention was funding for regional development.

Last week Hyundai announced that its assembly plant in Bromont, Quebec, would remain closed indefinitely. This is a perfect example of a regional development project gone bad.

Does the minister agree that the most effective and efficient way his government can create jobs is to stop influencing business decisions with short term public subsidies and instead encourage the private sector to get Canada back to work by getting public sector spending under control?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, there is no doubt that getting public sector spending under control is a very important objec-

tive of any government. It certainly is of this government and our budget demonstrates that.

In terms of subsidies to business, we undertook in the budget a very large reduction in subsidies to business that we deem to be counter–productive. It is in the budget. We have also said that we are continuing to look at the wide range of other ways in which government and business interact to make sure that there are no obstacles placed in the way of business.

On the one issue that the member raised, all members in the House and certainly the members opposite feel very badly and are very disappointed by the decision of Hyundai to delay the reopening of its plant.

The minister of human resources has already begun discussions with the laid–off workers at that plant to see what can be done. We as a government have begun discussions with Hyundai to see if there are other alternatives for the plant.

When I was in a meeting with the APEC members, I had the opportunity to discuss that subject with the Minister of Finance of Korea. We are going to continue to watch it very closely.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, the point we are trying to get across is that a little cutting of regional development grants is not the answer. We need to scrap the whole concept because it is not working.

Let me illustrate with another example. This is out west and not in Quebec. A perfect example is the almost $4 million loaned to Myrias Research Corporation by Western Diversification to an Edmonton group in 1990. The final loan of more than $500,000 was made just two weeks before the company went into receivership, creating no jobs. Has the minister learned from the past administration that regional development is a huge waste of tax dollars and will he take steps to eliminate all federal regional development spending from our unbalanced budget?

• (1425)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, members of the Reform Party cannot have it both ways. They cannot stand up at one time and talk to the Minister of National Defence when certain base closures are occurring and then ask what is going to be done for that particular area, whether there is going to be regional development. Then they turn around and say we cannot do it generally.

The fact is that this political party in opposition and now in government has said that we think a lot of regional development in this country has been applied to pork barrel grants to industry, grants to companies that do not need it, which simply makes no sense.

That is why, and any one of the ministers can tell you that, the minister responsible for ACOA, the minister responsible for the western diversification fund, and the minister responsible for FORD–Q have completed a thorough re–evaluation of the way regional development was taking place, and we are not going to repeat the mistakes of the past.

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GINN PUBLISHING

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, my question is directed to the Minister of Canadian Heritage.

In this same article on Ginn Publishing in the Toronto *Star* we read: "This was a deal cooked behind the scenes by lobbyists and officials". We are told that it was lobbyists who threw the deal together on behalf of Paramount at a meeting with government representatives.

Can the minister confirm that this infamous deal, partly written, partly verbal, which the government refuses to make public was made by a lobbyist acting on behalf of Paramount?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, on this account I have to go by hearsay.

This government was not in office and therefore we cannot give information which we ourselves do not have. I have of course retraced the statements which are to me, as I said, hearsay.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker I thank the minister for his answer. My additional question is directed to the Prime Minister.

Since the *Toronto Star* is quoting sources from the Prime Minister's office to the effect that the Ginn Publishing mess is the result of secret dealings of lobbyists acting on behalf of private interests, does the Prime Minister recognize the urgent need to ensure through legislative action full openness with regard to the activities of such lobbyists?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker I do not know if there is a source like that. Senior staff in my office talk to me but nobody has talked to me about this problem.

If that so–called very close source is one of mine, I would like to know the name. If the member has the name I ask him to give it to me. What is a source? I need a name.

I would be surprised if somebody is afraid to talk to me but will talk to the press. If there is such a person I would like to have the name. He will have a lot of occasions to talk to the press for the rest of his life.

CHILD CARE

Mr. Randy White (Fraser Valley West): Mr. Speaker, the Liberal campaign promises and the recent budget indicated that the government will increase the number of child care spaces once the real economic growth exceeds 3 per cent. The estimated cost to the Canadian taxpayer that I have seen for this is about $1.5 billion. I might add that expenditure amounts do not even reflect an increase in the estimates for 1995–1996.

My question is for the Minister of Finance. Since the budget projects a 3 per cent growth rate, will the minister confirm the government's commitment to this $1.5 billion program?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the budget contains a projection for the expenditure on the day care spaces on the basis that we do expect growth will be 3 per cent or in excess thereof.

• (1430)

Although we have provided for it, the spending on day care spaces is of course dependent upon agreement with the provinces. The spending on day care fulfils a multitude of purposes. Not only is it in itself an important creator of jobs, but it also permits a substantial segment of our society desirous of working the opportunity to do so.

Mr. Randy White (Fraser Valley West): Mr. Speaker, just about anything can be spent in the name of jobs, jobs, jobs.

The investors, small businessmen and Canadian taxpayers would be more interested in understanding if our economy should grow at 3 per cent why the government would not prefer to pay down the deficit and pay some of the bills rather than create more child care spaces and spending $1.5 billion of taxpayers' money.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, there are substantial expenditure cuts within our budget.

It does not take a close observation of the numbers to understand that we are not going to eliminate the deficit unless at the same time that we are cutting we are getting the economy going, creating jobs and getting some growth.

Let me say one thing. We as a government have said that the major element of job creation is the private sector. The element of the private sector which is going to do that is small and medium sized business. The member opposite ought to realize that women entrepreneurs do the majority of successful start–ups in small and medium sized businesses. They are the ones who want the child care.

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[*Translation*]

HYUNDAI CAR PLANT

Mr. Jean H. Leroux (Shefford): Mr. Speaker, my question is for the Prime Minister. Over the weekend, we learned that the Hyundai plant in Bromont would be suspending its operations indefinitely in the Eastern Townships. Hyundai will be laying off more than 800 highly skilled workers whose average age is between 25 and 30.

Given the scope of the federal grants awarded to the Hyundai automobile plant, what conditions did the government impose on the company to guarantee that it would reopen the Bromont facilities, thus preserving jobs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, this is a very valid question. As I stated in an earlier answer, we are extremely disappointed that Hyundai has delayed the reopening of its plant. The federal office has already begun discussions with Hyundai and the Minister of Industry also plans to take up this matter with the company. With respect to grants—and the question is perfectly relevant—we are now in the process of determining, along with the Government of Quebec, what our exact position on this matter will be.

Mr. Jean H. Leroux (Shefford): Mr. Speaker, the minister says he is disappointed. Well, the people in my region are disappointed as well. Should Hyundai refuse to reopen its plant in Bromont, has the government considered another alternative which would at least preserve the 825 high–tech jobs now in Bromont?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, this would certainly be the objective of our government and of the Government of Quebec. This is why we have begun discussions with the provincial government and with the company, to see whether we can come up with an alternative proposal should the plant remain closed.

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[*English*]

ENVIRONMENT

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, my question is for the Minister of the Environment.

In 1974 the Ministry of the Environment leased a parcel of land in my riding for the construction of the Pacific environment

centre. The centre was never built, but the lease payment on the empty land is now $3.1 million annually and is likely to rise during the remaining 51 years of the lease.

• (1435)

Would the minister please tell the House what steps have been taken to end this wasteful spending?

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I take the question under advisement and will give a full report to the hon. member as soon as possible.

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, it is well known by the media that this contract is up for renewal as of April 1. It is very disappointing that the government is not informed about this important matter.

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[*Translation*]

HEALTH CARE

Mrs. Pauline Picard (Drummond): Mr. Speaker, the Minister of Health indicated clearly to the Canadian Hospital Association that the federal government intended to play a greater role in the health field, although health care comes under exclusive provincial jurisdiction. In so doing, the minister was warning the provinces against ending insurance coverage for health care services.

Does the Minister of Health not recognize that it is totally illogical to warn the provinces against ending insurance coverage for health care services when at the same time her government is forcing the provinces to review insured services in view of the shortfall resulting from the freeze on transfer payments in respect of health care?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, it is high time to reassure Canadians, including those living in Quebec, that this government is deeply committed to health care and will continue to maintain the system which Canadians have long enjoyed. It is high time for the government and for me to give them this assurance.

Mrs. Pauline Picard (Drummond): Mr. Speaker, does the minister not recognize that the best way for the federal government to maintain health care in Canada is first and foremost by maintaining the growth of transfer payments and respecting provincial areas of jurisdiction?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, while I do believe there is a role for the federal government in health care, I still believe we must work in co–operation with provincial governments and this I intend to do.

I have met with provincial ministers of health. We are very much in agreement it is not additional money that is needed in health care but how to do things better. It is a question of creating value while maintaining values.

* * *

VIA RAIL

Mrs. Jane Stewart (Brant): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Transport.

The people in my riding of Brant are very concerned about the future of VIA Rail particularly the service as it passes through London to Brantford and then on to Toronto.

Can the parliamentary secretary please assure the House and my constituents that despite the $50 million in planned cuts to VIA Rail in 1994–95, the service through my riding will not be curtailed?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first let me thank the member for Brant for her question and her great interest in this matter.

As the Minister of Transport stated in the House, VIA Rail is another entity for which our department is responsible and which faces a very troubled future.

Members of the House know that VIA has known of its budgetary parameters and responsibilities for quite some time. VIA has made some efficiency gains but is a long way from achieving what it must.

VIA Corporation, its 3.7 million passengers and especially its workers all must be part of the solution if we are to achieve a national, sustainable, efficient and affordable passenger rail system. Taxpayers not only expect this but demand it of government.

* * *

PUBLISHING INDUSTRY

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, my question is for the Minister of Canadian Heritage.

The sale of Ginn Publishing continues to bring with it contradictions and denials.

• (1440)

Both the Minister of Canadian Heritage and the Minister of Industry have stated repeatedly that there were no potential buyers for Ginn. I have documentary proof there were Canadian companies interested in purchasing Ginn and I would like to table these documents.

I have only one question. Will the Minister of Canadian Heritage stand in the House today and admit to a bungled process and commit to a thorough investigation of this scandalous sale of Ginn Publishing?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I find it interesting that this subject is generating so much interest. There is always the possibility of putting questions before the standing parliamentary committees. We see no good reason for putting a lot of effort and work into an investigation, the effect of which would be to honour previous government ministers who are politically dead, thank God.

The Speaker: I understood the hon. member to say she only had one question.

Mrs. Brown (Calgary Southeast): I also have documents that I wish to table in the House today.

The Speaker: We will leave that until three o'clock and see if there is unanimous consent to do so.

* * *

[*Translation*]

FLAGS OF CONVENIENCE

Mr. Yvan Bernier (Gaspé): Mr. Speaker, when he went to the UN, the Minister of Fisheries and Oceans strongly condemned foreign companies from NAFO countries that use flags of convenience to get around the moratorium on cod fishing.

My question is for the Minister of Fisheries and Oceans: What concrete measures does the minister intend to take to make NAFO countries prevent their shipowners from using flags of convenience?

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, the Government of Canada asked NAFO members back in November to convene a joint meeting or démarche with Canada and some of the countries that provide flags of convenience.

In fact Japan, the European union, Russia and Canada made a joint démarche to Honduras and to Panama within the last few weeks. These nations have been asked to quit providing flags of convenience to vessels that intend to ignore international conservation rules.

I am pleased to report not only have we made such a request, but we have also had a meeting with two of the four countries that are providing flags of convenience. They have committed to action in legislation by May.

[*Translation*]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, I want to ask a supplementary question. In order to act with more credibility on this issue, did the minister check if Canadian shipowners use flags of convenience and, if such is the case, what measures does the government intend to take to convince them not to do so?

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I assure the hon. member once the issue of flags of convenience has been fully considered and authorization has been given both by cabinet and Parliament, because ultimately Parliament will be consulted on this matter, Canada will make no distinction on the origin of the flag of convenience no matter what country it comes from.

Those vessels and ship owners ignoring Canadian conservation rules and multilateral arranged conservation rules merely to exploit the stocks down to the last fish, thus destroying a good part of the economy of Quebec and the four Atlantic provinces, will be treated in identical fashion. The fishing activity will be stopped and the vessels will be taken off the nose or tail.

• (1445)

I have one final comment. I personally have no knowledge, as I stand here and speak, of any Canadian involvement in this kind of measure. However I want to assure the member that were a Canadian company involved it would be my instinct to name such a company and to bring the entire shame and anger of the nation down on that kind of activity.

* * *

HEALTH

Mr. Grant Hill (Macleod): Mr. Speaker, my question is for the Minister of Health.

Thousands of Canadians worry about their chances of contracting AIDS from transfusions received prior to 1985. What progress can the minister report in identifying those at risk?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we are all very concerned with the threat people have of living with HIV–AIDS, especially those who contracted it through blood transfusions in the early eighties.

One of the things that is happening right now is an inquiry under the auspices of Judge Krever. We are co–operating and collaborating very closely at making sure that all information is brought forward so that this kind of tragedy never happens again.

Mr. Grant Hill (Macleod): I have a supplementary question, Mr. Speaker.

Blood samples kept by the Red Cross are identifiable as to donors and recipients. Why else would they be kept? This may be a difficult problem but lives are at stake. Will the minister commit today to seek out the recipients of this tainted blood?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, the hon. member is referring to a number of samples which we have just found out exist in Toronto.

Today Dr. Doug Kennedy from the Department of Health is in Toronto looking at these samples to see exactly what can be done with them. We will take action as soon as we have had a report from Dr. Kennedy.

ETHANOL

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, my question is for the Minister of Finance.

Canada's farmers and others appreciate the minister's decision to leave the excise tax off ethanol. This method of encouraging the use of ethanol blended fuel is good for the environment, for agriculture and for the ethanol industry.

I noted in the budget documents that the minister did not put any time limit on this tax break. Could the minister speculate a bit on the permanence of this waiver of the excise tax on ethanol?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, every time this particular Minister of Finance has speculated he has got himself into a lot of trouble. Let me say to the member for Leeds—Grenville and indeed to all members of the House—I see the member for Kent, as an example—who have spoken to me about this very important issue that we recognize, both in terms of its contribution to the environment and its contribution to agriculture, the tremendous potential that exists in ethanol as a fuel.

Given that and because of the representations made we certainly have no intention of reinstituting any kind of an excise tax on ethanol. That was said in the budget. I can tell the member unequivocally that is our current intention and will be so certainly for the duration of this particular government, at least as long as I am the Minister of Finance, but I do not know how long that is going to be.

* * *

[*Translation*]

MIL DAVIE SHIPYARDS

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, my question is for the Minister of Finance and Minister responsible for Regional Development in Quebec.

About two months ago, I asked the Minister of Transport what the government intended to do about the plan to have MIL Davie shipyards, in Lauzon, build the Magdalen Islands ferryboat.

Will the minister press his colleague the Minister of Transport to award MIL Davie the contract for the construction of the ferry, thus allowing the largest private employer in the Greater Quebec City region to survive?

● (1450)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): As you know, Mr. Speaker, the Federal Office of Regional Development—Quebec has decided, not only because resources were scarce but also to focus more on those areas which create the most jobs, to concentrate its efforts on small business and new technologies.

Therefore, as the Minister responsible for the Federal Office, I will concentrate on small business and new technologies, and let other ministers deal with shipyards and transportation issues.

Let the hon. member have no fear. There are 19 of us from Quebec in our caucus, including the acting Minister of Regional Development, Mr. Massé, the Minister of Foreign Affairs, the Minister of Canadian Heritage and the Prime Minister. All of us are here to take care of Quebec's interests.

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, I will direct my question to the Prime Minister as the Minister of Finance is clearly unable or unwilling to discuss transportation issues.

Can the Prime Minister tell us who, in Cabinet, is defending the interests of the MIL Davie workers if his Minister responsible for the Federal Office of Regional Development does not want to discuss transportation issues and his Minister of Transport, who is from New Brunswick, is bound to favour the St. John Shipbuilding shipyards?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, everyone knows full well that these problems are discussed in Cabinet and that we are committed to the workers in Quebec as we are to those in the rest of the country. Now, in this particular case, we must determine first whether or not we really need a new ferry and second, if the price is right. That is precisely what the Minister of Transport is doing now. Once his decision is known, the House will be informed.

* * *

[*English*]

TARIFFS

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the Prime Minister.

The U.S. government is threatening to impose high tariffs on Canadian grain and is saying that it might compensate Canada for this action by making concessions on the protection of Canadian poultry, eggs and dairy products.

This kind of bargaining, pitting Canadian farmers against Canadian farmers, is unacceptable.

Will the Prime Minister assure the House that the government will not accept a deal that sacrifices the interest of one agricultural sector for the interest of another?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have already discussed the problem with the American authorities. I have mentioned it to the President of the United States.

In the case of the products covered by article XI of the GATT, we know the proposed tariffication levels are protected by the GATT rules. There is no concession to be received from the Americans. We are just playing by the rules of the GATT.

On the question of the level of imports in the United States of Canadian wheat, this is something that is being discussed. There will be no tradeoff between one part of the farming community against the other.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I thank the Prime Minister for his assurances and I ask for a further clarification.

If American negotiators attempt in these negotiations, in this bargaining, to pit Canadian grain farmers against Canadian producers of poultry, eggs and dairy products, will the government tell the Americans to take a flying leap?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I said that the two cannot be bargained one against the other.

Egg, milk and butter producers in Canada are protected by the GATT rules. We have changed the rules and the proposed tariffication that exists today has been established under the rules of the GATT. We insist that we are following the international rules.

The question of the Americans importing more wheat for their market is another question. There was an increase in the export of wheat to the United States over the last few years. One part was caused by the flood there and the second was because we produce better wheat than it does when we talk about durum wheat. There is a conflict within American society: those who want good pasta want Canadian wheat and we are on their side.

• (1455)

Some hon. members: Hear, hear.

The Speaker: The Chair is ever so thankful that you did not address yourself to the flying leap.

* * *

[*Translation*]

HEALTH CARE

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, my question is directed to the Minister of Health. Public hearings on the marketing of somatotropin have recommended that the introduction of this controversial hormone be delayed.

In view of this recommendation, does the Minister of Health intend to allow this hormone to be marketed in Canada?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, the hon. member should know that my department has not yet completed its studies of this hormone. Once these studies are completed, if the health of Canadians is not at risk, I will have no choice but to allow this hormone to be marketed.

* * *

[*English*]

EMPLOYMENT

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, my question is for the Minister of Human Resources Development and was inspired by businessman Brian Burge of Ottawa.

Recently Mr. Burge spent more than $1,000 advertising commission sales jobs in Ottawa and Toronto. From this effort Mr. Burge discovered that many respondents were unwilling to give up guaranteed unemployment insurance benefits and risk the uncertainty of a commission sales job. Many jobs in the new economy will be commission or performance based.

In view of what the government said at the G–7 meeting, will the minister respond to the evidence that the UI system discourages recipients from taking commission jobs? Could he tell the House what he intends to do to fix UI in this regard?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I thank the hon. member for his question.

As the hon. member would recall, last January we initiated a process of social security review to better, improve and modernize the present system. Among the areas we are presently reviewing is the Unemployment Insurance Act. Toward this end the representation made by the hon. member will be taken under consideration.

* * *

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Hon. Jean J. Charest (Sherbrooke): Mr. Speaker, my question is for the Prime Minister and it pertains to the Collège militaire royal de Saint–Jean.

It is now obvious that the decision to close this college was misguided. However, we recognize that the closure is part of a budget decision and that the government finds itself in an extremely difficult financial situation. That is why many of us, including the Government of Quebec, have called for a moratorium.

Under the circumstances, we think it would be reasonable for the government to take the time to examine this question thoroughly before making an irrevocable decision. This is not, in our view, an unreasonable request.

Therefore, my question for the Prime Minister is as follows: Under the circumstances, would he not be willing to take the time to review this matter thoroughly before making such a final decision?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the military college in Saint–Jean will not be closed until the end of the next school year. Therefore, we have over one year to find a use for these facilities which are extremely valuable.

We are currently discussing with Quebec government officials to find a way to put this facility to good use and we are prepared to provide assistance. The Minister of Intergovernmental Affairs is currently conducting the discussions in this regard.

* * *

[*English*]

FISHERIES

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, my question is for the minister of fisheries.

Pending conclusion of his proposed new high seas fisheries convention prohibiting overfishing by foreign vessels operating just outside Canada's 200–mile fishing zone, will the minister of fisheries remind states that Canada has the legal right under already existing international law to apply stringent fisheries conservation measures and penal sanctions where necessary against delinquent foreign vessels and their crews?

• (1500)

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the hon. member for his question, acknowledge his great expertise in the area of international law and take this opportunity to say yes, indeed we are taking every opportunity through every forum available to us, most recently at the UN conference on high seas fishing and at the FAO in Rome.

We are taking every measure to try to ensure that international law is binding, that we can develop binding dispute settlement mechanisms, and that Canada can through agreement put an end to the problem of foreign overfishing.

Let no one believe otherwise. If we cannot resolve this problem by agreement we will resolve it by unilateral action by Canada.

* * *

PRESENCE IN THE GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of Mr. Fritz Verzetnitsch and Mr. Rudolf Nurnberger, members of the Austrian Parliament.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

PUBLISHING INDUSTRY

The Speaker: With regard to the hon. member's request to table a document, Beauchesne's sixth edition in citation 495(6) precludes the private member from tabling documents. Therefore it would require the unanimous consent of the House.

The hon. member has made the request. Is it the pleasure of the House to give unanimous consent for the tabling of this document?

Some hon. members: Agreed.

* * *

POINTS OF ORDER

CORRECTION OF COMMENTS

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I rise to correct the *Hansard* record.

Last Thursday, March 17, I made a statement on the Somalian incident and I would like the record to reflect that several military police investigations were ordered into the significant incidents experienced by the Canadian Airborne Regiment battle group in Somalia and that the first one commenced on March 19, 1993, not on April 15, 1993 as stated in the House.

* * *

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions.

* * *

SEMAINE DE LA FRANCOPHONIE

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, yesterday, on the initiative of the Association of French–speaking Parliamentarians, a reception was held here on Parliament Hill to mark the beginning of the Semaine de la Francophonie. Representatives of various Canadian organizations dealing with the Francophonie came from across Canada.

A number of Canadian personalities who have distinguished themselves in this country by working in different ways and in different communities to promote the French fact were honoured. We were especially happy to have among us at this

ceremony the Prime Minister of Canada, who received the honourary award of the Francophonie and who is a proud representative of Canada's French–speaking community.

Allow me today in this House, at the first opportunity I have had since the beginning of this Semaine de la Francophonie, to remind members of some interesting historic facts.

• (1505)

As hon. members know, the heads of state and government summit held at Chaillot Palace in Paris in 1991 ratified the proposal for an international Francophonie day and expressed the wish that each of the 47 states and governments forming the so–called Francophone community celebrate this day individually and at their convenience. It was officially set for March 20, the date on which was founded the Cultural and Technical Co–operation Agency, the first francophone intergovernmental organization, whose secretary general in the last few years has been a distinguished Canadian, Jean–Louis Roy.

We are very proud to take part in this day and thus show that we belong to the Francophonie. As active members of this multilateral group, we will continue to promote the basic values dear to all Canadians such as democracy, human rights, women's equality, child welfare, education and training. The francophone community includes over 400 million men and women scattered all over the globe.

The Francophonie is an integral part of Canada's foreign policy. We intend to continue playing an active role and contributing in various ways, so that all francophone and francophile Canadians continue to benefit from this window on the world and the fruitful contacts we maintain in many French–speaking countries throughout the world.

By being a member of the Francophonie, Canada also shows the rest of the world the unique features of Canadian reality. The Canadian Francophonie speaks with many accents. It starts out in the sandy dunes of New Brunswick, goes up the St. Lawrence River, and ends up in the western plains. During their travels, our francophones took on the accents of Antonine Maillet, Anne Hébert, and Gabrielle Roy. Far from resting on their laurels, our francophones now speak with new accents such as the Creole intonations of those who found refuge on these North American shores.

Canadians show solidarity with all the people of the world who use French to communicate, exchange ideas and better understand one another.

It is in this spirit that I invite all Canadians and their elected representatives in this House and in legislatures with a large number of francophones, be it in Quebec, New Brunswick, Manitoba, Saskatchewan, Alberta, or even British Columbia, for there are many francophones on Canada's West Coast.

So, on this day and week celebrating the Francophonie, I would urge all my colleagues in the House of Commons, particularly the members of the Bloc Quebecois, to realize that the French language is alive and well in Canada. It is not endangered as some members opposite would like us to believe. On the contrary! The French fact is strongly and brilliantly defended throughout Canada and reaches out around the world.

• (1510)

Some hon. members: Hear, hear.

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, today it is a great honour and a great source of pride for the Bloc Quebecois to draw the attention of the House to la Journée mondiale de la Francophonie.

For Quebec and for all francophones in the rest of Canada, whose common destiny is necessarily linked to that of the Francophonie, this is a particularly memorable day.

Incidentally, this anniversary coincides with that of the founding of the Agence de coopération culturelle et technique, the first francophone intergovernmental organization.

Quebec's participation in this international body illustrates that in matters concerning the Francophonie, as in all other matters, especially when they concern our identity and cultural ambience, as the Leader of the Official Opposition mentioned earlier, it is important to run our own affairs.

Promoting the French fact also means promoting our viability as a community, and in this respect, we have no outside allies other than the solidarity of francophone countries.

We must remember that the destiny of francophones outside Quebec should not be dissociated from the affirmation of Quebec's identity, because our community owes its survival to its will to endure as a people. This solidarity among francophones in Canada must be strengthened.

Canada's francophone communities must not only survive, they must also be able to develop their cultural, economic and social potential in their own language.

The situation is not reassuring. Everywhere in Canada and even in Quebec, the position of French is precarious. Twenty–five years of official and individual bilingualism have not been able to stop the assimilation of francophones. Bilingualism is still too often a Francophone that speaks English.

It is also a fact that Canada's provinces have ignored the rights of their francophone minorities. Even worse, in a number of provinces, francophone communities are considered just

another ethnic community, a situation that was aggravated by the federal government's support for multiculturalism.

The closing of Collège militaire in Saint–Jean also brought to the fore the case of the French high school in Kingston, which is located in a building without washrooms or running water. Reality can be pretty grim!

When the Minister of Foreign Affairs says that to Canada, belonging to the Francophonie also means revealing to the rest of the world what is unique about Canada's situation, one wonders what situation he is talking about!

The Forum international de la Francophonie, which includes 47 countries from all continents, must continue to develop and make itself heard. This applies to all areas, including education, for instance, where the association of partially or fully French language universities, whose headquarters is in Montreal, does remarkable work, and also to the information technology sector and all other economic and cultural sectors.

I think that although it is appropriate to celebrate this international day of the Francophonie, we must not forget that we still have a long way to go, especially here in Canada.

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, the Reform Party of Canada recognizes the Journée internationale de la Francophonie, that was officially celebrated yesterday, March 20.

Our party, being a party of the people, recognizes on this day that 23 per cent of Canadians are francophones.

At the same time, we realize that Canadians are part of la Francophonie, a worldwide group of 400 million people.

• (1515)

Canada is a fortunate country. Despite our financial problems, we continue to provide assistance to other countries, but our help does not necessarily involve money.

We agree with the Minister of Foreign Affairs, who just said that Canada will continue to promote the fundamental values dear to all Canadians such as democracy, human rights, women's equality, child welfare, education and training. By supporting these values in other countries, we hope to reinforce them at home.

We congratulate francophones from Canada and other countries around the world on this international day of la Francophonie.

INTEREST ACT

Mr. Pierre de Savoye (Portneuf) moved for leave to introduce Bill C–227, an Act to amend the Interest Act (calculation of credit card interest).

He said: Mr. Speaker, as you know, our contemporary society makes heavy use of credit cards and I am the first to admit that these financial instruments are very useful.

Nevertheless, I believe that consumers are poorly informed about the cost of the services provided by the issuing companies. I would even add that many consumers are charged what I would call an excessive rate of interest.

This bill proposes an amendment to the Interest Act, so that the consumer can better judge the costs of various credit cards by standardizing the calculation of interest.

I am tabling today not one but two bills concerning this matter. You no doubt have both of them before you.

(Motions deemed adopted, bill read the first time and printed.)

* * *

ACT TO PROVIDE FOR THE LIMITATION OF INTEREST RATES AND FEES IN RELATION TO CREDIT CARD ACCOUNTS

Mr. Pierre de Savoye (Portneuf) moved for leave to introduce Bill C–228, an Act to provide for the limitation of interest rates and fees in relation to credit card accounts.

He said: Mr. Speaker, the second bill seeks to provide for the limitation of interest rates and fees in relation to credit card accounts, by means of a floating ceiling that would follow fluctuations in the bank rate.

(Motions deemed adopted, bill read the first time and printed.)

* * *

• (1520)

[*English*]

PETITIONS

TOBACCO TAXES

Mr. Peter Adams (Peterborough): Mr. Speaker, I have three petitions from citizens of the riding of Peterborough. All of them deal with the lowering of taxes on tobacco. Each makes a different point.

The first petition from 47 people of Peterborough stresses that the government should deal with smuggling in some other way.

The second petition which has 25 signatures says that the tax will cause between 175,000 and 350,000 more teenagers to smoke in Canada.

The third petition which also has 25 signatures stresses that the tobacco industry knows that lower taxes simply mean higher profits for it.

I present these petitions under Standing Order 36.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I would ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): I wish to inform the House that, pursuant to Standing Order 33(2)(b), because of the ministerial statement, Government Orders will be extended by 12 minutes.

GOVERNMENT ORDERS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT

The House resumed consideration of the motion and of the amendment.

The Acting Speaker (Mr. Kilger): I believe the hon. member for Kamloops had the floor prior to question period. We will go directly to questions and comments.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I have two questions for my hon. colleague.

I was disappointed, assuming that I heard or interpreted the comments attributed to the Bloc Quebecois correctly, that it sort of washed its hands of this. It really did not matter because the Bloc did not expect to around the next time.

I have told the Bloc on several occasions that it has a responsibility to represent all Canadians. This bill is coming forward now and I would argue, and I would like my colleague's comments on this, that it has a responsibility to treat this seriously and not take its own myopic view and simply say it may not be around. It could go poof by the next election. That is my first comment.

My second is a question which is very simple and precise. In the 34th Parliament I had suggested that perhaps this Parliament, that is, l'ensemble des députés, should look at the possibility of significantly reducing the number of MPs. Would this not be a wonderful opportunity to see whether we could do with one–quarter or perhaps one–third fewer MPs?

I would like to get my colleague's reaction. I think that Canadians would applaud such a move. It would mean a significant saving. For the record, I did make that request in the 34th Parliament. Perhaps it will be more easily supported in this, the 35th Parliament.

Mr. Riis: Mr. Speaker, I will answer my colleague's second question first.

I believe there is some merit in the proposal he raised in the last Parliament. It brings to mind a private member's bill that was put forward by my colleague then, the member for Yorkton—Melville. My colleague for Regina—Lumsden spoke to me about that earlier. It would have reduced the number of seats by about 60, I believe, about 20 per cent.

Again, this idea of a political party open to at least the suggestion of not only capping the seats in the House of Commons but actually reducing the number is something that we pursued in the past. It is the kind of thing that we would certainly be open to now in the discussions, assuming that this bill goes on to committee.

• (1525)

In terms of the hon. member's comment regarding my friends in the Bloc, it was a good point. Over the past few weeks as this Parliament has unfolded one of the points I have noticed is there seemed to be a rather restricted geographic base of interest from my friends in the Bloc, tending to focus on issues that were more related to Quebec than perhaps to other parts of Canada. That seems to be a theme that has developed over a period of time.

The speaker from the Bloc made his points earlier and there seems to be almost a preoccupation with Quebec issues. It is not surprising for me, recognizing the mandate that the members have interpreted for themselves. I assumed that there was some inconsistency.

I take the suggestion by my hon. friend from St. Boniface seriously. Perhaps it is a reflection that the Bloc is widening its terms of reference as it interprets being the Official Opposition to represent issues far beyond the borders of Quebec.

[*Translation*]

Mr. François Langlois (Bellechasse): Mr. Speaker, following the comments made by the hon. member for Kamloops, I want to say that we made no secret of our sovereignist option and of the fact that we constantly promote that option for Quebec. Also, we will never resort to the scorched–earth policy. The seats we occupy do not belong to us: we are trustees. I fully agree with that observation made by the hon. member for Calgary West. Until last October 25, we had a government which thought that the whole country belonged to it. Look at what is left of that government now.

It is in this responsible fashion that the Official Opposition intends to continue to work on Bill C–18, which deals with electoral boundaries readjustment. This legislation might be in effect for the next general election, whether Quebec is still present or not.

I think it is a matter of responsibility for parliamentarians, regardless of their political affiliation, to participate in the business of the House. In my opinion, given this notion of responsibility, a party which would sit back and refuse to take part in the work of the House because of a political option or some bias, would certainly deserve to be blamed.

As I said earlier, as long as we are here, we intend to defend the interests of Canadians from coast to coast, all the way up to the Arctic. This must be very clear, and if we have to repeat it, we will constantly repeat it, being understood of course that our primary objective is Quebec's sovereignty.

However, we are not the ones who will decide; the decision rests with Quebeckers. It is Quebec voters who, on referendum day, will decide their future, in the polling booth.

Whatever their decision, we must respect it. We believe and we hope that they will say yes, and in fact we will work for a yes vote for sovereignty, for empowerment, for the opening of Quebec to the world, to the francophonie and to the English–speaking world and all other cultures of course. If, unfortunately, we cannot reach our goal from the seat we occupy here and if others take over, we will have to work to ensure that it happens later, in the best possible manner.

We are here to promote Quebec's evolution in the context of a mature political context, and it makes me very sad every time I hear expressions such as "break up" or "collapse" in reference to Canada. We do not want to break anything other than political structures. Does the redefinition of Canada's political structures mean the breaking up of anything? Was there any mention of a "collapse" when the Canadian Constitution was rewritten in 1840, then in 1867, in 1931, and finally in 1982? No, rather we talked about affirmation. When Canada became sovereign, we celebrated. When Quebec becomes sovereign, we should also celebrate.

• (1530)

[*English*]

Mr. Riis: Mr. Speaker, I listened to my friend with some interest. First of all he says he is a separatist and that he is promoting separatism or sovereignty association or whatever. That is fine. I think it is a moot point.

He says that he wants his party to act as the Official Opposition. I do not think there is any question that if we did a content analysis of the questions asked by my friends in the Bloc we would find overwhelmingly that those questions are focused geographically.

I do not recall many questions being raised about the west coast fishery, about the problems in the Arctic region, about agriculture on the prairies, about the Atlantic fishery, the fixed link with P.E.I, energy and mines. I hope this is a new trend that we will see. I would encourage my colleagues to take up the role of Official Opposition in a more appropriate way than they have in the past.

However, to listen to my friend talk about dismembering Canada as we know it and to say that this is not breaking up the country is mixing up our words somewhat. In a family when a piece of the family leaves, we talk about breaking up the family. When one loses a limb, one is obviously breaking up one's body somewhat.

To take a major part of Canada and separate it into a sovereign nation and say that is not breaking up Canada is a misuse of the term.

We should recognize that the fundamental purpose, as my colleague has indicated, of the Bloc in the House is to separate the province of Quebec from Canada, which in my terminology would be breaking up the country that we have known for the past 126 years in a formal sense.

It is a mixture of terminology. Perhaps some of it gets mixed up in the translation, but in my mind it is very clear what is going on. I do not support the Bloc in its fundamental mandate, but I do find encouragement in the fact that it says it is going to take on the role of Official Opposition in a more generous way in the future.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I appreciate the thoughtful remarks of the hon. member for Kamloops on this subject.

I want to raise a couple of points with him. I appreciate the dissatisfaction that exists in interior British Columbia. I have had the opportunity, not in a great deal of detail, to review some of the proposed maps from the commission and certainly interior British Columbia has some of the stranger proposals. Some of them are unusual. Most are fairly standard types of proposals.

I am sure the hon. member for Kamloops would agree it would be appropriate in the interim to point his constituents toward the fact that the commission will be holding hearings in Kamloops on May 24. I am sure he will do that.

One thing he raised in his speech that I want to bring forward concerns the legislative program of the government. Does he find it unusual that we are discussing electoral boundaries when the budget is yet to be discussed, the omnibus budget bill, unemployment insurance concerns? Does he find that this is a strange example of parliamentary priorities in his long experience here?

Mr. Riis: Mr. Speaker, to my colleague from Calgary West I want to say that one of the very first things I did when I saw the map was call a press conference and urge my constituents to write, serve notice that they would want to be interveners during the hearings on the new boundaries because they were so odd and so peculiar.

In terms of priority, my hon. colleague from Calgary West pointed out that part of the theme of this new government is to consult, to discuss, to study, to examine and to review. As a matter of fact, all we have really done so far is initiate reviews, studies and examinations of just about every conceivable area of responsibility for the federal government.

I suspect this is part of that thesis, although when we consider the priorities of the country we would have to look long and hard to find Canadians that would say the process we use for determining the boundaries of federal electoral districts is something that ought to be reviewed and given some priority.

I find myself in agreement with my friend that this is an odd priority. What is perhaps more odd is that it has come so quickly and out of nowhere.

• (1535)

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I would like to add some fresh thoughts on our debate about the proposed suspension of the operation of the Electoral Boundaries Readjustment Act.

I wonder if we should consider starting from the premise that this Parliament ought to interfere in due process set up by Parliament only for some clearly stated public policy purpose.

What concerns some of us in the House very much is that the purpose of this interference has not at all been stated. There is absolutely nothing in the bill that says what we are hoping to achieve by suspension of the process that has been in effect now for many months.

The proposed bill is entirely silent on important elements that would provide some direction and also that would allow the citizens we serve to evaluate the merits of the process. Other speakers have stated clearly, and I would agree, that the effects of the present process are somewhat undesirable.

I represent the riding of Calgary North. It is the largest riding in terms of voter population in the province of Alberta, with over 94,000 electors. It is growing very quickly. New communities are being built up rapidly and the boundaries of the riding are expanding.

This commission in its initial proposal which was mailed to the electors in my riding did not just take away a portion of the riding, which is the largest riding in Alberta and growing. Obviously part of it will have to go somewhere else. The commission ripped the thing in half and gave me a chunk of someone else's riding. Not only did this disrupt the sense of community that the riding has enjoyed for a while but it also took away a part of another sense of community that has been built up in another riding.

There would not be any problem with taking away from the largest riding in Alberta, but to do that on one hand and then give me part of another one does not make a whole lot of sense in my view and in the view of many of my constituents. The concern that has been stated on all sides of the House is the tendency of the commission to violate the sense of community that has been built up. I would suggest that this is a valid concern.

If we are going to have our citizens participating in the political process in a meaningful way then the provisions of the act that instruct the commission to respect the community of interest, to look at geographic criteria should have been more closely followed by the commission. I think that is a valid criticism.

The problem is that we have identified the problem but not the solution. What we are doing in this case is taking away an important element that would help us to identify solutions. That would be to proceed with the public hearings which have been scheduled to begin in a couple of weeks across the country for which many of our citizens are preparing.

The hon. member for Kamloops has just stated that in his riding citizens have already been preparing for those hearings. Here we are at the very last second pulling the rug out from under this process and not allowing the citizens of the country to help us move in better directions if we are agreed that we do need different directions.

I believe there is some real virtue in moving on to permit these public views to be heard, to assist parliamentarians who represent the citizens of the country, to look at the process, to adjust it so that the results are more desirable for all of us and to open the process up to that kind of input.

• (1540)

It could be very beneficial for us as parliamentarians to have the views of other citizens in the country who are directly affected by the work of the commission. It would also ensure that any future rules that were proposed were not open to the charge that has been made by other speakers in today's debate that the process has been interfered with in a partisan, unfair or inappropriate manner.

I believe that if we let the public speak on this situation the public would bring up the very same concerns that we in Parliament have, perhaps with an added perspective, definitely with a different credibility. I would urge the government to consider seriously whether this process should go ahead. I recommend that it does.

The process that is set up under the Electoral Boundaries Readjustment Act is represented as being independent of political influence, and so it should be. Some speakers today have registered a concern that in stopping this present process and not putting in a clear process today that could be evaluated, political influence is a definite possibility in the future.

I would suggest that the House, if it wishes to maintain the confidence of the Canadian public, should protect that principle of independence by commissions that are engaged in these types of exercises and that we ought to affirm that principle of independence. Whatever we do in the House or whatever the government does to affect the process must clearly protect the integrity of the process rather than leave it open to even a suspicion that there can be partisan tinkering with it.

Unfortunately no safeguards are proposed in the legislation to address this very legitimate concern. That is one of the reasons, in spite of the disagreement that members of the House have with the commission's initial proposals, we feel that the present action of the government in simply putting a stop to the whole process without safeguards, without any clear direction, is inappropriate and why we do not support the bill that is before us today.

In Calgary hearings by the commission have been scheduled for April 20. We have urged citizens there to make their proposals known. We hope that this kind of participation can still take place. If the government, after today's debate, after hearing some of the concerns and suggestions from other members of the House, will allow those hearings to proceed it will encourage participation of the public in what is happening with redistribution.

There have been many suggestions made today that the people of Canada do not want to pay more members of Parliament. Some people have been so unkind as to suggest that some members of the public feel that the 295 we have today are not entirely worth their pay. I am sure that is not true but it has been suggested by some.

If it is true that the people of Canada do not want to see an increase in the number of members of the House, the number of members representing and governing them, we ought to give them an opportunity to air this concern. That would be another purpose of the public hearings that we feel should not be stopped but should go ahead.

The suggestion has been made in the House but there really has been no opportunity for the members of the public to make this suggestion. Perhaps if they were allowed to speak they would be happy to have more of us doing the fine job that we are doing. However, if they do not feel that way they should be allowed to say so clearly and to the proper body.

I want to emphasize that this exercise of electoral redistribution and the public hearings that accompany it really go to the root of the democratic principle of representation. In a democracy we abide by the principle of one person, one vote. That is a very important principle of democracy. That means that our proportional representation has to be unified across the country.

• (1545)

The redistribution that is necessary because of fluctuations in population is important and the exercise that surrounds this redistribution is important because it touches this very fundamental proposition of one person, one vote, a proportional representation.

I would emphasize that we ought not to interfere with this exercise lightly because of the very fundamental principles that it speaks to. I think the people of Canada would have a right to be concerned if a government used its majority against the wishes of all members of the House, of all representatives of the people, to interfere in a very fundamental democratic exercise without having the opportunity for people to speak themselves.

I would suggest that rather than exercising our power as legislators to pass judgment on the proposals of the commission, although we are certainly entitled to state our concerns and opinions and would be free to do so in the commission hearings, that instead we use our responsibilities as leaders to ensure full and fair public debate and review of the commission's proposals.

I think that would be the service that we should render to the public rather than simply using our own unilateral judgment to put a stop to the exercise of the commission's jurisdiction.

I think that we as legislators also have a responsibility to ensure that the commission respects the provisions of section 15 of the present Electoral Boundaries Redistribution Act which mandates that they look at community and geographic considerations and some of the things that we could argue have been violated in the initial proposals of the commission.

However, I would emphasize that these are initial proposals only, that they are not written in stone. They are, presumably and certainly ostensibly, open to public input and public influence. I would suggest that we allow that process to go ahead.

In summary I believe there are public policy reasons to re–examine the present process. It is clear that there is a lot of unhappiness both in terms of the growing numbers of MPs that have been suggested and in terms of the violation of community and the sense of cohesion that has been built up in many areas through political involvement.

However, I believe that this process should be carefully and thoughtfully considered and rather than just throwing out $5 million worth of work today that we give some clear direction when we do change the process and that the changes be proposed only when they have been properly framed and not just on "we don't like this, we don't know what we like, but we are not going

to go ahead with this'', especially without the public being able to speak on this.

With that recommendation I urge members of the House to support our proposed amendment to this bill.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, the hon. member for Calgary North has made an interesting speech based on the principle of public representation, arguing that the people should be able to make representations on how the new federal ridings would be redistributed.

I think this is an excellent point and it would be great if all the various communities within a riding were homogenous instead of having totally divergent interests as is often the case at present.

• (1550)

I would like to ask the hon. member for Calgary North the following question. You can see the size of this chamber. A few years ago, ten, fifty, a hundred years ago, there certainly were not 295 members sitting here. Not so long ago, there were about 250. There used to be 200 and, before that, perhaps 150. Today, we are 295 and we are about to add another six, at a cost of approximately $9 million, $10 million or $12 million.

So, I can see two problems. One is that, at this rate, there will come a point, in 2050 or 2090, where this chamber will no longer be large enough to hold all the new members. Walls will have to be moved back to make room for the extra seats that will have to be made. If you look to the south, in the United States, they have only 100 senators for a total population of about 250 million.

My riding is huge. It is currently the fourth largest of all urban and rural ridings in Canada, and I am not complaining. I am rather proud of it. I think that there is a way, when you how, to represent your riding well and not lose touch with the community.

I am sure that the hon. member has noticed that in Prince Edward Island, they have ridings—and I do not mean any disrespect; I am merely stating a fact—which are no larger than certain neighbourhoods in cities like Calgary or here, in the Ottawa area. They have four members of Parliament representing 135,000 people, and I do mean people as opposed to voters. There are probably no more than 20,000 to 25,000 voters in some of these ridings, and even that is generous. Now, there is a problem there, but the province and its right to be represented have to be respected. This is a case where we would have to refer to the Constitution.

For those of us from other parts of the country where there are no such guarantees, is this room not getting a little crowded? And have our national debt and public debt not grown so much that we should act to curb the growth of the number of elected members?

[*English*]

The Acting Speaker (Mr. Kilger): Before I give the floor to the hon. member for Calgary North, I know it is the beginning of the week and possibly I have been a little more generous with the time than I should be, but I do want to give the opportunity to each and every member who wishes to speak to this issue that opportunity in the next few hours or however long the debate might go on. I understood that members are sharing time in tens and fives and I think if we were to check the times we would find that we have rather extended those quite generously.

In all fairness to the very good question following an interesting intervention by the member for Calgary North, I would ask the member for Calgary North if she would not mind just giving the House at this moment the short version and possibly she may want to discuss the matter more fully with her colleague at a later time so that we can get the debate back on track within the confines of the time limitations we put on one another.

Mr. Harper (Calgary West): On a point of order, Mr. Speaker. I should have indicated to you a few minutes ago that Reform members are not presently sharing their time. I had indicated that in a discussion with your predecessor and I guess that information was not passed on. There was some lack of clarity on that.

I do not know how you want to proceed with this particular speaker, but after this speaker I do not think for the time being we will be sharing our time. We will not be sharing our time.

The Acting Speaker (Mr. Kilger): I apologize to all members in the House, and particularly to the member for Calgary North and the member for Carleton—Gloucester.

I understand now very clearly from the member for Calgary West that Reform members participating in the debate will not be sharing their time but in fact will take the full 20 minute complement followed by 10 minutes of questions and comments. Is that correct?

The member for Calgary North has more time than I had first indicated.

• (1555)

Mrs. Ablonczy: Mr. Speaker, we probably owe you an apology for not communicating directly to you on that point. I am sure that members of the House will be absolutely delighted to know that I can now give them the long answer to the hon. member's question rather than the short answer.

I believe his points were well taken. With respect to Prince Edward Island, now that the causeway is going ahead perhaps the population of that area of the country will increase to justify more representation.

I believe his comment with respect to other countries, particularly our neighbour to the south, is very interesting and very appropriate where a much larger population appears to be well served. In fact, some people think it is still over–served by a much lesser number of representatives than we have here in Canada. I believe that their Congress is not a whole lot bigger than our House of Commons even though they have 10 times the population. That is one argument I have certainly heard advanced by many Canadians against expanding the membership of this Chamber.

I would like to touch on another aspect of this in response to the hon. member's question as to whether we really need more representatives. I think this goes to the root and scope of our representation here in the Canadian Parliament. On this side of the House we have argued rather strenuously and will continue to argue that the scope of our representation in this Chamber is very circumscribed. In other words, we really do not have the freedom we think is necessary to represent the wishes and directives of our constituents as should be available in a representative democracy through things like free votes. Quite often we find in the House members are voting and acting in accordance with strict directives from their party.

If that is going to continue to be the case, I would suggest that indeed there could be fewer of us simply responding to directives from the executive portion of our party. If we are going to truly solicit and actively represent the concerns and wishes and directives of our constituents then we would have much more legitimacy, especially with respect to numbers than we do today.

Last, I would like to point out to the hon. member that although I agree with his contention that we ought not to increase the numbers in this Chamber, and as he rightly points out there are even physical limitations on that today, this bill makes absolutely no commitment to do that. There is nothing in this bill that says we are going to turn this back to committee with a view to ensuring that the number of members in this Chamber does not increase.

That is a real concern. I would say to the hon. member that for that reason I would urge him to support the amendment we have made to give a period of time so that those very specific directions can be built into the bill and then the bill can be brought back. We know where we are going and we know what we want to achieve. It is clearly stated and we can go forward on a much more solid basis that is open to evaluation and debate rather than just throwing the thing wide open again.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I thank the hon. member for Calgary North for her comments. The hon. member for Calgary North and I and other members of the Reform caucus from Calgary have been co–operating on a submission to be made to the public hearings in Calgary on April 20. We certainly appreciate her efforts in that regard and also the fact that she has really been in the forefront of making sure that her constituents are aware of this and are able to participate in the process.

The question I would like to ask the hon. member for Calgary North flows from the previous comment from the hon. member for Carleton—Gloucester. So far today every speaker has indicated a desire to see the number of MPs capped or even reduced. Certainly nobody seems to be saying they want the number of MPs increased.

Blocking the public hearing process will not accomplish that. In fact, having the public hearing process will not accomplish it either because it is not a matter of the boundaries commission. It is a matter of the formula to which the House in conjunction with the Senate could make some alterations.

• (1600)

This whole process could be facilitated if we could agree on the issue of capping the number of MPs. I am curious as to whether the hon. member has observed the same thing in debate. Why does she believe the government is so reluctant to make this commitment if there seems to be support for this kind of measure from all sides of the House. I am sure she is hearing the same thing from some of her constituents.

Mrs. Ablonczy: Mr. Speaker, one of the points we have been making is that we want a commitment in this bill to cap the number of members of Parliament.

As the hon. member for Calgary West rightly points out this would be within the purview of the House of Commons through an amendment to section 51 of the Constitution. This House has the jurisdiction to make that amendment because it pertains to a federal matter.

In speaking with other members and particularly government members, we have urged a commitment like that to be built into this process or a review of the process. I want to emphasize that this has not been done. This is very disturbing to me as a representative of electors. I have no idea why this could not have been done and was not done.

It does raise the question as to how serious the government is about capping or committing not to increase the number of members. Rather than just taking a chance on a proper proposal or a commitment coming out of a new process, it would be far better to make that commitment right up front as a condition of going in a different direction with the process rather than hoping that somehow it comes out of talks within the House or in committees in the next few months.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, in the 1993 election Canadians from small rural towns to large urban centres told whoever would listen they wanted a reduction in the size and cost of government. They continue to expect their elected representatives to provide leadership on this issue. By not listening the government is failing yet again to provide that leadership Canadians are seeking.

The government as a minimum must review the process by which representation takes place if it is to demonstrate it takes the wishes of the electorate seriously. Most certainly the number of seats in this House must be capped.

I recognize that electoral riding boundaries are not frozen for all time, nor should they be. Changes in population distribution often render electoral boundaries obsolete requiring them to be changed. However, changes should be made with one important element in mind: This country cannot afford any more members of Parliament. What it needs are parliamentary reforms that will make the system and the MPs we do have more effective in carrying out their roles in the House.

One of the most important of those reforms is Senate reform. An elected Senate would ensure that regional interests are effectively balanced against the electoral distribution we now have, one that is heavily weighted in favour of central Canada. An equal, elected and effective Senate is what Canada needs, not more MPs. The long range interest of Canadian federalism, a reformed Senate, must be put ahead of short term expediency, more MPs. Reforming the Senate is the kind of long range planning Canadians expect from government.

The 35th Parliament must take a leadership role in demonstrating we are seriously heeding the wishes of Canadians and that we are acting on their advice. The bill before us today should therefore be rejected by all members who respond directly to the wishes of their electorate.

• (1605)

Like a number of other government programs the exact cost of yet another proposal to possibly add more members of Parliament cannot be calculated.

For example the government has yet to deal with the cost of MPs pensions. While we support the government's intention to review MPs pensions, we cannot endorse the mixed message this bill sends to Canadians. Where is the government's commitment to control and limit spending? Let us be clear and provide consistent messages to Canadians because they are not only listening but they are also watching.

We support a federal democratically elected government that provides equity to all regions through a reasonable alignment of boundaries. Equity is better served through downsizing than through upsizing.

Given that the government cannot fund all of our current expenditures out of revenues, it falls to our lenders to fund with interest these additional costs. It is becoming a very scary part of Canadian government that our lenders are funding with interest those activities and actions we wish to pursue in this House.

In recent years the trend in corporate communities has been to become more efficient. Companies in the nineties have become slim and trim to give better services with decreased overhead. When will the government learn to look to the private sector to see where it is going and what it is doing? There are many lessons to be learned there.

I do not understand how the government is going to create jobs for Canadians when it has no concept of what is going on in the private sector. I certainly met no one during the 1993 election campaign who felt that job creation meant more jobs for MPs.

We are clearly over governed. We have three levels of government. Among the three levels of government there are thousands of elected representatives. The House of Commons has 295 MPs representing some 28 million people. This works out to approximately 94,915 Canadians for every member of Parliament.

The Prime Minister likes to make comparisons between Canada and the United States. I agree with the Prime Minister that we look outside of Canada for comparisons to measure our own performance.

In the United States there are 435 congressmen in the House of Representatives and 100 senators. This totals only 535 representatives for some 250 million Americans. This works out to one elected representative for every 467,300 Americans. I have not heard of any support from Americans to increase their levels of representation by 497 per cent to bring them in line with the level of representation provided for in Canada. This per capita comparison clearly shows that we do not need more MPs; we probably could do with less.

Until there is a comprehensive review of Canada's electoral needs as we approach the 21st century and an accompanying strategic plan, there should be a moratorium on changes to electoral boundaries. The government should guarantee there will not be an increase in the number of seats in Parliament. The notion of simply adding MPs as the population grows lacks any vision regarding representation.

A move toward a downsized and elected Senate will stabilize representation at a lower cost. Making senators accountable to their constituents will allow a further reduction in the number of MPs required to provide greater voter representation than that found in most other democracies.

• (1610)

The government has suggested that a parliamentary panel should study the redistribution and size of Parliament. This suggestion causes the people of Canada, and I am one of them, great concern. They have been left out of the decision making process long enough.

It is time government recognized that Canadians are not satisfied to sit idly by and let politicians make decisions without consulting them. The government says it is committed to an open and honest style of governance. Yet at every turn it is calling for councils, panels and committees that do not include nor are open to the public.

It is not up to current members of Parliament to put forward proposals to alter constituency boundaries for future elections. When a redistribution takes place on a large scale the House of Commons frequently rings out with what one MP, Mr. C. G. Power, frankly described as an unseemly, undignified and utterly confusing scramble for personal or political advantage.

Since 1892 Tory governments have proposed committees to redistribute electoral ridings and the Liberals have opposed them. Conversely, Liberal governments have proposed committees to redistribute electoral ridings and the Tories have opposed them. The opposition premise was that the committees were only serving the interests of the government.

Remember the 34th Parliament and how the Liberals objected to an expanded Senate. The Senate has not brought any improvement to Canadian representation. The Liberal opposition of the day argued that electoral boundary changes would only benefit those on the committee deciding the changes. Why have the Liberals now so dramatically changed their position? They are now proposing yet another committee with a mandate to study electoral boundary changes which would likely recommend increases, not decreases, to the number of MPs.

I am not opposing out of my own self–interest. I oppose electoral boundary redistribution because I want to ensure there will be no new seats and preferably fewer than we have today. This is what the constituents I represent are telling me. Further, this exercise by parliamentarians does not include the public beyond broader based review nor does it have the popular support of the public.

We are calling for the government to adopt a procedure that cannot be accused of being partisan. Electoral boundary changes must only be implemented if they will benefit Canadians.

There were calls for non–partisan redistribution prior to the BNA Act, 1867. Those wishes still have not been satisfied. We in the Reform Party are bringing to the House those popular wishes, wishes that government in this country have failed to listen to for 127 years.

I ask the House to support our amendment.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I would like to address the part of the hon. member's speech where she was comparing our system with the American system.

I have spoken to a lot of American congressmen and women in the last five years. I have often talked to them about the size of their constituencies.

The hon. member mentioned the American constituencies were about five times larger than ours. They are about 500,000 on average compared to our 100,000. What the hon. member failed to mention is that the size of their staff ranges from 18 to 25 workers. One will find that is an increase of 5 per cent.

In making a comparison therefore we should be comparing the whole picture. Sure their constituencies are larger in that they have 500,000 to our 100,000, but the size of their staff is five times larger as well. It is fair to mention that also. Maybe we could add that to the bill when we are considering it a bit later. Perhaps the member has something to say on that.

• (1615)

Mrs. Brown (Calgary Southeast): Mr. Speaker, I thank the hon. member for her comments and her observations.

For me and as I represent my constituents, those individuals who elected me to the 35th Parliament, I have to say that they are the ones who are giving me my direction. I would like to read from one of those constituents who sent me a letter with regard to the whole matter of electoral redistribution. She wrote:

> Dear Jan:
>
> Do we really need more government? At this time we are so far in debt, we should be looking at all ways to reduce costs and restricting the increase in the size of all our governing bodies, not increasing our debts.
>
> Therefore, I would like to see all boundaries remain the same or better still reduce the size of the House of Commons and get our huge debt under control.

The issue at stake is not only representation. It is also keeping our expenditures under control, managing our money more effectively, and keeping our debt under control. Quite frankly it is scary to me to consider that staffing issues will be increasing and burgeoning in light of the enormous debt costs we carry and that the request of my constituents would be ignored in that instance.

Once again I thank the hon. member for her observations. I trust she will understand why I stand here and speak on behalf of, for and with the constituents of Calgary Southeast.

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, I would like to ask the hon. member for Calgary Southeast a question. I found her address extremely interesting and very

refreshing, particularly her reference that Parliament ought to become more effective and more efficient and her reference to how the other place might be changed.

Would it be possible for her to outline for us, in perhaps greater detail, how one could actually bring about a change of that sort and how it could relate to the House of Commons and make Parliament a more effective place?

Mrs. Brown (Calgary Southeast): Mr. Speaker, I appreciate the question from the hon. member. I would like to reference my answer with a little story.

At the last meeting in Calgary Southeast that I attended with some of my constituents a motion was put forward that will come forward at our assembly in October. I got a very clear message about how effective and efficient they would like us to become here. In this policy they are requesting that we reduce the number of MPs in the House from 295 to 140.

That gave an idea about trimming down, paring down and increasing efficiency here. That gave me a very clear and powerful message from them.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, it has been an interesting half hour sitting here, listening to and seeing how hon. members who sit with me referred to half the thoughts I was to mention on this afternoon. I will try to enlarge a few of them and address a few comments to hon. members across the House.

We are addressing Bill C–18. I have not been in politics very long but I have seen some of the bills presented to the House. I have noticed how additions have been made to bills to get them through, to make them a little sweeter, to sweeten the bait so that people can support them.

If hon. members on the other side of the House had really wanted to pass the bill, they would have probably included such things as suspending strikes in the western grain handling system. That has just cost my constituents about $200 million in sales. That would have helped me to support the bill instead of being against it.

• (1620)

Why did they not also include in the bill to sweeten it up a bit a suspension of the gold–plated pension plans for MPs? Then I could have supported the bill. My constituents would have sent me congratulatory messages as soon as I left the floor of the House.

Why did they not include the suspension of phrases that we cannot use in the House when we want to give our appreciation to or criticize the other place or whatever they call it? I could have supported that. I could have gone home and said: "I am for Bill C–18", and people would have loved me for it.

Many members have raised concerns about the redrafting of constituencies, especially our hon. friends on the other side. I see a few little problems with it. I do not think they are that severe. I think we can overcome those little problems. One problem I have with my constituency is that it is gone. I do not object too much to that, but the name Lisgar, a very prominent name in Canadian history, will be gone. I will dwell on that point a little later. I do not I find it so objectionable that I do not have that riding to run in next time because the piece of property where I live is still there. It is going to be included in the boundaries of Portage. It is a real incentive for me to run in the constituency of Portage; it means that I have to defeat another federal minister. I did that in the last election. It really gives me incentive to be a politician.

The bill suspends the operation of the Electoral Boundaries Readjustment Act. What does that really mean? It means we are suspending a regulation or a rule entrenched in the Constitution. Why is it such a serious issue? I would like to dwell on it for a few minutes.

In 1992 when we were discussing the referendum to change the Constitution I will never forget Mr. Peter Warren, a very well–known investigative reporter for CJOB in Manitoba, said: "I am going to read to you the best constitution that has ever been written and then just show and point out to you how valuable a constitution is".

I wondered what he would read the following day because I was not that informed about constitutions. He read the manifesto of 1917 written for the Communist Party. If that constitution were taken to legal authorities or political analysts, it would be found to be the best constitution that has ever been written, guaranteeing all freedoms, all rights, everything needed in a perfect constitution.

However the reason it did not work in the Soviet Union was that politicians did not honour it. All of a sudden they felt they could suspend the right to have property. All of a sudden they thought they had the right to suspend freedom of religion. All of a sudden in 1937, when things got really hostile in the world, they thought they had the right to suspend the judicial system. When my uncle was accused of being a traitor to the Soviet government he did not have the right to appeal to the government. A military tribunal accused him of being a traitor and he was shot the following day without having any representation.

That is what happens when we as politicians change the guidelines and the rules of a constitution. If after the hearings of April 29 Canadians say that the boundaries commission is no good, that they do not want it, I will very gladly support them in having the boundaries commission stopped. We as politicians do not have the right, according to our Constitution, to do that before we have had the hearings. That is why this worries me a bit.

• (1625)

If the procedures and House affairs committee fails to put forward a new proposal for consideration by the House, there is no contingency plan offered to save the work done by the current commission. If no new process is introduced the original

process that was started is finished, which means that we will have wasted $5 million worth of work.

Is this the way to run government? That is why I said previously that if the right to strike had been suspended we could have saved $200 million, which would have made a lot more sense to me.

I am aware of no proof that Canadians are dissatisfied with current distribution. Politicians are another story. I have heard that the problem with redistribution comes from politicians. This would be the second political interference in the process since the 1991 census. Politicians should remove themselves from the process, except for the purpose of ensuring that the number of MPs does not increase.

As one of my colleagues mentioned earlier in the House, it is amazing how quickly politicians can get action in the House when their own interests are threatened. When they hear about criminals being let loose and about children who are starving they are very slow to react, but here is a situation which does not suit us and we react.

Once it was determined that the commission's proposals could change the chances of re–election, the government was very easily prodded to take action. It put its feet against the wall and said: "This is no good. This process does not work. Let us change it".

Very often constituents can pester their MPs and the government for action on an issue that is important to them and their community and they get very little response. But once the politicians' interests are threatened we see immediate action like we see here today.

This problem clearly highlights the need for more regional representation. This is the whole issue. Hon. members object to this process. They are not so much worried about the process as they are about losing political clout in some areas where they have had it and want to keep it. This is why I think it is very important, as my hon. colleague said, that we go to a more regional and equal redistribution of the Senate. I would fully support her comments about that.

It worries me when I see that in Manitoba we would lose more rural MPs. That is the one thing I do not like, and we would get more urban MPs. The people who have little power already would get less power down the road. By increasing the members of Parliament from huge urban areas we would be getting less regional representation than more.

That is why I think we should go to an elected, equal Senate like the United States has. That is why I can support my hon. colleague. The problem with the current system is not only that it adds more MPs but it increases costs. It is useful to compare the Canadian system with the American system as my hon. colleague did. Her figures are much like mine. Each representative in their house represents about half a million people. Each state has two senators, no matter what the size of the population, and each senator represents about 2.5 million people. When I look at the issue today in the United States and the clout that those farmers have because of these two Senate representatives in the farm states, it amazes me why we have not done this a lot sooner so that we could have equal representation from regions and have equal distribution of wealth or a chance to improve our economics in those areas.

• (1630)

Perhaps I should not raise it here. The Prime Minister was a little upset about not getting the wages that hockey players receive. I remind the House that hockey players' salaries are based on United States guidelines of what they think they are worth. If our Prime Minister served 10 times the population and increased his wages by 10 times, he would probably get more money than a hockey player. That is my answer to the value as far as our work is concerned. As an MP, if I did 10 times as much as I am doing today maybe my wages would be a little higher too. We have to put those things in perspective.

I said I was opposed to this redistribution because of one or two concerns. One is about the name change. Adding six letters to the name of Portage could be very easily remedied for me. It would either read Lisgar—Portage or Portage—Lisgar. That would satisfy my complaints about the redistribution problem.

Hon. members may wonder why I am so set on having the name Lisgar in that constituency. This is what I found out looking into the records of the House. The name Lisgar is of significant importance because Sir John Lisgar is a great figure in Canadian history. He was born in Bombay, India, and educated at Oxford University. He was the member of Parliament for County Cavan and served as a Lord of the Treasury from 1844 to 1846 and the chief secretary for Ireland from 1852 to 1855.

During his term in Canada Lisgar took an active role in diffusing Canadian–American tensions created by the Red River rebellion and the Fenian raids. We know how important the rebellion was in Manitoba, the Louis Riel rebellion as they called it. We lose a tremendous part of history if we lose the name Lisgar.

He was a strong supporter of Confederation. He helped negotiate the transfer of Rupertsland and the entry of Manitoba into Confederation. He also encouraged British Columbia to join. He was designated by John A. Macdonald, Prime Minister at that time, as the best Governor General that Canada ever had.

This is what we lose if we take the name Lisgar out of Canadian history. I would encourage the commission and I am

going to write a letter to it asking it to change the name Portage to Portage—Lisgar or Lisgar—Portage, whichever way.

We can see that this name is of great importance to all Canadians and in particular Manitobans. I am at a loss therefore as to why it was dropped. I hope that when the commission finishes its work, completed its hearings, it will come to the conclusion that is beneficial to Canadians as a whole, not as Canadian politicians but Canadian citizens.

The reason we are here as members of Parliament is to follow the wishes, suggestions and guidance of our constituents. We are desperately failing to do that with Bill C–18. There has been no discussion of this bill in any constituencies. It has been done very expediently and quickly for some members of the House.

I hope that we honestly start recognizing that we represent our constituents, that we are here for one purpose, to serve them, not just to tell them how to be served.

• (1635)

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, the member made some reference to what the Prime Minister said in the context of the poorest NHL hockey players in reference to what MPs should be making. I am not talking about the pension. That is something that most MPs here think should be addressed, particularly when there is no age factor to qualify. I leave that out of it.

Would the member just throw out a figure? What would he think? He has been here now for four or five months. He knows some of the costs associated with the job. I do not think he would want it to be said that in order to be a member of Parliament one had to have an outside source of money. That would put it on a totally different plane. It would eliminate a lot of people from ever aspiring to become a member of Parliament if they had to be wealthy to start with. I do not think that is what the member was suggesting.

What would be a fair reimbursement for the kind of demand that is put on a member of Parliament, on his time and his resources and energy and the costs that he has? Perhaps some Canadians are not fully aware that there are costs associated with being a member of Parliament, particularly like the member who has just spoken whose riding is a considerable distance from here. Would he give me a figure? What would be an appropriate salary?

Mr. Hoeppner: Mr. Speaker, I appreciate that question. I would like to answer it in this fashion.

I ran as a member of Parliament and said that I did not care if I did not get a dollar out of this job. I have come here to make sure that in the future there is a country left for my children and grandchildren.

If one wants to know how serious I am about that, I was called into a meeting in my constituency not too long ago about some of the infrastructure programs that hon. members have provided for us. One of my town councils was very interested in it.

I said to the mayor that I had read about two months ago that they had increased their salaries by 2 per cent. I asked him whether that was a fact. He said that yes, it was a fact. I asked him how he could justify that. They wanted a handout from the federal government. They could not run their town council efficiently enough to do without these subsidies and he was asking me to represent him. I said that he was not dedicated enough to freeze his own wages. I knew he was a professional, that he was drawing a fairly good wage to date, that he did not need the bucks.

I would say to the hon. member that I do not think there is a member of Parliament here today who really is going to starve if his wages are frozen until this debt or deficit mess is cleaned up. That is why I am here. I am here to try to make level headed, honest decisions that will benefit future generations and not for my wage cheque today or my pension plan. I am dead serious about that.

When I found that this council had given itself a 2 per cent wage increase, I said that if it wanted any support from me it should kill that wage increase. Whether it will listen to me or not, I do not know, but that is how I would like to respond to the hon. member. I am prepared to sit here without a wage increase until we have a balanced budget and then I will tell the member what I think his work is worth.

Right now we have bigger things to do than worry about salary increases.

Mr. Stephen Harper (Calgary West): Mr. Speaker, as always I enjoyed the speeches from the hon. member for Lisgar—Marquette. He raised a number of issues which I would like to comment on and which maybe he would like to respond to. First, I would note his concern about regional representation and rural representation and the fact that both he and the previous speaker from Calgary Southeast have indicated the importance of Senate reform. I think that is very important to recognize.

• (1640)

I have heard a lot of complaints in the last few weeks from members who are being affected negatively by redistribution in various parts of the country. They wish there were some protections for large rural and remote ridings and that they did not simply just grow and grow in order to represent a certain level of population. I understand that concern. This is why our party has been so outspoken and persistent in pursuing the issue of Senate reform. That is of course what the Senate was designed to do. I find it strange that some members who are now in the context of their own riding, not the hon. member for Lisgar—Marquette but others, complaining about lack of regional representation

and are opposed to the kind of meaningful Senate reform that our party supports.

I point out to the member, and I am sure the hon. member for Lisgar—Marquette is aware of this or he would not have made reference to these matters, that section 42(1)(a) of the Constitution Act of 1982 states:

> An amendment to the Constitution of Canada in relation to the following matters may be made only in accordance with subsection 38(1):

That of course is the two–thirds amending formula. That:

> (a) the principle of proportionate representation of the provinces in the House of Commons prescribed by the Constitution of Canada;

In other words, some members not of this party but of other parties who are indicating that they are willing to look at the issue of regional representation in the context of reform of the House of Commons are really inadvertently misleading the public. There is no such opportunity to do so unless we enter into constitutional negotiations and get approval by two–thirds of the provinces. That is definitely off the table. I am glad the hon. member brought those matters to our attention.

The hon. member also discussed his concerns about boundary and name changes in Manitoba. My understanding of past practices has been that it is very common for commissions to accept recommendations, particularly on name changes. I am sure he will want to approach the commission on that basis. I am just wondering if that is simply his own viewpoint or whether he has heard this complaint from other constituents, whether there have been other kinds of complaints and what mechanisms are available.

I understand there will be hearings at some point in Portage la Prairie. Perhaps he could tell us a little bit more about what he has heard from his constituents and what they intend to do.

Finally, his comment about the constitution of the Soviet Union I thought was very interesting and something I would like to hear more about. Of course it is true that some of these autocratic or totalitarian states have had highly democratic constitutions but there are no structures of government behind them to protect people's actual rights. They are just pieces of paper. Maybe he could tell us whether he and his constituents feel that their rights in terms of representation would be better protected by the independent commissions that exist today and are operating as we speak that this bill would close or whether they would be better protected by a committee of this House controlled by partisan politicians.

Mr. Hoeppner: Mr. Speaker, I appreciate those questions from my colleague from Calgary. I think I will address the last question first. The last question was about the commissions.

This name change has stirred up quite a bit of comment in my constituency. As the member knows from recent history, Lisgar had the multiculturalism minister for the Canadian government at one time. It also had the minister of oilseeds and the minister of the wheat board. It later became the agriculture minister. If one goes back in history there was a time when the constituency of Lisgar was represented by the Liberals, a very honourable and very effective member known as Howard Winkler. If we look back in the history books we will see his name. He was very well respected in the Lisgar constituency. The majority of people in my riding of Lisgar—Marquette are former Lisgar people and they are very interested in keeping that name and there will be a number of recommendations to this commission on that basis, the preservation of the name Lisgar.

• (1645)

They are not that upset over the boundary change because Lisgar—Portage will actually be a smaller riding than Lisgar—Marquette. It will be better represented whether it is a federal minister or not.

The other one that I want to address, and I see the motion going, is about the United States, farming close to the border. Having had that experience the last couple of weeks on agriculture problems, they do not go to their congressmen, they go to their senator.

Two weeks ago we were hooked up with Senator Dorgan and myself among a number of American and Canadian farmers discussing the durum wheat issue and the tombstone issue and other diseases affecting wheat.

It is amazing how these farmers depend on their senators because of the regional area they represent. Look at Senator Dole representing Kansas, look at all the agriculture states having senators to represent them. They do most of the trouble–shooting for the American farmer. That is why it is so important that they have regional representation.

When it comes to the Soviet constitution, get a copy of it and read it. It is very direct in protecting human rights which were so badly abused later. I would never want to see that happen in this country.

That is why I would rather give up redistribution than go against the Constitution and force on people what they do not want.

The Acting Speaker (Mr. Kilger): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Davenport—the Environment; the hon. member for Regina—Qu'Appelle—Information Highway; the hon. member for Capilano—Howe Sound—Immigration.

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, I rise today to oppose Bill C–18.

I can understand the first blush reaction of my colleagues. The results of $5 million of work do not appear to be very satisfying.

In many instances the suggested changes of the commission just do not make common sense. However, Bill C–18 seems to be a step backward in time and could represent the slippery slope of partisan interference in riding boundary making.

The commission has been doing its work in good faith. However, the boundaries in the lower mainland of British Columbia do not seem to follow natural geographic divisions or reflect the psychological sense of community or sense of place that needs to be imparted to a political representative.

I am often asked what riding I represent. My riding of New Westminster—Burnaby and the riding of Burnaby—Kingsway are sometimes confused. Fortunately there is never any confusion between me and the member for Burnaby—Kingsway.

New Westminster has a distinctiveness, a history of the riding name that goes back to the byelection of 1871, the year British Columbia joined Confederation. In those days I suspect one had to be a British subject, a male, and probably a land owner to be eligible to vote.

At that first election the riding was very large and included all the hinterland of the Fraser Valley, past Abbotsford and Chilliwack, up the Fraser canyon to Yale.

Successively the riding boundary has been cut back as the population grew. Six of my colleagues now represent former parts of my riding.

The riding of New Westminster—Burnaby was most recently rationalized for the 1988 election and like all others was the same for the October 1993 election.

There is some improvement in the proposed distinctions in the name change as Burnaby—Kingsway riding will now become Burnaby North.

The city of Burnaby is currently split between the riding known as Burnaby—Kingsway taking its name from the city and from the main historical street that was the horse trail between New Westminster and access from Fraser Rivers to the Vancouver ice free port.

• (1650)

The proposed boundary shift moves the split of the city of Burnaby somewhat eastward. Although the current division is clear yet artificial in a cohesive community settlement sense the proposed boundary shift looks minor on a map but is very significant.

The new proposal cuts down streets that did not represent main thoroughfares or easily identifiable divisions. It cuts through the middle of a park, across the middle of Deer Lake instead of taking the preferred street around the edge, then proceeds up a hill through residential properties and through bushlands where no streets exist at all. Therefore, examination of street map can be deceiving. I doubt any commissioner ever actually physically examined on site the strange anomaly that the proposal makes.

It leaves small enclaves of residential areas stranded in the new riding of Burnaby North without access, except by travelling a considerable distance through my riding of New Westminister—Burnaby. Clearly the purpose among others is to rationalize but this proposal has left these orphaned areas.

I know my riding reasonably well since as a lad I have travelled the streets on bicycle and have walked untold miles campaigning door to door. There is always a different perspective for a pedestrian compared with a car slipping through the neighbourhood, sliding by.

I have an alternative proposal that represents a minor change keeping in mind the principles I have mentioned and makes geographical and social sense to the feeling of place in reference to the voter. The boundary between Burnaby—Kingsway which is to become known as Burnaby North and my riding of New Westminster—Burnaby is problematic in one significant area only. The other boundaries are most sensible, easily understood by residents and fit postal code walks as they take into account the municipal political boundaries and the physical barriers. The number one freeway, the Fraser River and Boundary Road between Burnaby and Vancouver are clear on every map and are historically known and accepted by every resident.

These are natural boundaries that thankfully remain in the new proposal. Nevertheless, I am suggesting that the boundary dividing Burnaby be moved just a few blocks to represent a more identifiable division. The population difference is minor but the rational sense is rather significant.

The commission is permitting only one hearing in the lower mainland for the boundary changes and that may seem rather limited. At least the community can participate. I do not particularly approve of the results of the commission either, but I would rather give evidence at the hearings of an independent tribunal and work to convince arbitrators of the merits of my case with geographical and social evidence than let the riding realignments fall into the hands of the Liberals.

Bill C–18 of the government flies in the face of everything we have come to trust about our electoral boundaries for non–partisanship and independence. Up until now we as Canadians could be quite smug as compared with the Americans for what we have achieved beyond gerrymandering, the American derogatory term.

This government does not like the results of the commission's proposals and has introduced a bill to cancel everything. Let us not at the stroke of quick vote undo history that makes us distinctly proud to be Canadian. If we are not happy with the proposed results of the commission we should work to change it within the system before wiping out what we have on the books.

Millions have already been spent and therefore the bill that we see before the House implicitly says that the money has been wasted. If the government is so aghast at the results, I say get in the game and make the process work. Give it a chance. If after all is said and done, and usually from this government more is said than done, the boundaries are still troublesome send the commission back to do its homework, refine the evidence and get it to justify its recommendations.

What we have here in this bill is the old adage that if we do not like the message on the front line of the battle, shoot the messenger instead of the enemy.

In my case in New Westminster—Burnaby I believe that I can change the situation by getting folk to walk the ground. I certainly do not trust electoral boundary reform to be put into the hands of the government. It is the cat among the pigeons, the fox in charge of the hen house. How long did it take us to learn in Canada and achieve the statute of the Electoral Boundaries Readjustment Act?

British Columbia is already short about six seats that should come from other provinces and this bill certainly perpetuates that inequity.

• (1655)

This bill is audacious and the government is not even embarrassed. We need regular, independent non–partisan redistribution in a manner that inspires confidence. The analogy is like a court. When the judgment is a little out of character we outlaw and remove the judges instead of dealing with the case.

We need redistribution. Even more we need a cap on the number of members of Parliament. That is what new Canada thinking says. Modesty and common sense must begin in Parliament.

We have become a country of city dwellers with vast hinterlands. There needs to be equity with an upper limit within which redistribution can take place. That is the vision of new Canada thinking of equality and reason.

Such measures as I am suggesting are tied to the regional representation that a true triple–E upper House can bring. The Prime Minister could just announce what he will honour in appointment, the elected nominee, which follows the precedent of the late Stan Waters. This is a most important subject as representation by population and regional representation of our vast land require a balance that will not be ameliorated by disbanding the commission.

Let not the excuse of dissatisfaction with the commission be the opening door to a hidden agenda. Let the standing committee do its work, but also engage the existing commission and let it do its work.

In summary, let the system do its work, as the alternative proposed by this government is the least desirable of all the options.

Mr. Stephen Harper (Calgary West): I listened with some interest to the speech by the hon. member for New Westminster—Burnaby, although I did miss a small portion of it.

I wanted to draw the attention of the House to how this kind of redistribution would affect a riding like this in a population sense. New Westminster—Burnaby is an urban British Columbia riding. Under the current boundaries this riding has a population of 112,510; 16.5 per cent above the electoral quotient established for British Columbia. Under the new boundaries, which I appreciate are not entirely satisfactory to the hon. member, there is a population of 101,881, or only 5 per cent above the electoral quotient. There is a considerable improvement in representation there.

It is interesting because that is allowed for under the current sets of acts that are leading us to this process in giving British Columbia two more seats. Maybe we do not want an increase in seats overall but we certainly recognize that British Columbia is entitled to more seats by virtue of the representation by population provisions of our Constitution.

We will all remember that the previous formulas were not so generous to British Columbia. We will also remember that, as I indicated earlier today, in the Charlottetown accord of only a year and a half ago the party opposite and what remains of the other two parties in the former House got together to limit on a permanent basis the number of seats and the representation in the House of the province of British Columbia.

I am sure that is colouring the reaction of members from that province when they see a committee being given an open ended mandate, a committee of this House, to re–examine the formula and to re–examine all kinds of other aspects of electoral reform.

I am wondering whether the member for New Westminster—Burnaby had any comment on that, whether he shared those concerns, whether his constituents shared those concerns. Since the boundary decisions or proposals have been published by the commission, has he had a widespread reaction from ordinary constituents or is this a reaction he is getting primarily from members of Parliament or politically active individuals?

I would appreciate his assessment of that situation.

• (1700)

Mr. Forseth: Mr. Speaker, I will be very brief.

At first blush, looking at the riding boundary map for the lower mainland, one questions the rational sense of how the reconfiguration of some of the boundaries will cross waterways and there is no natural geographical sense. There is an effort to bring better representation on line based on population. There is a creation of two new seats. There is a process there.

I guess my reactions are somewhat the same as we get from constituents, do not throw the baby out with the bath water. We have a process in place and just because we do not like the first blush of the response we do not abandon the whole process and disband the commission.

We certainly are looking for increased representation in British Columbia. I am afraid that Bill C–18 in the long run is not going to bring us that. One of our major fears is that British Columbia will be in the catch up position of trying to get representation that it should have had a long time ago.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, since this morning I have been listening to speeches made by members of the Reform Party, and I wonder why these people want a process that differs from the existing one, while the government is simply asking for a legislative review. The legislation goes back to 1964, which means it is 30 years old. This legislation should be revised, and we already seem to have some idea of what the new legislation will be like. I am sure that the committee formed to review this legislation will make recommendations to the House, which will examine these proposals before it decides to accept them.

Recently, I went around my riding to get the opinion of my constituents on this subject. I must admit that as far as the boundaries of the riding of Chicoutimi are concerned, some municipalities were to be removed from the riding and most came out against the process. Today, residents realize that money has already been committed—as much as $5 million was mentioned—but they are still telling us to "Stop the process. Look at what is wrong with the legislation, because every time they want to make readjustments, they have no regard for boundaries or for the people".

The following is a case in point. The municipalities that were to be removed from my riding are all connected with Saguenay Park and would be added to the riding of Jonquière, although there is no link between the two. I think that after 30 years, it is time to pause and consider what we can do with this legislation and amend it to bring it in line with the twenty–first century.

[*English*]

Mr. Forseth: Mr. Speaker, what I was addressing is the principle of arm's length independent process. Members in this corner of the House are very concerned about suspending that and putting redistribution into the hands of politicians.

The parallel is the tradition of this House essentially writing its own pay cheque. There is a cry in the land that we change that.

We must have redistribution but my opening comment was that we could by this bill represent the slippery slope of partisan interference in riding boundary making. We are warning the House about that and we hope that it will not go that way.

Mr. Randy White (Fraser Valley West): Mr. Speaker, we are here once again debating the merits of political interference in the rights and privileges of the Canadian citizen.

• (1705)

It has always been that bad politicians make the assumption that the electorate cannot make decisions for itself and so they get involved in its everyday life and in its rights and privileges and make changes on its behalf. I thought that we were through with this and that this new Liberal government would make some changes in that regard.

There is a saying that if we forget the past we are condemned to repeat it. That saying goes particularly well in this House of Commons. If this government forgets what happened with the last government it is condemned to go the same road in the next election. Let us look at how we got to this point in the history of electoral reform.

In 1964 the present system came into effect so that the Canadian citizen would always have the right of representation based on a specific formula. Is that logical?—yes. In 1974 the federal government amended that formula and with it the rules for the Canada Elections Act.

Unfortunately that formula would have resulted in an increase in the number of MPs to about 369 by the year 2001. We all know that more MPs are less desired than fewer MPs. Then we move on to 1986 when politicians of the day decided to simplify the formula. So important was this concept that the government of the time enshrined this right in our Constitution.

Let us briefly cover the basics of that right. The first basic right is the Representation Act in 1986 which retained the idea that certain provinces would be guaranteed certain levels of representation. This affects provinces with slow or declining population growth, like P.E.I. and Quebec, more than others.

The second basic right is after every election, to preserve one of the founding principles of our nation, representation by population, the system is re–examined and constituencies are readjusted according to the rules set out in the Electoral Boundaries Readjustment Act.

Like all rules, they must be interpreted before they can be applied and this is where the government comes in. As we have seen in the past, when the government gets involved things tend to get a little muddied. It is amazing to me the similarities between this Liberal government and the Conservative government in this regard. Actually, it is becoming quite clear.

There are many similarities in many regards. For instance, their spending habits thus far indicate that both governments are more intent on leading us into bankruptcy than out of bankruptcy. However, let us look at a similarity between the dying Conservative Party and the Liberal Party.

Mr. Fontana: We are not dying.

Mr. White (Fraser Valley West): The hon. member says the Liberal party is not dying. I would go back to the original comment I made that if it forgets the past, it is condemned to repeat it. We will see how well the Liberal Party does.

What is striking about this new government is its willingness to allow the direct interference of politicians in a long standing practice. In 1990 the majority Conservative government interfered in a long standing practice and wanted to legislate the GST despite the opposition of the majority of Canadians in this country and opposition parties, including the majority of Liberal senators.

In order to get its way, however, the government at the time with the help of the Queen appointed eight political hacks as senators just to get its legislation passed. If the public does not like it, ram it down its throat is what the government said, which is kind of indicative of things here today. It is the cod liver oil approach, I say, as someone from the maritimes originally.

Canadians are not going to swallow cod liver oil politics any longer. Not only will the Canadian taxpayer have to pay the bill for supporting these political hacks until the age of 75, but the government established a terrible political precedent. If we do not get our way in the House of Commons or we disagree with the accepted rules of our country then we change them to make them fit our political agenda. It is quite similar to Bill C–18.

• (1710)

The fact is that very few people in Canada today really get excited about the political boundaries because they have always changed as the population changes. The only people who have concerns at the moment appear to be the Liberal Party members. Like the Conservatives and the GST, they will interfere in an issue, that of redistribution.

This is neither their right nor any of their business. If this government were really in touch with the people of Canada today it would be attempting to reduce the number of ridings to 200 or 250 and save some much needed money as well as making the job of members of Parliament a little easier.

Having 295 members of Parliament in the past has not really served us that well, has it? For instance, MPs would be able to handle the workload much better if we did not waste so much time passing unnecessary laws like this one.

How could we be spending this time? Look at the state of our economy. Look at the state of our criminal justice system. Look at the number of unemployed people in Canada and look at the stagnating parliamentary system we have today, one which refuses to recall MPs, one which refuses to give Canadians the right to referendums, and one that will not even elect senators.

All these things merit our attention much more than deciding if we are going to postpone a decision we have no business interfering with in the first place.

Is the government that desperate for new legislation? As in the case of the GST, let us look at what a desperate government might do after it sets the precedent of monkeying around with the electoral boundary process.

I am not saying that this is a desperate government, yet. I predict that this Liberal government will be fighting for its very existence in 1997, and then who knows?

If this government interferes with the realignment of electoral seats what is to stop it from realigning seats by interfering with the process in 1997? Perhaps the government may wish to add seats in a particular part of a province that is typically held by a majority of that party's voters. That is why the process has been set apart from politics in the first place.

The action put before this House may mean instead of freezing the number of MPs to be added the public will see more seats eventually. At an average cost of $1 million per MP, do we really need more MPs?

We have already spent $5 million on the process. Now, because politicians do not like the realignment, there is another $5 million out the window—what is $5 million today, they ask.

This government seems willing to throw away tax dollars like this with no regard for common sense. This government wishes to pass the bill before the Easter break, suspending the current process for 24 months. If a new bill is not passed by Parliament within 24 months the process will be restarted under the existing legislation.

The member across in the Liberal Party says he is saving money. Talk about a waste of money, how does one save money by spending it that way?

It is absolutely amazing to me that this government again wants to change the constitutional item relating to electoral boundary redistribution. The government is already embarking on complicated changes to the Constitution related to aboriginal

self–government. The government has recently elected to change the constitutional item relative to Prince Edward Island ferry service.

When it comes to the Reform Party's constitutional issue of insisting on a Senate that is elected, what do we get? The government says the issue was defeated in 1992 in the referendum so Canadians do not want it. Liberal Party members across the way say that they defeated the referendum in 1992. That is the narrow focus we get today.

• (1715)

This government wishes to pass a bill before the Easter break. Why? What is the benefit? Is it to save money? No, I believe it is to fulfil a political ambition.

Why is it when there are majority governments in this country they do what they want and not what the people want? There is nobody crying and screeching about this today other than a party.

It makes one wonder about the Reform Party's platform on referendums, citizens' initiatives and free votes, does it not? Those are things where the people finally get to say what is right or wrong rather than the politicians assuming they know best what is in it for the people.

There is a process in place on redistribution, one that allows all Canadians, including MPs, to state their case at public hearings. They have been established. The new proposal would see Ontario getting four new seats and British Columbia the other two.

I can speak against this issue even though my riding is one of the ridings that will be drastically changed and not for the better. Unlike some members opposite they would prefer to get involved in a political process to change the process rather than address the issue through the appeal process.

The government should do a number of things. It should come clean with the Canadian people and admit it is letting a political concern override a process that has been set up to ensure politicians will not be involved. It should introduce legislation that freezes the number of MPs at current levels. It should get on with the business of really running the country instead of tampering with an already overly complicated system.

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I listened intently to my hon. colleague.

I am glad to see that members of the Reform Party who campaigned for change are now defending the status quo. They are now saying they are happy with an act that was put in place 30 years ago and they want to continue with it. Things change and sometimes we have re–evaluate things.

I am very surprised that members of the Reform Party who campaigned on the basis they were going to reform things are now in favour of the status quo. They want to support and maintain an act that was put in place in 1964.

The hon. member states that the Liberal senators voted in favour of the GST. He should look at history and see how hard the Liberal senators fought against GST. The hon. member should get his facts straight on that issue instead of making erroneous statements. Everyone knows that simply was not the case and is not true.

My riding of Vancouver South has a tremendous history. John Fraser, the first elected Speaker, was from that riding. Under redistribution it is basically wiped off the map. There is no riding of Vancouver South.

We need to review the act which was brought in in 1964. Should it continue? Can we improve it? Are there better ways of doing it? Canadians also want us to look at things that were done 30, 40 or 50 years ago, acts that have not been reviewed. That is what we are doing.

• (1720)

Reform members say they do not want to change anything but they would like to make some changes themselves. They are saying they do not want to change anything but they would support freezing the number of seats. When it is something the Reform Party wants it is quite acceptable to make the change. Those members only want to review it if it supports their party's view and political ideology.

Is the Reform Party against reviewing, updating and seeing whether other acts that have been in existence for a long time make sense in today's age? Times change and the way we do things change. For a party which is committed to reform and wants to make changes we are going to work with its members and co–operate with them.

Mr. White (Fraser Valley West): Mr. Speaker, the hon. member has made some interesting comments. I should clarify one thing. He talked about a listening technique. I will read part of my speech again.

In 1990 the majority Conservative government wanted to legislate the GST against the opposition of the majority of Canadians and opposition parties, including the majority of Liberal senators. I think that is what I said. The member can read it in the record. Listening skills are important in the House of Commons.

It is important to understand that in a democracy the people are never wrong. Given that, one has to give some credibility to the electorate that if they are concerned about issues they will let us know. Right now we do not hear very much, if anything about this. In fact beyond these walls it is not a big problem.

I want to talk about defending the status quo. It is ironic that when an issue comes up they expect us as Reformers to take an opposite position on it, but we do not.

We are for change. We are for changes in referendums. We are for changes in free votes. We are for changes in elected senators. We are for changes in recall. We are for balanced budgets and for changes to the criminal justice system. Those are the kinds of changes we are for. We are not for changes in a process for political gain rather than other gains.

When it comes to the status quo the member is talking to people who are against the status quo on many issues. It does not mean that on every issue it must be changed. A government member who suggests that just because it is there it should be changed is probably looking at the wrong methodology for undertaking that change.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I also would like to comment on the hon. member's speech and the whole issue of change.

Members on this side who have been speaking against this particular bill are not opposed to reviewing or changing the process. What is interesting about this bill is it makes no such proposal. There is no proposal to review or to change the process in any meaningful way. It is simply to kill it and substitute nothing other than parliamentary committee hearings controlled by politicians on a matter which is supposed to be the purview of an independent commission.

Let us look at the recommendations of the Lortie commission on redistribution. The previous Parliament set up a commission to look at all aspects of electoral reform and election law. I am not saying that we necessarily approve of those things, but they were studied at considerable expense to the taxpayer of Canada. Now they are just off the table, we are talking about another study.

• (1725)

The Lortie commission recommended to amend the representation formula found in section 51 of the Constitution Act, 1867 so that Quebec would be assigned 75 seats and other provinces would be assigned seats on the basis of the ratio of their population to Quebec. The senatorial clause would be kept. No province would lose more than one seat from a previous distribution. No province would have fewer seats than a province with a smaller population.

Of course, that formula would lead to a more rapid growth in the number of seats in the House of Commons than the formula we are dealing with today. That was the last time we spent money to discover what was wrong with the process and how we could improve it.

Actually, the Lortie commission said: "Maintain the current composition and manner of appointment of the electoral boundaries commission". The last study was not proposing that we change the method or that we kill this particular process.

One other recommendation from that commission was that electoral boundaries commissions would justify their proposals with reference to communities of interest, et cetera and discontinuance of the procedure of parliamentary committee hearings on electoral boundaries. Instead, the commissions would hold a second set of public hearings if their second proposals departed significantly from their first proposals. In other words far from suggesting that Parliament should get itself involved again in the process or in examining the process, it suggested quite the opposite.

We spent millions of dollars to find out from that particular commission that the opposite should be done. Parliament has no power to change but it does in fact review the recommendations of the boundary commission. We would actually cancel that to go to a second set of public hearings instead of one set of public hearings.

With those observations I would appreciate the comments of the hon. member for Fraser Valley West on whether those recommendations are consistent with what he is hearing from people. Do they at all affect his view of whether we need to amend this act and whether we should be doing it in this way?

Mr. White (Fraser Valley West): Mr. Speaker, my hon. colleague's observations are thought provoking. It is important to note that the government has introduced a bill on a process which is already taking place. Our constituents by and large really do not know this is happening.

Far be it for us as politicians to get involved and take it upon ourselves to change it on their behalf when already there is a process in place. As much as I may dislike the change in the electoral boundary of Fraser Valley West, the fact is that I and everyone else in that constituency has a process and an avenue to address it through the hearings that are going on.

My hon. friend is absolutely correct. Why do we want to get into another process? We have already spent $5 million, which is too much in my opinion. Why are we not just taking it upon ourselves to let the process run its course? That is what it should do.

We do not know everything that is better for everybody. This process has been operating for a long time. Let it run its course.

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, I rise in the House today to voice my strong opposition to Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act. I feel quite strongly that this government's taking it upon itself to halt these proceedings, resulting in the disbanding of the existing electoral boundary commissions is not only unethical but also is highly irregular.

• (1730)

Of the approximate $8 million allocated for the readjustment process an estimated $5 million has already been spent. If the bill is passed into law, how much additional funding will be required to revisit the ground already covered? In other words, how much of the $5 million will have been wasted?

Although I am completely opposed to the bill, my opposition should not be misconstrued to mean that I am happy with the proposals the commissions have drafted for redefining existing electoral boundaries. Certainly there seems to be widespread concern among my colleagues in this place. However I have yet to see evidence that their concern is echoed by the Canadian electorate.

My constituency of Prince George—Peace River is huge. It encompasses 212,000 square kilometres in the northeast corner of British Columbia, stretching from the city of Prince George in central B.C. all the way to the Yukon border. No other federal riding straddles the Rocky Mountains, and this poses a serious barrier for winter travel in the constituency. The Pine Pass connecting the Peace River area with the rest of the province has one of the highest annual snowfalls found anywhere in Canada. Having lived all my life in the north, I can personally vouch for the difficulty it presents for east–west travel within the riding. To travel by road from the Lower Post community on the Yukon border to Prince George in the south requires driving some 1,300 kilometres. This does not take into account any side trips to communities lying off the main arterial routes of the Alaska or Hart highways.

In addition to the three main centres of population of Prince George, Fort St. John and Dawson Creek, the riding encompasses some seven additional smaller municipalities beginning in the north with Fort Nelson. These include Taylor, Hudson Hope, Pouce Coupe, Chetwynd, Tumbler Ridge and Mackenzie. There are also 15 native communities located in the constituency. Some are inaccessible by road during summer months; others can only be reached by air, river boat or snowmobile.

Not only is the riding a blend of urban and rural; it is also a home to a mixture of diverse industries. With over 80 per cent of the arable land of British Columbia located in the Peace River district, the riding has a strong agricultural base. The economic viability of the area is further assured by the existence of many other industries such as oil and gas, lumber, pulp and paper, mining, hydroelectric, trapping, guiding, tourism and manufacturing. Representing such a multitude of interests and concerns is already an incredible challenge to the member of Parliament.

Under the proposed electoral boundary changes the physical size of the riding will be lengthened by adding roughly 300 kilometres of the Yellowhead highway and a further 70 or so of the Cariboo highway south of Prince George. This increase in geographical size will be offset by losing the one–third of Prince George currently contained within the riding. The elimination of confusion that currently results from having Prince George split into two ridings must be weighed against the fact that the MP will have to travel through Prince George to service the 10 or so smaller communities in the extreme southern end of the new riding.

The only other noteworthy change is the loss of the native community of Lower Post near the Yukon border. Under the proposed changes this community would find itself in the riding of Skeena, even though the MP would have to travel through part of Yukon to get to it.

Although the suggested boundaries would ensure that the new riding of Peace—Yellowhead has a more consistent rural flavour, I am not in favour of the proposal because of the substantial increase in the physical size. It is proving more than difficult enough now to get around the riding on anything resembling a regular basis, without the addition of hundreds more kilometres. Even allowing for the increasing use of toll–free phone lines and faxes, constituents in far–flung small communities continue to expect a periodic personal visit from their MP.

It is my intention, therefore, to take advantage of the same option open to any other Canadian living in northern British Columbia. I will make my concerns known to the commission when it holds its public hearing in Prince George on June 2.

• (1735)

My concern about the impending passage of the bill is not that the changes are the best ones possible or even that they are really necessary. My concern is that the bill will be viewed by the public as just the latest example of politicians thinking they are free to alter any process they believe is not in their personal best interest.

These commissions have been set up to be free of political interference. I can readily imagine the never ending arguments and endless disputes which will arise if the issue of electoral boundaries were left in the hands of politicians.

If I may be so bold I would issue on behalf of all Canadians a word of caution to the government. If members opposite proceed with this plan it will be viewed as extremely self–serving by the general public. Just as in the case of gold–plated MP pension plans, expense allowances or other benefits of our elected offices, Canadians want to see decision making powers regarding these types of things removed from the politicians and placed under the jurisdiction of totally independent bodies.

Canadians are sick and tired of this double standard. There appears to be one set of rules for politicians and another quite different set for the rest of Canadians. If members have legitimate concerns about the changes as proposed by the commissions as I do, they should make representations at the

appropriate hearing, not attempt an end run by circumventing the process.

I do not believe that Liberals have a problem with the process. The real reason is that they do not like the results. Even a quick comparison between the old electoral boundaries and the proposed new ones indicates substantive alterations. Nowhere is this more evident than in the present Liberal power base of southern Ontario.

It is common knowledge that an incumbent enjoys a considerable advantage at election time. Over the life of a Parliament an MP establishes many contacts within the confines of his or her constituency. However when those boundaries are subjected to major changes or as in some cases an entire existing riding is completely eliminated, the incumbent suffers the loss of this comparative advantage. In effect this means he or she is virtually starting over. It places challengers on a much more even footing during the following election. It is this loss of advantage that is behind the government's sudden need for further reviews.

What will be accomplished by a 24–month delay? I believe it is simply the intention of the government to ensure the changes do not come into force in time to alter the boundaries prior to the next general election. The bill would immediately disband the existing commissions and enable the government to form new ones with new people two years from now. There is only one legitimate reason for delaying the process.

There are currently 295 MPs in this place. Surely that is more than enough to govern our country. Rather than a further increase of six seats as is required under the Constitution following the last census, we need fewer MPs, not more. At the very least the government should fully and completely commit itself to establishing a cap on the total number of members. To say it would review the present system of continual increases I would contend is simply not good enough. If Canadians are to believe the government really intends to limit the number they must be able to see that commitment.

In summary, the present system allows for input from all interested parties. I am prepared to take my turn along with all other northern B.C. stakeholders at the hearing in Prince George on June 2. I urge members opposite to consider carefully how the public will view their intended meddling in this process.

Ms. Roseanne Skoke (Central Nova): Mr. Speaker, the hon. member has stated clearly that his riding would be adversely affected by an electoral boundary distribution. He is not happy with the proposed redistribution.

If this is so, why is there opposition today to the bill? If it will adversely affect the member's riding, it is respectfully submitted that the member has a duty and a responsibility to represent the best interests of his constituents. To oppose the bill today is in direct conflict with the best interest of the member's constituents and his riding.

• (1740)

It is unfortunate that the Reform Party insists on concentrating its focus on process. It is also unfortunate that the member has placed more confidence in the process than confidence in his own judgment to make a decision today that will protect and safeguard the best interest of his constituents.

Mr. Hill (Prince George—Peace River): Mr. Speaker, we are talking about process here. Other than the suspension for 24 months there is nothing in Bill C–18 that would indicate the government intends to follow through with an in–depth review. The government has stated that it is not in the bill.

We are saying that this is simply a way for the government to circumvent the system. Rather than having an open, consultative process wherein members of the public, including MPs, are quite free to make submissions both written and oral in front of the commissions when they are in their areas or our ridings, we will refer it to a committee of politicians. It is my contention that the public has had enough of that type of attitude.

[*Translation*]

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I would just like to make a few remarks about the bill before us today. Of course, this bill raises fundamental issues that go to the heart of our democratic system and, as members of Parliament, we must admit the importance of these issues.

It must also be said that the process for redrawing the boundaries of electoral districts has been in place since 1964. On examining how the present system operates, we clearly see that it has several shortcomings. First, the commissions are not required to hold consultations before publishing their proposals. Second, the commissions are not required to give reasons for their proposals. Third, the criteria that the commissions must follow in setting the boundaries of electoral districts are very general.

Depending on the approach taken by the commissions, the results can vary considerably from one province to another. If we look at the proposals put forward by the commission for the province of New Brunswick, we see that the commissions can make recommendations which certainly do not represent the interests of the people of New Brunswick in this case. We received a map making really major changes, where we lose a riding in the north of the province and other ridings bring together communities that do not have affinities or common interests.

The criteria are so broad that one of the commissioners from New Brunswick told me what he thought of the proposed map for New Brunswick. He did not agree with the commission's proposal even though he was one of the commissioners, but the commission could only put forward a single proposal. He told us that he had been unable to influence the people on the commission to be a little more reasonable.

• (1745)

What we would like to do in readjusting electoral boundaries is just that, propose reasonable changes instead of turning the whole system upside down.

Finally, based on the existing formula, described in section 51 of the Constitution Act, 1867, the number of seats in the House of Commons will increase from 295 to 301 as result of the 1991 census, and that concerns me in light of current fiscal restraints.

I have heard several members today express concern about the extra expenses the government and the people of Canada will incur if the number of seats does increase. Members from the Reform Party have indicated that this issue should be examined.

I will point out to the Reform Party members that the only thing to do about this steady increase in the number of seats is to suspend the procedure and review it, as we are suggesting.

I also heard members say that we are trying to prevent public participation in the process. On the contrary! We want to open it up, so that the people from all over Canada can speak on this 30 year–old procedure. I think it is justified.

In short, there is certainly no general agreement about the current procedure for readjusting the number of seats and electoral boundaries. The time has come to subject all elements of the present system to a thorough review, which has not been done, as I said earlier, since 1964. That is why the government has introduced the Act to suspend the operation of the Electoral Boundaries Readjustment Act. As mentioned earlier, this bill would suspend the procedure for twenty–four months.

Mr. Speaker, to give all members the opportunity to speak on this bill and go ahead and suspend the current procedure—

[*English*]

I therefore move:

That, pursuant to Standing Order 26, the House continue to sit beyond the ordinary time of adjournment for the purpose of considering the second reading stage of Bill C–18, an act to suspend the operations of the Electoral Boundaries Readjustment Act.

The Acting Speaker (Mr. Kilger): Will those members who object to the motion please rise in their place.

And more than 15 members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 26(2), the motion is deemed to have been withdrawn.

(Motion deemed withdrawn.)

Mr. Stephen Harper (Calgary West): Mr. Speaker, I took great interest in the comments of the secretary of state.

I would like to make a couple of comments. I was interested in the fact that there was the motion to extend the sitting, once again another attempt to rush this bill through.

This bill was tabled in the House on Friday and is being debated for the first time today. There has been virtually no public discussion. The public discussions the process allows for are the independent commission hearings that the bill seeks to terminate.

• (1750)

I find this all very interesting in that we have had a number of speakers today and this is really the first debater from another political party other than the hon. member for Kamloops who gave a very reasoned and considered intervention. We had the first two speakers from the government and from the Official Opposition. It is not questions and comments, not true debate. They just state their position. Since then we have been talking here to ourselves.

I find it peculiar this great effort we are going through to make sure that the public does not have a right to go to the hearing process.

Perhaps the hon. member could explain to us precisely why that is such an important public policy objective, why it is so important that we not get some reaction from the public before we continue to debate this particular issue?

The member raised some of problems, some of which I am more sympathetic to than others. He raised two complaints, particularly in relation to the province of New Brunswick. This bears some examination. On the one hand he noted the radical changes that the commission has proposed in some parts of New Brunswick because of population shifts. On the other hand he raised concerns about increasing the number of seats in the House of Commons.

I suppose if we were ultimately to revise the formula, which would require a revision to the senatorial clause, so that we were able to resist the increase in seats then we would have fewer seats in provinces like New Brunswick and we would have even more radical changes to the boundaries. This is what I find particularly disconcerting. The various reasons that are being used, not in this House but sort of in the hallways, for stopping this process are a complete contradiction to each other in terms of the results that they would bring about.

Besides his commenting on the necessity of killing this, as a government minister would the hon. member favour having a public policy objective to this whole thing that the public would support limiting the number of seats so that we can proceed to at least give the public some reason why we would be interested in killing Bill C–18 after we have spent $5 million on the process?

[*Translation*]

Mr. Robichaud: Mr. Speaker, it is certainly not our intention to rush the bill, in the words of the hon. member who just spoke. We simply want to avoid a process like the one now under way, that is holding hearings where members or representatives of organizations, associations and municipalities wishing to make submissions to commissions must give notice, prepare their submissions and then appear before the commissions, the operations of which we are proposing to abolish. If we suspend the entire process, all of this work will have been for nothing. We simply want to save money by putting a stop to the process as soon as possible.

As for the public's participation, we want their input. We want the public to have an opportunity to express their views because when the matter comes before the House committee, the public will certainly be asked to propose ways of changing the process. The committee will also likely consider the possibility of capping the number of seats in the House at the current level of 295. Clearly, this is what the Reform Party members want, but the government is not prepared at this time to say that it will cap the number of seats at 295.

• (1755)

First, we want to get the public's opinion on this process, if it comes to that. I assure you that we want to encourage public input in the readjustment of electoral boundaries any way we can.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I have a comment and question for the minister. This is a bit of déjà vu. When looking at the history books a very similar incident happened in 1974, 20 years back in Canadian history. At that time a number of MPs, the majority being Liberal MPs on the government side, were not happy with redistribution.

I have not had time to read all the *Hansards* from back then to find out what all the reasons were, but the bottom line was that members were not happy with redistribution and so they interfered with the process. As a result 18 new seats were created in Canada.

We have no indication from this government that by suspending the current process and the commissions in place there is goodwill from that side. The purpose of the suspension is to cap the number of seats in the House of Commons.

I do not think the government has even considered all the ramifications of capping seats in the House of Commons. Perhaps that is a subject that really needs to be debated at greater length in the House.

Bill C–18 calls for the commissions currently in place to cease to exist upon the passing of Bill C–18. Once the suspension is completed, some 24 months later, 60 days later new commissions are to be appointed. Certainly the government is opening itself up to allegations of patronage. We hope that would not be its purpose in suspending this and causing these commissions to cease to exist. However, the allegations could come.

Therefore, if the government wanted to suspend the work of these commissions would it reinstate those commissions and have them resume their work at the point they were at when the suspension took place, thus saving the $5 million?

[*Translation*]

Mr. Robichaud: Mr. Speaker, if we want to suspend the current process, it is because we intend to make a number of changes. It would be hard to say: "We are going to suspend the process for 24 months, but after 24 months, we are going to start right back at the beginning, without taking into account the committee's findings or recommendations". I do not see how we can predict the outcome of the committee's study. It would be like saying to people: "We do not need your input. You have nothing to say, everything has already been decided".

As for the hon. member's concern that we could be tempted to resort to patronage, I can assure him that this is not what we have in mind. The process for selecting commissions is not open to this type of action and we have no intention of making changes in that regard. However, the committee, which is made up of representatives of all parties in this House, could make all kinds of recommendations and observations.

[*English*]

Mr. Hugh Hanrahan (Edmonton—Strathcona): Mr. Speaker, I will begin by expressing my opposition to Bill C–18. I also acknowledge the fact that the Liberal government must truly be committed to deficit reduction. I can make this statement because any government willing to scrap an electoral boundary commission report that has cost Canadians nearly $5 million must be committed to fiscal responsibility.

• (1800)

To make matters even more convincing, the government will be asking Canadian taxpayers to go through this process all over again even though the present commissions' report has not been tainted by any political influence. Nor is there any outcry from Canadians regarding the current redistribution process other than the fact that they do not want the number of seats in Parliament to increase.

Perhaps the most troubling aspect of the government's plan is that there is no strong defence for interfering with the present process before determining if the public hearings are not successful. We can also see that throughout Canada's history the issue of electoral boundary redistribution has been a contentious issue. This hostility is derived from the very premise that those who have power are never willing to relinquish their hold on it.

I think the idea of politicians redrawing their own boundaries lies at the very core of a serious problem in Canada. That problem is a lack of trust by the public regarding politicians. It is evident therefore that this government does not see that Canadians are unhappy with the entire process in which politicians have been doing their business. Canadians want change. They want a new style of openness. They want a new style of fairness. This type of legislation can only be viewed as regressive.

This House was given the absolute right to redraw the electoral boundaries at Confederation. However because of the contentious nature of electoral redistribution which I have already mentioned Parliament has agreed to share this responsibility of redistribution with the electoral boundaries commissions created in 1964.

Since the creation of these electoral boundaries commissions public perception that there are not considerable amounts of political interference to the readjustment process has diminished. This political interference which took place before the creation of the electoral boundaries commissions was an attempt to assure as far as possible the re–election of the members of the governing party.

This is absolutely wrong. I hope that this government is not travelling down the same path of early governments.

It is important to note that since 1964 while many politicians have been unhappy with the outcome of redistributions, there has rarely been the concern of political interference. This is for the simple fact that these commissions are non–partisan.

There are 11 electoral boundaries commissions in Canada, one in each of the provinces and one in the Northwest Territories. These commissions consist of three members: a chairman who is appointed by the chief justice of the province from among judges in that province and the other two members of the commission are appointed by the Speaker of the House. These two individuals are usually university professors or non–elected officials of the legislative assemblies.

The commission looks primarily at the number of people in the province, not political partisanship. They do not consider how the changes will affect one party over another. In fact the largest criticism of the commissions is they do not consider enough non–political information. Many times they overlook the common community interests or community identities.

It is important to ensure that redistributed boundaries correspond as closely as possible to the national quotient while also taking into account community interests and the historical pattern of an electoral district.

These factors then will enable the commissions to properly manage the geographic size of districts with sparsely populated areas. The commissions are allowed to deviate from the provincial average by plus or minus 25 per cent. This allowance then allows them to accommodate the human and geographic factors.

• (1805)

Another issue that is troublesome for me is that in 1985 Parliament passed the Representation Act which set out a formula for redistribution. It was a constitutional amendment which ensured that no province could have fewer seats than the 1985 level of representation regardless of the population of that province.

The exception is P.E.I. which can have no fewer MPs than senators. We therefore have done away with the premise of absolute representation by population. The government would like to suspend the Representation Act and attempt to develop a new proposal for the consideration of the House.

Let us start with the basic premise of rep by pop. Within the concept of representation by population emerges the concept of equality of vote. Any notion of equality of rep by pop may permit if countered by the fact that the current and historical development of representation in Canada has only partially been based on the notion of representation by population.

Since Confederation, Canada has developed a system with respect to electoral representation whereby the heavily populated provinces retain a majority of the seats within the House of Commons while the less populated provinces receive an adequate number of seats to ensure representation.

By no means does the federal government reflect the notion of representation by population in its purest form. Rep by pop has been altered in order to guarantee a minimum number of seats within the House to less populated provinces so that they do not become under represented if their population base decreases.

Thus while the principle of representation by population may be said to lie at the heart of the electoral apportionment in Canada, it has from the beginning been altered by other factors.

Due to Canada's vast geographic size and regional differences, a modified version of representation by population has emerged. It is therefore determined that the equality of votes guaranteed to Canadians is one of relative equality and not

absolute equality. Therefore we do not have equality of voting power but rather relative equality of voting power.

This relative equality is not just within the provinces but between the provinces as well. For example, Nova Scotia and New Brunswick constituting 6.1 per cent of the population are guaranteed 7 per cent of the seats. Alberta and British Columbia comprise just under 22 per cent of the population while we are entitled to only 20 per cent of the seats.

The west is not only under represented in Parliament, we are also under represented in the Senate. How can a region of Canada that has less than 11 per cent of the population have over 28 per cent of the Senate seats while western Canada has over 29 per cent of the Canadian population with only 23 per cent of senate seats. These injustices must be rectified. The west wants in.

Canada is a country of many regions and there are probably as many definitions of regionalism as there are people defining it. Regionalism is not some sort of disease to be stamped out. Rather it is a healthy manifestation but lacking a healthy institutional outlet.

The only true significant political failure of the Canadian experience is its chronic inability to solve those regional tensions. The Senate was established to protect the interests of the provinces. Yet, for too long western Canada has felt that its interests have not been adequately represented in the federal Parliament. The National Energy Program is just one example and the possibility of a carbon tax implemented at source is another.

The Canadian Senate lacks legitimacy in the eyes of many Canadians because it is an appointed body that runs counter to the fundamental Canadian belief that democratic governments should be conducted by an elected rather than an appointed body. What Canadians need is a triple–E Senate, an effective, elected and equal Senate. A reformed Senate will not just benefit one province or one region. It will help build a better and stronger Canada.

• (1810)

We should have an elected Parliament based solely on representation by population with a constant number of members of Parliament. This concept will only work if we have an elected Senate to which all regions of Canada have an equal number of senators.

This would ensure that Parliament reflects the notion of one man, one vote, and allows the Senate to reflect the regional interests of our nation.

Moving on to specific recommendations of the recent electoral boundaries commission which has recommended that Calgary be given one additional seat for a total of seven, while Edmonton in Alberta would remain at six and 26 respectively, it was encouraging that the commission did recognize that Calgary and Edmonton have traditionally the same number of representatives in Ottawa.

Because the number of electoral districts for Edmonton remains at six the proposed changes to the boundaries are relatively minor. The changes that will be made to my riding are not extensive and I feel that they have been done in a just manner.

Edmonton—Strathcona's population will be almost 16 per cent above the provincial average yet it is well within the established plus or minus 25 per cent deviation.

Although I do not wholeheartedly agree with this plus or minus 25 per cent as an absolute figure, I do agree that there needs to be some allowance in riding size because of urban and rural differences. However I am not convinced that the deviation presently allowed has not been picked arbitrarily.

Why should it not be plus or minus 20 per cent, 15 per cent, 10 per cent? However, this is an issue that I will leave to debate another day and I will continue with the specific changes to Edmonton—Strathcona recommended by the commission.

The southern tip of Edmonton—Strathcona will be lost to Edmonton Southwest while we gain the northeastern part of Edmonton Southeast riding. Although I realize the need for redistribution, I do have some trouble with the map that has been made for Edmonton. However, with a few minor changes in the electoral boundaries which would ensure that the riding populations of the rest of Edmonton are closer than they are presently, I can see nothing else that is substantially wrong with the commission's report. These small changes could be made through the public consultation process.

In fact these consultations or hearings are to begin in Quebec on April 12. They will move across Canada over the next three months and are due to hold hearings in Edmonton on April 28 at two o'clock and at 7.30 p.m. at the Macdonald Hotel.

The present process of designing constituencies by independent boundaries commissions for each province has worked well. We do not need a change for the sake of change. If the electoral boundaries commissions were inherently flawed then changes would be made. However, this has not been shown to be the case.

The use of such non–partisan commissions has made it possible to give consideration to community interest criteria without including a partisan tone to the nature of the equation and/or the process.

These independent commissions have allowed us to redraw constituencies based primarily on equality of the vote which includes specific criteria based on a national quotient and have also included a need for justification of variations that deviate dramatically from the quotient.

In conclusion, this process has worked and it has been fair. Any alteration to the process will raise suspicions and a sense of unfairness among the Canadian public. Bill C–18 does not give the appearance of fairness to the Canadian public.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I appreciate my hon. colleague's concerns about Bill C–18 that is being introduced. Every elector in my riding of Kindersley—Lloydminster received a map of the new boundaries two or three weeks ago. I have not heard a public outcry even though my riding boundaries have been quite drastically changed.

• (1815)

The current riding of Kindersley—Lloydminster will not exist after the readjustment takes place as proposed in the current report by the boundaries commission. In spite of that I have not had a hue and outcry from the public. I know as an MP I have some concerns. I know my constituency association has some concerns. However the general public seems more concerned about other decisions made in the House such as dollars spent.

Has the hon. member had an outcry of concern from his riding regarding the new boundary proposals, or would he sense it being more a concern of politicians and political organizations?

Mr. Hanrahan: Mr. Speaker, I have had concerns expressed to me with regard to the boundary changes. I have also had constituents recognize that the process by which they can express their concerns to the commission is a valid one. They are much more confident with that process than with a committee of politicians deciding on where boundaries should or should not be.

They are concerned but they see the opportunity they have to express those concerns in a traditional and fair manner.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I acknowledge my hon. colleague's comments and his presentation in the House tonight. There are several points I would make. I ask my colleague if he would care to respond to the points I am going to bring forward, one of which is clarity of purpose.

It seems to me that anything we would do in the House of Commons would always have a clarity of purpose and that we would always know, by having defined that clarity of purpose, where we were going.

We heard earlier from the side of the House from which I am speaking that perhaps it was personal self–interest that motivated some of the comments in today's discussions by the government side. Indeed those members mobilized themselves extremely well in terms of putting the bill forward, hastily I might add.

When we have a clarity of purpose it is only the beginning of a process. I would like my hon. colleague to comment. Having extended the clarity of purpose perhaps we then have the review. However the review is only one small part of what comes next, a broad analysis of what the review has told us, followed at that point by drawing conclusions and then making recommendations.

All this would be in very open debate; all this would be very much in the public view. If the bill had died tonight constituents across the country who watched the debate would have seen only a few of us make presentations in the House today. We have an obligation to our constituents to ensure that in the fullness of debate the richness of our ideas is shared with them.

Does my hon. colleague wish to make some comments on that?

Mr. Hanrahan: Mr. Speaker, I agree with my colleague in terms of quality of purpose. I suggest to her that the vast majority of Canadians would also agree with her.

I would agree with her and Canadians would agree with her on the very point that the process as it now exists is separate from politicians rather than involving politicians. They have seen it work over a period of time. What it seems to be in this instance is change for the sake of change. I do not believe that change is for the benefit of the Canadian people. I doubt very much if my constituents or anyone else in the country would see it in that manner.

• (1820)

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, are the same kinds of things that happened in the boundary changes of the member for Edmonton—Strathcona happening in Okanagan Centre? If I heard correctly the southwest portion of the constituency will be lost or will be added. There may be some confusion as to the economic and social benefits if this were to happen.

The southern part of Okanagan Centre is being taken out of the constituency and put into the Penticton riding or the Similkameen riding. That will not benefit that particular community because people naturally go to Cologne to do their shopping and so on.

Could the hon. member for Edmonton—Strathcona detail exactly what is happening in his constituency with regard to the new boundaries?

Mr. Hanrahan: Mr. Speaker, in terms of Edmonton—Strathcona it is geographically located in south central Edmonton. We are losing part of the southern tip and gaining part of the eastern section of it. In terms of socioeconomic changes, they are minimal. I do not see that it is going to be of major significance to my riding. We are studying that now.

As I suggested there is a process in place at Hotel Macdonald on April 28. If we have problems with it we will submit them to the commission.

Miss Deborah Grey (Beaver River): Mr. Speaker, I appreciate the applause from both sides of the House. I think it is someone dying to speak over there who has been thwarted

perhaps in the debate today. They want to say something more. Who knows?

Let us look for a few moments at how the bill came to be and what some of the reasons are for the incredible crisis that is under way and why it has to be dealt with so quickly.

Mr. Milliken: Because they are getting rid of Beaver River.

Miss Grey: My friend says: "Because they are getting rid of Beaver River". Let us cut to the basics here. That is very true. It would be easy for me to stand today in the House of Commons and say I think that shelving the whole thing is a marvellous idea. We would then see a cocooning of Beaver River and, if it were politically motivated, I would say: "Whew, that makes me safe".

There is something far deeper, far more democratically essential in terms of this debate. Whether I would lose my constituency or whether my neighbour from Kindersley—Lloydminister would, as is the case as well, that is not the issue. People watching the debate need to be aware of exactly what is going here and the things they have heard from just one party in the House. Granted, the government House leader spoke and someone from the Bloc spoke, but basically they have heard from the Reform Party.

Why has the Reform Party been talking about this bill all day long? Why are we concerned about the whole idea? If it were just political we would say: "Let us put the thing off, shelve it for two years, and get back to looking at the details later". That is not the case here.

Mr. Robichaud: Yes, it is.

Miss Grey: Certain people have talked about it on the government side but basically only in questions and comments. I think that would be the general consensus in the House. They have probably been asked not to speak because they wanted the debate to die out, as we saw when they requested extra time. Let us not be foolish. There are people who have all kinds of concerns. We will continue to talk about this matter until something is done about democracy in the country. We would not see politicians getting in the way of electoral boundaries commissions that have been set up. We can talk about reasons: why they are set up and whether they are politically motivated. I will talk about that for a couple of minutes also.

• (1825)

As soon as politicians get their hands into the tub we know there is something going wrong in the Chamber that is filtering out across the country. We are saying it must stop. We are not trying to be sanctimonious. I am not standing here trying to be self–righteous because I stand to lose. My constituency of Beaver River was brand new in 1988. It lived through the 1988 election and the 1993 election, and under this proposal it stands to die.

It is easy for someone to sit on the other side, chuckle about it and say: "Look at her". However, I have no seat in which to run in the next election. I want that very clear and I want that on the record. I stand here and that Beaver River lives, but let us make sure Beaver River has a chance to live in terms of the process of going to the hearings and making representations on April 27 and April 28. That is what we are talking about here.

It is easy to ask whether this was politically motivated. That is not for me to say. This is supposed to be a commission that has worked at arm's length from the government. I cannot quarrel or quibble with that.

Recently I was at a hockey game in Elk Point and player came off the benches to me and asked: "Deborah, could they not have made it any more subtle that they were trying to get rid of you"? Of course the circumstances were such that in the last Parliament I sat here as the only Reform member in all of Canada. My friend from Edmonton—Strathcona just mentioned that the head justice of each province was set up by the chief justice of the province. We have that situation in Alberta and the two members of the commission, one from Calgary and one from Edmonton, were appointed by the Speaker of the House of Commons.

If in Elk Point, Alberta, somebody comes off a hockey bench and says "boy, it sure looks political to me", we need to pay attention. It is not self–righteous to stand here and say that is all they are trying to do. That is not the point.

We are trying to say that something has been set up here whether or not we like it. Whether my friend's riding in Vancouver has been blitzed is not the issue. My friend from Vancouver should be there, absolutely firmly at those public hearings. That is his chance to talk about it. He should not hurl insults and comments across the House of Commons because it gains nothing. It is his party that has brought it in.

It is sad to me that the public is feeling skeptical about the matter. Members of my party from various ridings have said today that they did not think there was much a hue and cry. Maybe in their ridings there has not been, but certainly in Beaver River there has been.

The constituency of Beaver River, although it was a brand new riding in name in 1988, has a marvellous history in north eastern Alberta. The Beaver River itself is an amazing waterway which was a trading route for the fur traders or the voyageurs into the Athabasca region. They came to Lac–la–Biche, up the Beaver River, portaged very few miles across to the Athabasca and were gone all the way north.

It was a really exciting moment in our history when people on the previous commission decided that Beaver River riding would be named. As I have said, why would the constituency have such a short history?

In terms of setting records, if this bill goes through as proposed, yes, they will shelve it for 24 months. That is fine but what will happen after? If it goes through I will have sat as the only member of Parliament for the entire life of the constituency of Beaver River. We feel old and start looking old quickly in this place, but it seems to me that is a pretty short shelf life for a constituency.

I am not arguing all in favour of the proposal because I have some serious reservations about it. I have been in touch with the person with whom we are to get in touch to say that I will be appearing in Lac–la–Biche, Alberta, at McArthur Place on Wednesday, April 17, 1994, at 7.30 p.m. That is where I am to go as a citizen and as a member of Parliament. That is what was set up in terms of stages that we are to go through.

I sent in my notice saying that I would be appearing before this public hearing commission. Why should that be kiboshed? If I have any reservations about it, it would be just to ask one question: why did the commissioners draw up their lines first and consult second?

• (1830)

I have problems with the process. I have problems with the map that has been redrawn because I have serious reservations about totally eliminating a particular constituency that is brand new. I have a method in place to go and voice my concerns and my complaints about that. That is to go and talk to the people at the public hearings.

Five million dollars has been spent on this already and are we going to throw it off on the shelf?

An hon. member: That was the Tories, not by us.

Miss Grey: Nonetheless, how much will it cost to redo this completely? How much does it cost for lost time when the government is trying so desperately to get some other bills through vis–à–vis money and the borrowing authority?

We look at things that it wants to put through Parliament and then all of a sudden now we have a crisis that we need royal assent just as quickly as possible.

Why is it that people are so frustrated with this? There are problems but could it be that they would be losing out politically? That is the one thing that this commission was set up originally to do, to try to keep politicians' hands out of the works of this. If ever we have seen politicians' hands and dirty finger marks all over everything we see it today in this Chamber on March 21, 1994. That is a sad day in Canada as far as I am concerned.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): Order. I know that the member for Beaver River has seized her colleagues' attention opposite but I certainly do not want to miss anything either.

Miss Grey: Mr. Speaker, we are talking about details in the way that this is set up versus process. That is what I am trying to draw to the attention of members opposite. I do not particularly like the way this is drawn up. I made that very clear. I have obviously riled some people on the other side of the House.

I disagree with the way it is. I have constituents who are very upset about it. Nonetheless, when we look at a process that is flawed and only becomes more seriously flawed when we all get into it, that is what I am expressing concern about. I think that is probably what we have heard more and more.

Let me address a couple of other issues before I close. Does this further divide rural and urban Canada? I spent my first 25 years living in Vancouver which is about to lose a riding, as I understand from the other side. I grew up practically in downtown Vancouver. I know what it is like to be a city person. I know the concerns of urban Canada.

I live in northeastern rural Alberta by choice. Many people are born in areas and there they are, citizens of that area just because. I chose to leave Vancouver and teach school in northeastern Alberta and so I am a rural Albertan by choice.

To me that says a lot. I realize both sides of the coin. I know what it is like to live in the city and to be able to go to the symphony which is about six or eight minutes from home. I also know what it is like to watch the Edmonton Oilers play hockey or watch the Edmonton Eskimos play football when it is a three hour, one way drive for me. I know what it is like to be a rural Canadian.

I would like to invite the commissioners who sit as the Alberta commissioners, two from Calgary, one from Edmonton, to come and spend a week with me in Beaver River, in my four by four. They would understand what rural Canada is all about. They would understand what it is like to travel 28,000 square kilometres regularly from end to end of our constituency. In terms of square kilometres mine is far smaller than many others. If we look at the map, if we look at the riding which is north of mine, Peace River, Athabasca, those take up physically literally half of Alberta's square kilometres.

Beaver River is small in comparison to that but I would love the commissioners to come with me in my four by four. I appreciate my friend from Broadview—Greenwood. We have known each other well over the years. I always remember his saying he could ride around Broadview—Greenwood on his

bicycle in about an hour and a half. I have given him a standing invitation to come on out to the "Beav" and we would see how far he would get on his bicycle—not very.

• (1835)

I looked up the mileage of the three vehicles that I have gone through since my election in March 1989. There is my basic four by four that I spend most of my time in the riding with. I have also put lots of miles on my truck and camper, a small car and another truck when I have needed to.

On my four by four that I do most of my business travelling with I have put 324,000 kilometres. I am no mathematician but I divided that out. It is basically 8,000 kilometres across Canada. That is 40.5 trips from sea to sea across and around Beaver River. That is an incredible number of miles.

Rural Canada is an exciting place to live but let me tell members that in terms of hours and time and driving and getting around, driving two hours or three hours one way to a one and a half hour meeting and then turning around driving three hours home again is an incredible amount of time chewed up. However, it is peaceful time.

Telephone time, if I need that, is marvellous. Why would we take that away from people? What is wrong with urban Canada's getting to know its country cousins better? Why could we not redraw these boundaries by taking a corner of the population out of a city and moving it into the rural areas? Why do we need to be so firm and obsessed with city boundaries all the time?

Why not take a corner out of some of the population of four or five thousand people in Edmonton and tell them they have something in common with these people? The guidelines that the commissioners were given say that boundary readjustment must take into account human interests and geographic characteristics.

Every one of those people who lives in Edmonton, Toronto or whatever is eating the bread that was grown for them on these farms. They do have something in common with urban and rural Canada. Why do we not celebrate that instead of always moving it off against each other? There are such divisions between the country and the city. We need to celebrate what we share in common rather than saying that person is from the country, that one is from the city and we have nothing more to gain from each other, we have precious little in common.

That is wrong. That is incorrect. We need to look at these things and say that there are problems in the way this commission has gone about doing it. However, that is not the end of the world. One does not make a matter worse by having the government and the Official Opposition jump up and say that we should shelve it, that we should try to come up with something better.

I would be in favour of that if I had a list of possibilities of what might be better. I really would. Let us make sure that we have some options on the table rather than saying that we will put a committee together. I get nervous when I see things like that and when I hear things like that.

As rural Canada and rural MPs are called upon to represent larger and larger areas, we need to be very careful that we do not get into the situation in which MPs feel absolutely worthless because they simply cannot cover the physical distance.

I think of my friend to the north of me from Athabasca, an incredibly large area. There is my friend from the western Arctic and my friend from Churchill. How do they get around? Why would we in Beaver River say that we are totally happy with being able to say take the north end of the riding and move it up to Athabasca, it can use a few thousand square kilometres extra, what the world? When one has 200,000 what is another 10,000 or 15,000?

Those are people who live there. Those are real people who live in Lac–la–Biche and they want to see their MP. They want to talk to their MP and know what their MP looks like and thinks. What about the people who live in St. Paul and Bonnyville and Cold Lake? They are going to become part of the Vegreville—St. Paul riding then, no problem. We will just throw a few thousand square kilometres on to that riding.

There have been rapports built up with members of Parliament. I suspect that is why there is nervousness built up on the government benches to a great extent. They have built up rapports with their constituents, absolutely. I have built up a rapport with mine. I have a fine group of people I represent and I am proud to say that I am the representative of Beaver River.

What about the people in bedroom communities of Edmonton, Namao, Gibbons, Bon Accord, Redwater? Those people are going to become part of Elk Island. Sorry, folks, we will just add a few thousand square kilometres on to Elk Island. My friend from Elk Island will represent any number of other towns. As I have heard so often today, the split or the general movement or flow of those people probably would not be to that area but to the west of them, over to St. Albert.

• (1840)

This is flawed. I have serious problems with it but the reason we are so concerned about this, let me reiterate very firmly, is that the process for this is dreadfully flawed. The process in my neighbour's province of Saskatchewan is the same thing.

Under this particular format it may lose a seat. We look at constitutional limitations on it. That is one thing. Do we toss it aside and say we are going to try and come up with something better? I hardly think so.

What about my neighbours in my home province of British Columbia where the population is growing at an incredibly rapid rate? They have some serious considerations about the flaws in this as well, where things were drawn up, where there are so many people.

Look at discrepancies in constituency numbers. These people need a chance to be able to say they will go to those hearings and we as Canadians or as members of Parliament will go to those public hearings because that is the system, that is the way it was set up and that is exactly what we need to do, not sit here in Parliament and cook up some deal in which we will shelve the thing for 24 months.

In closing, I hope that the Canadian public has learned something here today in terms of process about this whole review. Let us make sure that Parliament does not have its fingerprints all over this process. Let us open it up. Let us consult the people first and then make decisions.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

Mr. Comuzzi: Mr. Speaker, I rise on a point of order. I wish to pose some questions to the previous speaker.

The Acting Speaker (Mr. Kilger): I regret the time has lapsed. I am sure the hon. member for Thunder Bay—Nipigon will seek the next opportunity to ask questions of his colleague opposite, the member for Beaver River.

THE ENVIRONMENT

Hon. Charles Caccia (Davenport): Mr. Speaker, back in February the Minister of the Environment stated in the House her intention to review the present situation and to propose within four to six months timetables and schedules for the phasing out of toxic chemicals in the Great Lakes, particularly of organochlorines.

Chlorine is at the centre of a controversy because of its impacts on the environment and on human health. On one hand chlorine has been very useful but it is also has negative effects.

Today there are about 15,000 chlorinated compounds in use by industry. In addition, many byproducts are produced when chlorine is used in processes such as pulp and paper and vinyl manufacturing. These byproducts include such toxic persistent substances as dioxins, furans and PCBs.

Organochlorines are known to be persistent in the environment and to build up in the food chain.

A number of health problems are associated with organochlorines and mounting evidence indicates that some organochlorines can cause not only cancer, but also reproductive dysfunctions, endochrine disruptions, developmental impairments, and immunological effects.

The International Joint Commission on the Great Lakes has recently recommended first, the virtual elimination of persistent toxic substances from the Great Lakes, including the use of chlorine and chlorine–containing compounds as chemical feedstocks in industry. Second, the elimination of other chlorine uses or at least their reduction and, third, a shift from government or the public having to prove the danger of a product to the chemical industry so that it would be the chemical industry that would have to prove the product or a substance is not harmful.

• (1845)

In addition, the International Joint Commission is urging industry to rethink its practices in order to eliminate the production of persistent toxic substances, a much better preventive approach than the reacting and curing approach we have at the present time.

Many scientists are saying that organo–chlorines are a problem from a public health point of view. While some organo–chlorines might be generally safe, they should earn their designation as safe through good, solid science and through a shift in the onus of proof.

For all these reasons, I urge the Minister of the Environment to announce a plan for the gradual elimination of industrial chlorine use as recommended by the International Joint Commission. Also, I urge the minister to set up a strategy and a timetable for examining the possibility of reducing or eliminating other uses of chlorine and other persistent toxic substances.

In conclusion, it seems to me that in 1994 the Minister of the Environment has the opportunity to act and to plan a transition as called for by the International Joint Commission which recommends the adoption of a virtual elimination strategy within two years. This action requires political will and commitment, of course. The Minister of the Environment and Deputy Prime Minister has the power to prove that this Liberal government is committed to the Great Lakes Water Quality Agreement which as we all know commits the Government of Canada and that of the United States of America to a toxic free water body for the benefit of Canadians and Americans.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the government has been following the chlorine issue extremely closely. So far the government's policy has focused its regulations and control efforts on chlorinated compounds demonstrated to be toxic and on the processes that generate them.

Environment Canada and Health Canada have undertaken a science–based examination of 22 chlorine compounds and have shown 14 of them to be toxic either to the environment or human health.

We are determined to address this issue through the CEPA, the Canadian Environmental Protection Act, a review that will start very shortly through the Standing Committee on Environment

and Sustainable Development of which my hon. colleague is the chairman.

Through the Great Lakes action plans and programs in place already and through close interaction with other countries, especially the United States, we need to establish strategies along with our neighbours to the south to reduce, prohibit and substitute for the use of chlorine and chlorinated compounds. The U.S. is now proposing a task force with timetables to establish a definite action plan that will define the ways to reduce, prohibit and substitute the use of chlorine.

Currently the Minister of the Environment is convening a consultation process of multi–stakeholders to do exactly this, to try and define an action plan to reduce, prohibit and substitute the use of chlorine. This action plan should be ready by the late spring of this year.

INFORMATION HIGHWAY

Mr. Simon de Jong (Regina—Qu'Appelle): Thank you, Mr. Speaker and members of the House, for the opportunity of being able to speak in this House. It is a rare opportunity for some of us.

• (1850)

The question I am raising tonight is a question that I raised in the House on March 15. It concerns Rogers' takeover of Maclean Hunter and the virtual monopoly that Rogers Communication will have on the information highway.

Rogers Communication with this takeover will have some 43 per cent control over Canadians who are hooked into the cable system. In Ontario it is over 70 per cent.

My question to the government was to request it to either set up a special committee of Parliament or to ask the standing committee for the Department of Heritage to have special hearings, not just on Rogers' takeover but on the whole question of what is the public interest in the information highway.

I acknowledged in my question that both the CRTC and the Competition Tribunal will have to hold hearings and approve this takeover. My position is we must first define what is in the public interest in terms of the evolution of the information highway.

Mr. Rogers might be quite correct in claiming that we need large monopoly type organizations or companies in order to compete with the Americans and to take full advantage of the technologies available. If he is right then basically what he is saying is that he is a natural monopoly like telephone, like power and other utilities. If that is the case then we must look to make certain that the proper regulations are in place. This type of work, I suggest, should be done by a parliamentary committee.

I noticed later last week that the government had set up a commission under the chairmanship of Mr. David Johnston from McGill University. The discouraging part, when I read about this in the Thursday, March 17 edition of the *Citizen*, is that most of these hearings will be held in private and not open to the public.

I wish to underline the importance of an open public process in which all the players, including the public, can participate. I would also suggest that this is a creative way of using members of Parliament and the existing committee system. I could envisage working very closely with the departments involved, including the Department of Canadian Heritage, the bureaucrats in that department working with the committee, to work together on a co–operative basis to develop a position of what is in the public interest.

I was also somewhat encouraged by the response of the Parliamentary Secretary to the Minister of Industry. I believe that the parliamentary secretary left open the possibility of using members of Parliament either in a specially struck committee or in the Standing Committee on Canadian Heritage to deal with this issue. I believe this is an issue that should be dealt with by committee and utilizing the work of the House.

Let me again underline the importance of what is happening here. Never before has a development of this magnitude, that is Rogers' takeover of MacLean Hunter, been seen in the Canadian history of cultural industries. It creates a virtual monopoly. It is a turning point in Canada's technological and cultural future. Therefore, it is essential that the public interest be defined and that this be done through a committee of the House of Commons.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I begin by thanking the member for his concern on both of these issues.

First, the information highway will be a cornerstone for future industrial development and economic growth. The development of innovative products and technology will provide Canada and Canadian businesses with the infrastructure and technology necessary to compete successfully in international markets.

On Wednesday, March 16, the Minister of Industry announced that Mr. David Johnston, the vice–chancellor of McGill University, will be the the chairperson for the advisory council for the information highway. The advisory council will assist the Minister of Industry to develop a Canadian strategy for the information highway.

The council will analyse and provide advice on general matters of policy and strategy to ensure that Canada has access to the benefit of advanced communications information services. The council will also be accepting submissions from Canadians in any area of interest to them.

• (1855)

I want to say to the member that in my own community with the assistance of constituents and Mark Cameron and Roman Kowalczuk, members of my support staff, we are beginning to set up a community centre for information access on this very important subject.

I welcome members of the House and all Canadians to write for information on how to set up one of these systems in their community. We will supply them with the information. We are very much concerned that we bring this issue into the public forum. It is moving fast. It is complex and we want to make sure that public participation is involved all the way along.

Getting back to the advisory council, it is not being established to review the proposed merger of Rogers Communications and Maclean Hunter. Issues concerning the merger will be addressed by regulatory bodies under existing legislation.

Pursuant to the Broadcasting Act which Parliament passed in 1991 a change in ownership of cable companies greater than 30 per cent requires the approval of the Canadian Radio–television and Telecommunications Commission. The CRTC has broad powers and a fact finding mandate that will explore and examine the issues in this takeover to ensure it is in the public interest.

Once the CRTC has received the application from Rogers Communications, it will make plans to schedule public hearings for the takeover of Maclean Hunter. Any group or organization that has an interest can request to be heard by the CRTC at those hearings.

Furthermore the takeover will also be reviewed by the director of investigation and research pursuant to the powers vested in him by the Competition Act. It is also important to allow these officials to proceed as currently planned.

Though the hon. member suggests that the Commons committee on heritage—

The Acting Speaker (Mr. Kilger): Order, the hon. member for Capilano—Howe Sound.

IMMIGRATION

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, this is a question for the Minister of Citizenship and Immigration.

Since the minister announced that next year's level of immigration will be 250,000 I have received only critical comments from my constituents concerning this decision. Other Reform members of Parliament have had the same experience. We are getting clear signals from the people of Canada that they want less immigration.

Last week I asked the minister about the contacts his office has had concerning the same matter. I received no answer and instead received a lecture about the merit of the government's determination to stick to policies regardless of public opinion polls and comments received from the general public.

I find this attitude of the government policymakers arrogant, elitist and undemocratic. When this government was in opposition its MPs were constantly arguing against government policies on the grounds that the people did not want such things as free trade and the GST. Power corrupts. Now the people's wishes no longer matter.

I ask the minister again a simple and straightforward question which should be answerable in simple terms. How many contacts from the public has he received critical and supportive of the immigration levels since he has announced them?

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I thank the hon. member for Capilano—Howe Sound for his intervention.

I must say that counting the number of representations on any issue is really no way to determine the wishes of the majority of Canadians. It is also no way to determine whether public policy reflects the opinion of the people of Canada.

Write in campaigns initiated by certain groups distort reality. All of us who have sat in this House for any length of time are aware of that. They only reflect the opinion of the particular group. With the greatest of respect, I might remind the hon. member that we on this side of the House who did win the majority of seats campaigned on exactly the immigration level the hon. minister brought forward this year.

The Minister of Citizenship and Immigration is aware that many Canadians are concerned however about the future directions of the immigration program. That is why on February 2 of this year he launched a major public consultation process that will help shape this country's immigration policy for the next decade.

His intentions are clear. He wants to hear from Canadians through an open and informed discussion. The process will set the stage for establishing a new 10–year framework for immigration and a new immigration plan.

The minister has stated on numerous occasions he has no intention of formulating immigration policy on public opinion polls, but by an open and frank discussion of the facts, not the myths.

In the red book this party described our policies. Canadians accepted them through the national and democratic election. The 1994 levels fulfil the red book commitments, including a total immigration of approximately 1 per cent of the Canadian population and a priority to family and independent immigrants.

The Reform Party is calling for cuts to levels which would reduce immigration levels by 100,000 people. The only way to

do that is to modify the eligibility criteria which means changing the rules of who gets in and who does not.

This is a very important issue which deserves input and discussion by as many Canadians as possible, not just a few letter writers in a few constituencies.

The Acting Speaker (Mr. Kilger): It being 7.03 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7.03 p.m.)

HOUSE OF COMMONS

Tuesday, March 22, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government's response to five petitions

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

LIBRARY OF PARLIAMENT

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, I have the honour to present the first report of the Standing Joint Committee on the Library of Parliament. In this report, our committee recommends that it be authorized to act as advisor to the speakers of the Senate and of the House of Commons when they exercise their authority over the Library. We are also asking permission to meet with a reduced quorum as well as during sitting of the Senate. This is the first report of the Standing Joint Committee on the Library of Parliament since March 5, 1970.

* * *

[*English*]

CANADA ELECTIONS ACT

Mr. Sarkis Assadourian (Don Valley North) moved for leave to introduce Bill C–229, an act to amend the Canada Elections Act (registration of political parties).

He said: Mr. Speaker, as members know this is my very first private members' bill. The purpose of this bill is to amend the Canada Elections Act to allow the registration of political parties by the chief electoral officer only when the party nominates candidates in at least seven provinces that have an aggregate of at least 50 per cent of the population of all the provinces and in at least half of the electoral district in each of those seven provinces.

For the purposes of the Canada Elections Act, "province" includes Yukon Territory and Northwest Territories.

(Motions deemed adopted, bill read the first time and printed.)

* * *

PETITIONS

BILL C–91

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, it is my pleasure today to present to the House of Commons pursuant to Standing Order 36 a petition on behalf of many of my constituents as well as others who reside in Saskatchewan. These petitioners are interested in seeing Bill C–91 repealed because of the dramatic effect it has had on the price of prescription drugs in Canada.

In essence, Bill C–91 has driven up the price of prescription drugs by over 120 per cent in the last five years. This has been a severe problem financially for those people who require prescription drugs. It also has hindered provincial governments across the country in terms of restricting and reducing the drug plans they have.

The Canadians from Saskatchewan who have signed this reside in Semans, Duval, Nokomis, Earl Grey, Assiniboia, Craven, Southey, Cupar and Strasbourg to name a few of the communities.

I summarize by saying they are begging and requesting this Parliament to repeal Bill C–91, the drug patent legislation.

* * *

• (1010)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the following question will be answered today: No. 10.

[*Text*]

Question No. 10—**Mr. Simmons:**

What action, if any, has the Department of Fisheries and Oceans taken to resolve the many long–standing deficiencies— in management practices of the fishing vessel insurance plan, including a rapidly declining insurance base, rising deficits, and declining efficiency, the failure to improve client service and the process for reviewing and approving claims, the plan's deteriorating performance, and the Department's lack of corrective action, as raised by the 1992 Auditor General's report?

Hon. Brian Tobin (Minister of Fisheries and Oceans): The Department of Fisheries and Oceans has taken a number of steps to address concerns raised in the 1992 Auditor General's report.

In February 1993, a general manager at the executive level was appointed for the program with headquarters in St. John's, Newfoundland. This concentration of full line autority for managing program resources across all regions has streamlined decision making and reduced opportunities for diverting funds away from the program. The consolidation of two regional offices and a reduction of staff complement through attrition has resulted in increased efficiency at decreased costs.

Steps have been taken to ensure the implementation of a national FVIP data base by the first quarter of fiscal year 1993–94. This will provide needed management information for ensuring more efficient administration, establishing appropriate rate structures, maximizing revenue and setting national standards in a number of areas.

A training program developed for field officers on vessel appraisals and claims adjustments is now in progress. The first two week session began on February 28, 1994 and the second two week session started March 12, 1994. Training will also be provided as part of the data base implementation.

Updated procedures for the review and approval of claims now ensure that claims are forwarded to head office with proper documentation. As a result, HQ approval has been reduced to one week thus improving overall service to clients.

A report has been prepared assessing the reasons for the declining insurance base and recommending measures to reverse the trend. This report is now being analyzed.

[*Translation*]

The Acting Speaker (Mr. Kilger): The question mentioned by the hon. Parliamentary Secretary has been answered.

Mr. Milliken: Mr. Speaker, I would ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—JOB CREATION

Mrs. Francine Lalonde (Mercier) moved:

That this House deplore the government's lack of vision and lack of concrete measures relating to job creation policies.

The Acting Speaker (Mr. Kilger): Since today is the final allotted day for the supply period ending March 31, 1994, the House will go through the usual procedure to consider and dispose of the supply bills.

In view of recent practices do hon. members agree that these bills be distributed now?

Some hon. members: Agreed.

[*Translation*]

Mrs. Lalonde: Mr. Speaker, indeed we, the Official Opposition, feel that it is important to make this House and the government aware of the need to worry, and not just talk, about employment in Canada.

Four heavyweight ministers—I do not intend to put them on a diet —participated in the last G–7 conference. We are waiting for them to inform us of the innovative solutions they learned at that conference to help Canada improve the tragic situation of unemployment here.

I must admit however that I am anxious to see what these senior ministers will propose, considering that when the previous crisis occurred, the G–7 advocated drastic measures to control inflation and Canada subscribed to those, so much so in fact that it tried to show the way and applied a solution whose effects were worse than the problem.

In fact, it seems to me that the federal government must ask itself what kind of policy would stimulate employment, as Quebec has done perhaps because it has been experiencing serious unemployment problems for a long time. Quite often countries, including G–7 members and those which are most easily and naturally prosperous because they have been wealthy for a long time, think that employment is what is left once everything else has been looked after. So the government looks of course after problems such as inflation and the deficit, which is largely the result of its anti–inflationary policies, and what is left in the end is the employment situation.

Then nice speeches are made to say how sorry the government is to learn of the plight of the poor ordinary citizen who is in real trouble, who has no security, and who is deprived of what little hope he may have had of at least getting a minimum income for a while through UI benefits. So the government makes nice

speeches to the effect that it is concerned about employment, and it gets elected by pledging to look after the problem but, in fact, it is essentially business as usual.

I want to take this opportunity to tell members of this House—even though their previous income level was not necessarily the same—that very few Canadians and Quebecers enjoy the same peace of mind as we do. Indeed, many of them live in a great state of insecurity which has a profound influence on the rest of their lives.

• (1015)

Of course, when we are in office, we are surrounded by advisors who tell us: You must not worry about it. It is a jobless recovery, it is the same everywhere, and you must get used to people's anger. You have to be thick skinned and not let yourself be moved if you see people who are having a hard time.

I would like to take the time allotted to me to say that there are two main types of economic policy. The first, the most common kind, is a sort of laissez faire, as I was saying; you look after the fashionable parameters and live with the outcome once that is done, and that is the more or less long–term unemployed.

We know that since the 1980s, some ideas that were in in the 1930s have come back in fashion; they say that basically only the strong can survive, so let us help the strong and as for the weak, well, too bad, they are disadvantaged so let them suffer.

But other countries over the years have developed other types of policies where employment is not a leftover, not a residual concern about which nothing can be done; no, they say: the purpose of the economy must be to give ordinary people a minimum, not just enough to keep them from dying, but enough to live with dignity, to have some hope and fulfilment, and in our societies for a long time to come, the key will still be employment.

Some societies have taken the trouble to give themselves instruments, not just macro–economic instruments, not just monetary policy, not just a policy on the deficit, not just a trade policy, but a policy concerned with how jobs are actually created and lost and how, with patient effort, by influencing macro–economic policies, through common effort and working together, asking questions, even tough questions, the future of people can be assured.

Unfortunately, we must admit that in politics, these methods often take time and politicians, men and women in politics, because I distinguish the two, can be in a hurry, their time is limited. However, there can be no quick–fix solutions—there are none. There is only the ability to look at a situation and to develop approaches with people at the grass roots.

Mr. Speaker, you will understand that I will talk about decentralization at some point and I will talk about Quebec. But before that, I want to remind you of the situation, not for the fun of it, because it is not at all funny. The latest figures show 1,559,000 unemployed people. Remember that the unemployed counted here are those who are actively looking for work. You can be unemployed but not counted in this category if you are a discouraged worker. It is more practical that way; you are forgotten.

In Quebec, how many are officially unemployed? There are 428,000, not counting all the long–term unemployed who are on welfare. We can say without exaggeration that there are about 800,000 unemployed people in Quebec who are actually looking for work, although not as Statistics Canada sees it. The lives of 800,000 people in Quebec alone are tied to the ability to find work. It is a question of self–esteem, of parents being able to face
their children or help them, of people being able to build a home, have children. According to Statistics Canada, there are 1.5 million unemployed in this country.

• (1020)

The Liberal government came to power on a worthwhile slogan. In either French or English, it was "jobs, jobs, jobs". The government rose to power on the heels of this catchy slogan.

The Liberals conducted a clever campaign. Their slogan amounted to: "Vote for us, vote Liberal".

So, what has this government done to follow through on its promise to create jobs, jobs, jobs?

An hon. member: It has created jobs.

Mrs. Lalonde: Since being elected? You must be joking. Look at the record.

Mr. Speaker, would you kindly remind hon. members to be courteous and to look at the latest Statistics Canada figures?

An hon. member: As the hon. member should.

Mrs. Lalonde: I have seen quite few figures, sir.

So then, what is the government doing? It does not like to be reminded of its record, but that is our job. What action has it taken? First of all, it cancelled the helicopter deal, without giving any thought to preserving high–tech and scientific jobs, as the Bloc had recommended.

Next, it increased unemployment insurance premiums. It is trying to make people forget this decision any way it can by saying that it will lower the premiums next year. I will come back to this point.

The government plans to inject $1 billion a year into its largest initiative, the Infrastructure Program. It hopes that the provinces and municipalities will match this amount. After two years, the government hopes to have created between 45,000 and 65,000 temporary or short–term jobs. It is a simple matter to calculate the cost of each one of the 65,000 jobs, in light of the problems.

Mr. Speaker, the members opposite should stop saying that they have created jobs. If that was their slogan, and if they are satisfied with the Infrastructure Program—some bad language comes to mind, but I realize that members cannot speak such words in this House, unless they are willing to temper their remarks and I have no desire to do so.

At best, the Infrastructure Program will create 65,000 jobs. According to the Johnson government, the program will create 20,000 in Quebec. By extrapolating, we see that this initiative will create 20,000 jobs, while the lives of 800,000 depend on finding a job, often any job.

Therefore, when the government says it has followed through on its promises when we know that this program is only a drop in the bucket, it is showing a certain lack of understanding and compassion, as well as extreme thoughtlessness. Its actions must be sternly denounced. Can anyone argue that this is the way to create jobs? However, for the government to be satisfied with creating 65,000 jobs—and this is not done yet—by the end of this period and to claim "mission accomplished", words fail me, Mr. Speaker. Let me just leave it at that.

The government's next move was to bring down a budget, which it claimed, with great fanfare, would get Canada out of the woods.

• (1025)

What was not mentioned too often though is the fact that the forecasts—not the targets but the actual forecasts—for employment in this budget see the overall rate of unemployment move from 11.2 per cent in 1993 to 10.8 per cent by the end of 1995 in Canada. This means that the government itself is resigned to doing nothing more than what is outlined in the infrastructure plan and hope it stirs things up a little.

Mr. Speaker, this is my first mandate as a member of Parliament, not that I did not try to get elected before, and if my constituents have elected me to represent our riding, it is to testify to the best of my abilities to the misery and despair of so many people. I will never tolerate that the government does nothing after running on a platform of "jobs, jobs, jobs". And especially after claiming—and this shows its lack of imagination—that 40,000 jobs will be created by the end of 1996 because it did not further increase unemployment insurance premiums.

The government says—and I know the word for saying the opposite of the truth cannot be used in this place—that it will create jobs, when in fact the only thing it will be doing is not further hindering job creation. The truth is, based on Employment and Immigration Canada's indicators, that the January UI premium increase probably prevented the creation of 9,000 jobs. That is the truth. We are expected to applaud the government for not preventing the creation of 40,000 jobs by the end of 1996! That is not my idea of a good employment policy.

The government has all the tools of a powerful state. In spite of its huge debt, Canada is part of the G–7, although it is closer to being booted out than ever before. It is among the have nations. This wealth, admittedly, was acquired for a large part owing to the richness of Canada's subsoil. As the government is now discovering, its true strength rests with its human resources.

Unfortunately, there is no easy recipe for investing in human resources development, and job training, as powerful a tool as it may be, is not a cure–all. I have spent a lot of time, along with other members of the Committee on Human Resources Development, in hearings where we were told repeatedly by the people involved in assisting individuals looking for a job how many of them have qualifications that they cannot even use. Painting in glowing colours the advantages of a little job training, which would be made compulsory, and having people believe that this would solve all their problems and create these jobs they are looking for is not permissible. In fact, it is absolutely forbidden. In any case, it goes against the testimony we heard from people working in the field. In Quebec alone—I do not know the latest figures but I will use slightly lower figures than those recorded during the last recession—over 4,000 engineers were jobless; we are talking about engineers and not about someone who took a little three–month course to upgrade his or her skills in some area. I am not underestimating the value of such courses. But I am saying that to make people believe they can get jobs after a short, compulsory training period is fiddling with the truth.

• (1030)

We will have many opportunities to come back to this issue. However, I wanted to say that I participated—I did not check the time I have left, I will be quick, I could have asked you before continuing—with 1,200 other people in the Quebec forum on social solidarity. What I want to say is this: There has been, at least in Quebec, perhaps because the unemployment problem there has been serious for a long time, a change in mentality. We do not simply ask others to show their concern about jobs. We know—and it may be true of unions, it is true of businesses, governments, and individuals—that the unemployment problem can only be tackled by means of a policy of solidarity. Solidarity means that everyone, including the rich, will have to do their part. We cannot simply let the rich carry on with their business while telling others they must tighten their belts because we can no longer afford to pay for social programs.

We in Quebec have been working on these issues for a long time. We have developed the ability to act in concert with employers, unions, citizens' groups, and governments. After a long debate, we developed a capacity to reach a consensus. Many see sovereignty as a project because we can no longer afford to waste time on discussions. We want to act quickly to

use the resources at our disposal in pursuing the priorities developed in the regions of Quebec.

I am making this speech in this House because I know that other regions of Canada are facing tremendous problems, that they can no longer rely on their previous wealth, that they may have to undergo a long process. But, if the government is not aware of this, if it thinks it can collect revenues and leave those in difficulty out in the cold, it is on the wrong track. It can change course and that is the purpose of today's motion.

Mr. Raymond Lavigne (Verdun—Saint–Paul): Mr. Speaker, instead of always criticizing everything this government does, she should realize there is more to this than infrastructures. Members should look at the situation for small businesses in their ridings, get organized and help create small businesses. These generate a lot of jobs and can be created in all regions. I think that if all members look after their ridings as they should, a lot of jobs could be created in the days, weeks, months and years to come.

• (1035)

I think the hon. member should look around in Quebec, as I have been doing, since we have already started into small businesses, and we have made a start with creating jobs. We are looking in my riding at all the agencies that take care of job creation and training, to ensure that people are not being trained for jobs that do not exist. If we provide training and if once people finish their training, they have no jobs, it is no use training them.

We should have on–the–job training, with the assurance of a job for at least the next few years because, as you know, small business creates 85 per cent of the jobs in this country. I want to ask the hon. member what she has done in her own riding since she was elected and what kind of initiatives she has introduced.

Mrs. Lalonde: Mr. Speaker, I have to smile when I see someone who wants to put the employment problem right back on every member's doorstep. I find that amazing. I do not see why a party would want to get elected and have the power and the instruments it needs to run the economy, if it means making members responsible for job creation.

However, I will give you my thoughts on small businesses, and I can tell you the concept was not discovered by the newly–elected Liberal government. It has been common knowledge for years. Anyone who is concerned about employment issues knows where the jobs are. There are jobs in the public sector, which are being cut because it is felt the public sector is costing too much, which means fewer jobs and less money in circulation. However, one soon realizes that jobs are created by the business sector. At one time I was working for a union and I said, at great personal cost to myself, that unionized workers should be concerned about productivity.

Yes, small businesses do create jobs. But the federal government, which runs Employment and Immigration Canada and which has, and this is just an example, I am hitting the ball back in your court, Self–Employment Assistance—

The Acting Speaker (Mr. Kilger): Order, please. I might remind hon. members on both sides of the House that they are to address their remarks through the Chair.

Mrs. Lalonde: Thank you, Mr. Speaker. I said this in the heat of the debate, and I apologize. I certainly would not be able to maintain this intensity when addressing the Chair.

Mr. Speaker, I wanted to say to the hon. member that Employment and Immigration Canada, which has what could be an effective mechanism, called Self–Employment Assistance, decided, despite the unemployment rate we have in the Montreal area, to restrict the number of persons—I think it is 125 or 165—to be given assistance in starting a small business. However, it has been proven this option is effective. Throughout the Montreal area, we see people who have projects but often do not have enough money to make the initial investment. They lack a framework and need help in the start–up stage— I have done that sort of thing, and I know what I am talking about. There are a lot of people like that. Unfortunately, governments are only concerned about macro–economic policies and do not care about how jobs are created or lost. We have businesses closing that should not close, but they say these are lame ducks, and so forth. There is a lot of time and effort involved in starting a business, and sometimes all it takes is a few adjustments and some management restructuring. With a little more attention and assistance, far more could be done for these businesses.

As far as small businesses are concerned, I am looking after my riding and helping specific businesses, but the hon. member is not about to make me responsible for what a government should be doing, including the obligation to know what has to be done at the grass roots level.

[*English*]

Mr. Rex Crawford (Kent): Mr. Speaker, I listened to the hon. member's speech which, and this might amaze her, I enjoyed. Now I am asking her and her party to help me. I am not passing the buck.

• (1040)

What I am referring to is last week in my riding of Kent in southwestern Ontario, the provincial government removed the excise tax on ethanol and also contributed $5 million to the building of a $160 million to $170 million company in the riding. I have been asking our government if it would do the

same as the provincial government did and keep the excise tax off ethanol for at least the next 12 years.

It is in the red book. It is environmentally friendly. The job creation factor is that over 90 employees will work in this factory, with a spinoff of over 400 to the agricultural area, taking in the corn in the area to put into ethanol.

The next factory to be built after the completion of this factory, anticipating the passage of this bill in the House, will be in Quebec. It will be the same size; a $170 million plant to help not only Quebec but Ontario. Another is being built in Saskatchewan as well as an addition on the one already there.

The Acting Speaker (Mr. Kilger): Order. I know that members would want to seize the opportunity in the limited time of questions and comments to make them directly to the last spokesperson. If we are going to have a triumvirate discussion, excluding the Speaker, we would have great difficulty getting to the issues of the day.

The hon. member for Kent, please.

Mr. Crawford: I apologize, Mr. Speaker. I ask the hon. member if I could have her support and her party's support in this very important matter of ethanol.

[*Translation*]

Mrs. Lalonde: Mr. Speaker, you can tell the hon. member that I will be very interested in learning more about that. From what I understand, he could get our support.

If I may, I would like to add that, in Quebec, we have really developed an expertise, because we had some problems, we always have serious problems and we know how important it is to combine in a synergic effort—although I do not really like that word—forces that exist in an area. It takes time, but it is the only sure recipe. Governments must know that macro–economic policies absolutely have to be implemented, promoted and, surely, prevented from interfering with what is going on at the local and regional level.

[*English*]

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth)): Mr. Speaker, I am very pleased to rise to respond to the motion moved by the hon. member for Mercier.

I am very glad to reiterate for all hon. colleagues of the Bloc Quebecois the Liberal vision of Canada. It is a Canada that offers to all young Canadians the kind of opportunities to work, to grow and to prosper as so many other Canadians enjoyed before them.

It should be noted that part of a government's vision is responding in an accountable, responsible and innovative way to what it sees around it, and not only responding to the problems but capturing the spirit of the potential that is there. This is what we as a government are attempting.

I also welcome the opportunity to expand on this government's actions to date on how we will create jobs and opportunities through an integrated and effective approach to investing in people. As the Secretary of State for Youth and Training, I specifically would like to address the House on what concrete measures this government is taking to improve the job prospects of our young people, to get young Canadians back to work in the mainstream of the workforce.

I should perhaps preface the rest of my speech with some comments about how inspired I have been in my travels across this country since having been appointed secretary of state. I have met young people from all across the country, from the east to the west, from the north to the south. It has been very inspirational for me to know there is vast potential for us to work with.

• (1045)

We have a wealth of resources in the ideas, the energy and the leadership among young people. It should be noted that generally young people have the potential, the talent, the ability and the willingness. They need the opportunity and this is what I would like to address today.

Other hon. members of the government will rise to speak on the Liberal vision for Canada and how that vision is fuelling concrete measures on several fronts to mobilize Canada's economic and human resources to create jobs and opportunities for all Canadians.

During the election last fall the Liberal Party articulated a vision for a Canada where people live and prosper with a sense of hope and opportunity. Our vision was clearly spelled out in the Liberal platform called "Creating Opportunity" or the red book.

It is a vision of an independent country that is economically strong, socially just, proud of its diversity and characterized by integrity, compassion and competence. These are the guiding principles that generations of Canadians live by and they laid the foundations for a great country and a fair society. The government stands behind these principles and we will create opportunities that reflect our strong belief in them.

As the hon. member for Mercier is no doubt aware, the Liberal vision for a strong, cohesive and productive country hit a responsive chord among many Canadians. They increasingly felt isolated by their institutions, worried for our young people and uncertain about their future.

The previous government adopted a wait and see attitude to social and economic policy and left Canadians to fend for themselves. However, this government has acted quickly to address the new social and economic realities of a global

economy by inviting Canadians to engage in a far reaching examination and rebuilding of the very structures that have made this country so great.

The impetus for change can be seen all around us. Where Canadians were once sure footed, they now feel they are slipping. Nowhere is the degree of uncertainty and the desire for change greater than when we hear the call from our young people to give them opportunities to contribute to their community, their country and to join in with other Canadians in building a brighter future for this nation.

Canada cannot risk seeing a generation of young people sidelined in the job market because we did not have the right programs at the right times. Canada had over 400,000 young people under 25 who were looking for work each month in 1993. That is an unacceptably high unemployment rate of over 18 per cent. Without opportunity they will lose hope.

In human terms, there are a lot of idle young people whose talents are being wasted. We need to ensure that young people have better opportunities like access to work, education, job training or community service. It is not for lack of interest. It is for lack of opportunities that this situation exists.

The most recent labour force survey shows that while the number of unemployed in Canada is down, the youth unemployment rate is rising. It reached 18.1 per cent last month, its highest level since last June.

We want to rebuild the social safety net for young Canadians who need help to get their lives back on track. In restoring the sense of security and opportunity, we want to offer choices that will help them make their way in the workforce. That is what the social security reform will accomplish.

I want to make it clear that helping young people make the transition from school to the workforce is a major focus of social security reform.

The government is calling on all Canadians to join in rebuilding our social security net. We are strongest when we act as a team. We are strongest when we combine the talents of governments, business, labour, educators, community groups and our youth. Together we have the human resources necessary to find solutions. Together we can do a better job.

Young Canadians have as much to contribute and to gain from the rebuilding of our social safety net as any other age group in the country. They are a top priority because they are our future workforce.

• (1050)

Young people will be the beneficiaries of these revitalized social programs. They will see the productive outcomes of a social security net that rewards effort, offers incentives to work and restores hope for the future.

Our vision is to create a more productive economy by investing in the potential of our young people. To do this we have to recognize the needs of young people who are in the workforce now and looking for a meaningful outlet for their talents, energies and ideas.

We also have to plan for the next generation too: those students who are just entering high school now and who will be planning their careers for a yet unknown job market and the generation after them as well.

Social security reform is being propelled by a strong desire to meet the social and economic needs of Canada head on. Canada's social programs have served us well but they were designed in a different time for different circumstances. We cannot keep waiting. The realities of the next century are on us.

On January 31 the Minister of Human Resources Development announced a three stage process for social security reform. It involves the participation of Canadians from all levels of the community.

A parliamentary standing committee has been holding public hearings and is scheduled to submit its report to the House later this week. We have met a number of times with our partners at the provincial and territorial levels. These meetings will continue. A task force has been appointed to advise the minister. From these discussions an action plan will be drafted and tabled in the House in late April or early May. Canadians will be consulted on proposals for social security reform to be outlined in the action plan.

We are moving quickly because the economic prospects of young Canadians can only improve if our system which can help them make that transition from school to work is redesigned and improved to meet their pressing needs.

It is time to rethink our priorities and come up with a plan to meet the needs of our young people, our workforce and our society in the 1990s and beyond. In doing so we will also put in place a system that is responsive, compassionate and economical.

The majority of jobs created now to the year 2000 will require at least 17 years of education and training. That is high school, plus four or more years of further schooling. Employers have raised the ante. Yet approximately 60 per cent of young people go looking for work right after high school. The doors to entry level jobs will be closed to them unless we give them the opportunities to improve themselves.

Youth unemployment is directly linked to education and training. Between 1990 and 1993 jobs held by university graduates increased by 17 per cent. The uneducated and undereducated are being squeezed out of the workforce. The longer they are out of the job market, the harder it will be to get back in. The gaps on a young person's résumé will put them at a great

disadvantage when they are up against newer graduates just entering the workforce.

Young Canadians have the highest unemployment rate and are the most vulnerable to economic downturns. There may be fewer youths compared to their baby boomer predecessors. However, their needs are more pronounced because of the increasingly complex world they are entering, in terms of the workforce, what is productivity for a nation per se and because of global competitiveness as well.

The federal government is offering jobs and hope to young people who have been hit hard by the recession and have fallen between the cracks in trying to find a job after leaving school. The failure to make that transition has a ripple effect on the economy and society.

What is particularly disturbing is the growing number of young people who have never held a job. That is why it is essential that we help young Canadians.

The Liberal government is committed to helping young Canadians make that transition. It is a top priority and that is why we are moving ahead with the youth service corps that was outlined in the red book. The youth service corps will help offer young Canadians an opportunity to serve and learn about their country and gain important skills and valuable work experience.

• (1055)

The government will reach out to young people to prepare them for the challenges of the future. Liberals believe now more than ever that Canada needs the skills, talents and energies of every young Canadian. The youth service corps will get unemployed youth working in community service projects to address the diminishing opportunities for young people as a result of the tough job market.

It is not a question of whether young people want to work, because they do. It is a question of giving them the opportunity to do something constructive and rewarding that benefits the individual, improves their community and strengthens our country.

Canada simply cannot afford a lost generation. Demographic trends clearly demonstrate Canada will soon suffer a worker shortage. As baby boomers leave the workforce in large numbers we will increasingly count on your young.

To compete globally in the next century we will need a highly educated, highly skilled workforce. You need not be a futurist to know our continued growth and prosperity depend on the workers of tomorrow who are generally the unemployed youth of today.

This venture will be less costly than unemployment insurance and welfare and will give young people the tools to build better lives for themselves and for our society. Young people are searching for relevant work experience that will give them saleable skills to get their foot in the job market door.

During my discussions with young Quebecers on the concept of the youth service corps I heard firsthand their enthusiasm for such a program. Quebec youth eagerly identified with the goals of the youth service corps to give them practical skills and work experience while contributing in a meaningful way to their country.

The youth service corps is a smart and necessary investment in our future workforce. It is a concrete measure which addresses the serious need to help the unprecedented number of youth who are squeezed out of the workforce, who are giving up on finding work. Canadians age 18 to 24 who are out of school and unemployed will have opportunities to gain a sense of accomplishment, self–reliance and marketable skills through practical work experience in the community.

Do we act now to offer young people opportunities so that they can acquire some skills and learn good work habits? Or do we write off a generation of youth and leave them unprepared to compete for jobs? The government has decided to act.

The youth service corps represents one of several concrete measures by the government aimed to better prepare youth for the fast changing labour market. It is part and parcel of our underlying vision to invest in Canadians. The same vision is behind the social security review process.

Young people today want what other Canadians want: good jobs; opportunities to enter and re–enter the workforce; the right to be part of the mainstream and to be treated with dignity. That is the essence of our vision for young people.

The government stands for creating opportunities for young people. For the great majority of Canadians, jobs are at the top of the list. A job is the best form of security. We want to give young Canadians all the tools necessary to aim for, prepare for and find jobs.

I should mention a number of other things that relate to youth between the ages 18 to 24 who are unemployed, left on the sidelines, out of reach of the opportunities. We also have a general preoccupation with the poor, the disabled, the street people, the people who are most in need and at risk. The initiatives we have outlined in the red book express that very well.

Let me give a few examples. We have proposed an aboriginal head start program that will deal with preschool child development. It will help greatly those sole parents who struggle on their own with their children in the area of parenting skills and nutritional skills. We have a great need there. These are for the inner city poor.

In a particular area of Winnipeg, one out of three children lives in poverty. This program is designed for the inner city poor. We now have a program designed to help keep young children in school called the stay in school program. It has been

hailed as a success across the country. Many regions have supported the program. There has been a marked difference in the attendance of people who have been impacted by the program.

• (1100)

We also have the brighter futures program, which is a carry-over from the last government. We do not discard what works. We try to perfect, adjust and make better things that would work under our mandate.

We now have Youth Services Canada which will break the cycle of dependency. It will take youth between the ages of 18 to 24 years off unemployment insurance and assistance. It will be an enabling process.

We also have the summer challenge program on which the minister will speak later. It is a very successful program. It is a program for the young people of Canada who are out there right now educating themselves, training and working. This is their opportunity to work between the months of April and September. They want to work and they are working.

We also have the proposed youth internship program. I could go on and on about the wonderful things we want to do but my time is running out. We have laid out our priorities. We have expressed a commitment. We have looked at the human side of all the misery out there. We have laid out our plans concretely. For the first time in the history of the country the government has come forward and laid out on paper what it wants to do.

In particular reference to my mandate we are committed to helping our youth. Our commitment will be expressed over the months to follow. It has only been since November that I have been in this mandate. Conversely I have been inspired by these young people. They are knowledgeable. They are mature. They want an opportunity. They are a leadership resource and we aim to work with them.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I very much appreciated my colleague's speech and the enthusiasm and determination she showed in talking about the Youth Service. She said that, thanks to that program, young people will have the opportunity to get off unemployment insurance. We must understand however that, given the recent unemployment insurance reform, they will not go from unemployment to that program since they will no longer be eligible for UI benefits.

If the prospects presented in that famous red book are so extraordinary, please tell us why, after just a few months, the Prime Minister got such a bad reception in the Maritimes and in Shawinigan? What is perfectly clear for Canadians is that the government made promises and that we are now being presented with some well–intentioned measures that are totally out of proportion with the real problems of our society and the extent of those problems. The government promised us heaven on earth.

Just remember what happened when Ms. Campbell said, during a debate, that the unemployment rate would stand at 9 per cent at the end of the century. She was treated like a pariah. Well, I suggest you read our Minister of Finance's budget. What does it say the rate will be in 1996 and in 1997? What are the medium–term projections for the unemployment rate? We will know in August.

The reality is that we are facing problems of a massive scale, the Liberal Party made irresponsible promises and now it is unable to abide by them.

I believe the last campaign was totally irresponsible as concerns public finance; the idea was it would not be necessary to cut government expenditures, all that was needed was job creation. Now we see major cuts, particularly in social programs, and we get some small measures totally out of proportion with the problems; that is why people are so disappointed.

I understand that a program of such a scale as the one announced could be reasonable for a village or a small region.

• (1105)

It is totally ridiculous to talk of investing $25 million in venture capital for small business. We would end up with about $60 per business for the whole of Canada. Twenty–five million, fantastic! It would make more sense if we gave this amount to a region in particular, to a small group of credit unions in the south–western part of Montreal for instance. An amount of $25 million in venture capital for small business all over Canada can only excite the imagination. But it has absolutely nothing to do with reality. The problem is there are more than a million small businesses in Canada. In the long term, the program is said to amount to $200 million, but in the short term, it is $25 million a year or $25 per small business. It is totally absurd.

The solutions you propose are out of proportion with the sheer scale of the problem. Throughout the campaign, the government described a situation becoming progressively easier. We now notice that it is rapidly deteriorating and, what is worse, that interest rates are affected more and more. Could the member explain to what extent the measures she mentioned are geared to the problems?

[*English*]

Ms. Blondin–Andrew: Mr. Speaker, I am very pleased to respond to some of the concerns raised by the hon. member.

I can understand the cynicism on the part of the Bloc Quebecois. I have been to Quebec and probably the most enthusiastic response in terms of the youth service corps specifically was from the youth in Quebec with whom we consulted. They were the unemployed, people dealing with justice, young offenders, street people and street youth organizations. They were very enthusiastic and wanted to endorse it.

Opportunities big or small are not shunned by people who need the opportunities. Opportunities for youth in Quebec to do something with their lives, be it an opportunity for one person or opportunities for twenty people, will not be pushed to the side by young people. These young people were very enthusiastic. Every opportunity for every person is worth gold to those people whether or not the hon. member agrees.

We never said that we had magical solutions. I salute the Prime Minister; I congratulate him. He went to the source. We knew there were concerns. We knew there would be a lot of reluctance. Change is difficult. Change is not without pain. Change is not without the kinds of difficulty and the controversy we are not afraid to confront. We know there is no pretty way around making the changes that will eventually lead to long term gain.

In the interim we as a government are prepared to face the kinds of responses there are. We are prepared to make greater gains in the long run: short term pain for long term gain. We know there really is no pretty way around it. We never said we had magical solutions, but we believe every opportunity we create is for people who want it.

Perhaps as politicians we tend to extrapolate on what is good for people in terms of jobs when we do not really have the right to do so. Those young people want those opportunities. They told us that. They endorse the programs enthusiastically.

We hear the concerns about job creation and small and medium sized businesses. That was part of our platform. We never promised paradise to Canadians because we knew the problems that would be there when we were elected. We promised commitment. We promised to work hard. We promised to consult. We promised to try to create opportunities for those people to do for themselves, not to do for them what they could do better than we could as a government.

That is where we are going. That is our intention. I would like the hon. member to be there to help us.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I listened with interest to the secretary of state outline the plan of yet another program.

No one can deny that there is a serious problem in the country with youth unemployment. Certainly I am aware of it. The secretary of state talked about the government getting its priorities straight. I think the government does not have its priorities straight.

• (1110)

In the period leading up to the election members of the Liberal Party did their homework. They did polling to find out the cause of the lack of jobs in the country. The message came back from the very people who create jobs, the majority of whom are small and medium sized business people, that the cost of doing business was simply too high. The government's prior and current neglect of the fiscal problems has caused high taxation. It has driven up prices and the cost of doing business.

Jobs do not come from more government programs. There is a direct correlation between the deficit and the financial problems of the country and unemployment. If the government wants reassurance of that it should go back and ask the people who create jobs and will create jobs, the small and medium sized business people.

The answer to youth unemployment and to unemployment in general is not to put more programs into effect. There are no jobs in the country. Small and medium sized businesses have so much uncertainty about taxation levels and the cost of doing business in the future that they are simply not expanding. Investors are not investing because they do not know what the taxation levels will be. Consumers are not spending because there is so much uncertainty about the government getting its fiscal house in order. We have university students with diplomas clutched in their hands applying for jobs at McDonald's. There are trained people out there but there are no jobs.

I would suggest the government should re–examine its priorities and start to show some light at the end of the tax tunnel to encourage small and medium sized businesses to start creating jobs.

More social programs are not the answer. That is the philosophy of the government that started 30 years ago, a time when there was no deficit, a time when the debt was manageable. It has instilled in youth an attitude of entitlement, a "don't worry, don't take responsibility for yourself" attitude because the government will look after them with social programs. The generosity of social programs has created this attitude among our youth. Why would they work when the government will look after them?

The government should look at where jobs come from, the small and medium sized businesses, start to attack the problems people are telling it about, and the jobs will be created.

Ms. Blondin–Andrew: Mr. Speaker, I am hearing a fundamental difference in vision here. We have our priorities right. We want to create jobs. We do not believe that investing resources to better the lives of young people who are unemployed, out of school and between the ages of 18 to 24 years is a poor investment. We cannot afford not to do it because those young people are actually a drag on the social safety net. We are either paying them unemployment insurance or welfare. We

have the choice of deciding whether they should be productive. This is an effort to enable these young people.

If I might explain in detail, once young people use the opportunities in community based pilot projects they get what is called a completer's bonus. This bonus could be in the form of a tuition voucher, a loan forgiveness note or a portable wage subsidy. It could also give them a credit note to start a small business or work with a small business. This is all directly related. It is not a government program for government people. It is the government's effort to provide adequate resources so that young people can have opportunities they do not now have.

It is a modest effort. It will not solve all ills. However in our review we are looking at every opportunity or every avenue to do better. We are not saying that we will solve all the problems of the world with one program. We are saying we cannot do everything but we know we have to do something.

• (1115)

We have to help those young people out there. If the Reform Party chooses not to, it sounds a little anti–youth to me and it sounds like a bit of a downer on the attitude toward youth.

I have met many youth who are capable, who want to work, who want the opportunities, who are on the cutting edge, who show leadership and who are very good at what they do. I could give many examples. I suggest that the hon. member go out there and meet with some of those young people.

The Acting Speaker (Mr. Kilger): Resuming debate. I wonder if the member for Elk Island could assist the Chair and indicate if he will be splitting his time with a colleague or taking the full 20–minute complement.

Mr. Ken Epp (Elk Island): Mr. Speaker, the very first thing on my agenda was to give notice that on behalf of the caucus co–ordinator, called the whip in the standing orders, according to Standing Order 43(2), our speakers on this motion will be dividing their time.

The motion before us today is quite clear and quite succinct. It states that this House deplores the absence of vision and concrete measures from the government with regard to policies toward job creation.

There is really no need to work on establishing the fact that there is a job crisis in Canada today. The unemployment figures are quite convincing. When one adds the innumerable individuals who are unemployed and who have given up and whose names are not even on the lists of the unemployed, there is little doubt that there is a crisis in this area.

In the strictest sense of the wording of this motion, it should be opposed. We should really be opposed to the motion and hence appear to be siding with the Liberal government on its job creation plan. As the members on the opposite side might have applauded, some will be asking why. Is this motion before us not in agreement with what the Reformers have been saying about jobs?

In a way it is but if one takes the wording of the motion exactly as it is stated, at least the last part, one cannot accurately state that the government has failed to declare some concrete measures with respect to job creation. It seems to me that this government has proposed concrete measures for job creation in line with the vision of this government.

The fundamental problem is that this government's so–called jobs plan is the wrong plan. It will not work. I am sure members opposite will correct me if I am wrong, but here is the summary of what I see in their plan.

There is government deficit spending to review social assistance programs. There is government deficit spending to assist the space sector. There is government deficit spending to establish an apprenticeship program. There is government deficit spending to establish a youth service corps. There is government deficit spending on day care potentially. There is government deficit spending on home renovations, otherwise known as the RRAP program. There is government deficit spending on the granddaddy of them all, the infrastructure program.

I hear a howl of protest because I am saying deficit spending. Stop to think about it. Just saying that this money is being transferred from other areas where we will not now be spending it is an inadequate explanation.

My wife would be delighted if I told her that I have decided not to buy a new luxury car. We will have all this money to do renovations to the House. I would have had to borrow the money for the car. Therefore it would be quite deceptive to indicate that we now have a bunch of free money available.

We would now be borrowing it for another purpose but it would still have to be borrowed, and so it is with these proposed programs. As long as we have a $40 billion deficit we are doing what we are doing with borrowed money. Instead of borrowing for helicopters, we are borrowing for the things that I have listed.

There is a jobs plan. The leader of the Liberal Party said often during the campaign: "We have the people, we have the plan". The problem is that the plan, based on borrowing and deficit spending, will not provide any long term solution at all to the problem.

• (1120)

If the government could really solve the problem, and if the only problem were jobs, then it would work for the government to hire people to dig holes in the ground and then hire other people to fill them in again. Obviously with that facetious example I have shown that the job must add to the real wealth of

the country if it is to improve our standard of living and our economic well–being.

It seems to me the only real wealth we have is in the provision of goods and services that have a market among our citizens and the people of other countries. Therefore, and I hesitatingly admit this but I think it is true, to the extent that the infrastructure program enhances our ability to create real wealth, it is useful and will contribute to a longer term well–being, but only to that extent. There seems to be much in the planned activities of this program that is temporary, short term and that does not add to the ability of our nation in providing needed goods and services.

Let me also bring to the attention of the House the problems inherent in the government's debt–deficit plan. To a question I asked in the House last week I was given the answer that the deficit is under control. This government has stated publicly in the recent election campaign, in the red book, in the budget and in numerous statements both inside and outside the House that its goal is to bring the deficit down to 3 per cent of the GDP. I must state seriously that I doubt this will happen.

This first year spending is actually going up and the reduction in the deficit as a percentage of GDP is minimal and based on some fairly generous assumptions on economic growth. If we assume that the government assumptions are right, there is still a huge flaw. If we assume that government spending will help the country's economy, then the deficit as a percentage of GDP should drop dramatically during periods of high growth. The relationship should be the inverse of what is being stated. Conversely, the deficit would normally increase as a percentage of GDP in periods of low growth.

This is not to say that even if the government had it right, its interventionism would be the right policy. Adam Smith said:

> The statesman who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted to no council whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.

Is this what our government is doing? I say yes, just look at government spending. Using the government's own projections the deficits and debts will be growing year by year in perpetuity. Using the government's own 3 per cent target, by the year 2000 our debt will be approximately $700 billion.

I challenge anyone to convince me or any of my constituents that this is an acceptable level of indebtedness. It is unbelievable that this government will undertake as a goal taking the people of this country further and further into debt. I cannot be convinced that this will have anything less than a devastating effect on our long term well–being definitely as it relates to the job problem. At the rate given by the government's projections we will have $1 trillion of debt by the end of the first decade of the next century.

What will work? Let us hear Franklin Roosevelt:

> A programme whose basic thesis is, not that the system of free enterprise for profit has failed in this generation, but that it has not yet been tried.

People do not need the government's assistance or interference so much as they need it out of the way.

• (1125)

How do we get it out of the way? We reduce the deficit, then debt, then taxes because the component of interest which is growing so rapidly decreases. Then we will instil confidence, both consumer and investor, so we can get the private sector hiring again. We can eliminate interprovincial trade barriers. We can eliminate the red tape barriers to business. We can help with training, among others.

Perhaps I am forced to admit that the government has taken hesitant steps in this direction. By mixing its incorrect theory with some correct theory it is accomplishing nothing but annoying both sides: the entrepreneur, and the worker who cannot find a job.

I highly recommend that the government take the most courageous step any politician can make to really spur job growth and get out of the way. In the words of Lord Acton, the finest opportunity ever given to the world was thrown away because the passion for equality made vain the hope for freedom.

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I listened with a great deal of interest to what the hon. member had to say. I found it rather interesting that the hon. member was quoting different sources basically to suggest that government should not intervene in any way whatsoever in the domain of business.

However, I noticed a real contradiction with what the hon. member had to suggest. I find it rather odd because he is certainly agreeing with the Liberal policy of this particular government. He suggested that government had a role to play in training. I find that if government is not to intervene at all in the domain of business, training is one of the most important areas of business. I would like the hon. member to comment on that.

Mr. Epp: Mr. Speaker, I welcome the opportunity to respond to that. I was previously involved as an educator for 31 years and therefore am well aware of the need for training and the effectiveness of it.

I would like to indicate in answer to the question that there are areas where government needs to be involved. I do not think that anyone would deny that. There are many areas in which we can collectively as a nation do things better than individuals.

However, having worked in the technical field I have found that we work best when we work in consort with the businesses that are hiring our graduates. I worked in a technical institute and we did that. In many areas and many times we provided as individuals and as an institute services on demand from industry for specific training where they needed the help.

Therefore, I would not ever say that government should not be involved at all. However, there are many areas where government interferes. I would like to give a quick example.

At the technical institute where I worked there are some 750 instructors. About a year or so ago in January when we got our cheques, our deductions for UI had increased sharply. Being in mathematics some of us were doing quick calculations and computed that collectively the 750 instructors of the institute were contributing about $1,200 per year into the UI fund, matched by the employer with a total of about $2,800 per year.

Had we been able to keep that money we could have spent it on things we like. I could have had my roof repaired. Someone could have been hired to do that. Instead we were simply contributing an amount of money which would have provided 60 jobs at $35,000 per year just on that UI. That is an interference of government: taking money by coercion to give it to people to meet their basic needs without really providing jobs for them.

• (1130)

Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I want to comment generally on the comments the member has made. I really think it is up to him to be quite open and forthcoming with Canadians about the kind of impact the deficit reduction targets his party proposes would have on Canadians.

What the Reform Party proposes is exactly a more concentrated version of what we have seen in this country for the last nine years. They are the kinds of programs that have left 1.6 million Canadians unemployed and over six million Canadians dependent in one form or another on unemployment insurance or social assistance.

This is not the particular issue I want to raise with the member. I would ask for some elaboration on his final comments where he seemed to disparage the concept of equality as somehow destructive of freedom and democracy.

I know that some people do not quite understand that equality does not mean being the same. My personal view is that our world, our nation and our communities require a multitude of talents that our people possess. To not allow those talents to be fully and completely used and developed through various equality measures would limit our capacity as a society.

I really would like the member opposite to explain what he has against equality and why he thinks that some groups really are not quite as equal as he is perhaps. Could he just expand on what he has against equality.

Mr. Epp: Mr. Speaker, I would like to comment on both. Since I graduated from university at a time when the debt and the deficit were more or less under control we had a choice of jobs, as many members in the House will know. That has changed remarkably. There is almost a 100 per cent correlation between the size of the debt in this country and the level of unemployment.

There is no doubt in my mind that the deficit and unemployment are closely related. The government is pulling more and more money out of the pockets of individuals, entrepreneurs and business people just to service the debt that is resulting. That is the first part.

The second part concerns equality. Indeed I do believe in the equality of people but in quite a different way from the way of those who tend more toward the socialist end. I do not believe that anyone in this country should suffer because of lack of health care or lack of educational opportunities because of lack of ability to pay.

I believe we need to make sure that in our governmental system we provide equality of opportunity. However, I do not believe we serve ourselves well, in fact I believe it is very detrimental if we use government policies, especially in the fiscal area, to provide equality of circumstance irrespective of what the individual does.

We really need to get back to a system of solid rewards for efforts expended. That would still provide everyone in this very rich country the ability and the circumstance to provide for themselves and to be very well off compared with the rest of the world.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I rise today to address the opposition motion which reads:

> That this House deplore the government's lack of vision and lack of concrete measures relating to job creation policies.

It is my belief that to stimulate the economy and to increase revenues for government, lenders, investors and consumers must possess a larger pool of disposable income. Jobs are created in the private sector, which the government readily admits is up to 87 per cent, which follows the laws of supply and demand. They would do a better job of creating long term meaningful jobs with $6 billion in cash than the Liberal government would do with its infrastructure program.

The role of government should be to do what government can only do: peace, order and good government. It is not job creation. It should regulate, administer, pass laws, defend borders but it should not enter the marketplace to create jobs. With regional development funds, grants and subsidies to busi-

nesses, governments distort the private sector, create temporary jobs and promote unfair competition within industry sectors. When will governments acknowledge that they are in fact part of the problem and not the solution.

• (1135)

I would like to educate this Liberal government on the reality of the private sector and not the perceived reality of the Liberal government.

Government overspending results in the raising of tax dollars. Higher taxation means that less capital is available in the marketplace which leads to a drop in demand. When demand drops, consumption drops, businesses close their doors and the cycle continues. This vicious circle is the main reason why 1.6 million Canadians are unemployed.

It takes money to create wealth but the government takes too much of it away from the people who know how to spend it. It takes it out of the system and then wonders why unemployment goes up.

The root of the unemployment problem in this country is the debt. The Liberals would have us believe that the debt is only one of many symptoms causing millions of Canadians to be unemployed. The fact is that the government is now adding another projected $41 billion—let us hope it is only that—to this debt which will take it to $550 billion at the end of this coming fiscal year. It is the debt and the interest to service that debt that is causing the problem.

Currently the unemployment rate is at 11.2 per cent. At the end of the year with the finance minister's own projections that he has defended in this House, including the $6 billion infrastructure program and the 168,000 short term jobs that it will create, the unemployment rate will drop to 11.1 per cent after 12 months.

This is one-tenth of 1 per cent. Is this what the Liberals call job creation? Are Canadians across the nation and especially in central Canada truly getting the changes that they demanded and were promised by the Liberal government? The answer is no.

The Minister of Human Resources Development has said in this House that capital creates jobs. So far he is right on. As a businessman I know this to be true. But what politicians on the other side of the House do not seem to realize is that there is a big difference between the spending of debt capital that is borrowed money and equity capital that does not have to be repaid.

The private sector understands the difference. It is time politicians did too. At risk money motivates; government money wastes. The government is going to spend $6 billion on infrastructure programs. Since it is going to spend the money anyway that money should be spent improving the kind of infrastructure that permits the productive sector of the economy, the private sector, to function more efficiently which in turn will allow it to create real long term jobs.

The government's role should be to develop an economic atmosphere, an environment, an infrastructure that facilitates investment, not to make the investment itself directly. The private sector will do that.

In his speech at the G–7 jobs conference in Detroit in the last two weeks, the Minister of Industry spoke of developing a national technology extension network to offer technological services across Canada. Sounds great. The minister stated: "Small business will be encouraged to work more closely with public sector research institutions to improve the commercialization of new technology, base products and services".

When will the government listen to what small businesses are saying: "Get out of our pockets, get off our backs, and get out of our way so that we can create the long term meaningful jobs".

Let me give a specific example of this. When the government talks about creating an information superhighway in conjunction with the public sector backed by the government with more government money, my suggestion is that it look south to the United States and see how it is addressing this need.

Two entrepreneurs, William Gates and Craig McCaw, have joined forces to build an extensive global communication superhighway. It is the marketplace that is addressing the needs in the states of consumers and not the government. I reference the article. It is in the *Financial Post* of Tuesday, March 22, and if anybody on the Liberal side of the House would like to read it, they may learn something from it.

The government need not build an information superhighway with taxpayers' dollars.

Freeing up the marketplace from government intervention creates opportunities, incentives, and real long term meaningful jobs. It generates real revenue and sends a message to investors and to all Canadians that this country wants a future based on prosperity not on government handouts and high debt.

The Liberal government must encourage the spending of equity capital from the private sector and not debt capital as is the current situation. For too long our governments have relied on the spending of borrowed money, not equity capital, in the funding of short term job creation programs that benefit specific groups and not society as a whole.

• (1140)

In a speech at the G–7 conference the Minister of Industry stated: "Well planned infrastructure spending offers a potential for immediate job creation in the short term", that is, while it is being built. "As well, there will be a payoff in the longer term through the support of higher levels of economic activity when it is operational".

Let us put this theory to the test. The Calgary city council just last night at a marathon meeting agreed in a 9 to 6 vote, this is at the municipal level, to use part of the infrastructure program of the government to renovate the Saddle Dome. For those members in the House who do not know what the Saddle Dome is, it is a hockey rink, a facility used in Calgary to house the Calgary Flames, the major tenant, and other programs and events throughout the year.

Is this infrastructure money being well spent? Does this benefit the city as a whole or just a select few?

In my opinion, there are a multitude of roads, bridges and buildings that urgently require immediate attention that would make it better for investors and businesses to live in Calgary. This is not the proper use of infrastructure funds. Only a few taxpayers will benefit at the expense of all taxpayers. Few if any new jobs will be generated in this instance because most jobs will go to contractors and workers who are already employed.

Federal funds will once again be used to interfere in a private sector matter. This issue is between the Stampede board and the Calgary Flames hockey club. With the Liberal program it now involves all the taxpayers. The federal government has no business allocating taxpayers' money to influence the outcome.

If the infrastructure program is intended to create jobs with the benefit being an improvement to the nation's basic infrastructure, then how can this be justified? The maintenance of basic infrastructure has always been the responsibility of governments which leads one to ask: What have they been doing for the last 25 to 30 years to bring about such negligence with regard to the basic responsibility?

The answer is instead of using taxpayers' dollars to take care of the fundamentals such as roads, sewers and bridges, the government has been squandering the nation's wealth on inefficient, expensive social programs. Those programs in many ways encourage people not to work, that is high UIC benefits and generous welfare payments that all started with the Liberal government in 1968 under Pierre Elliott Trudeau.

Once again it is a vicious circle. Government ignores its basic responsibility with respect to infrastructure in order to concentrate on an extensive and expensive social agenda. It increases the tax burden to finance that agenda, kills jobs through the tax burden, declares job creation as part of the social agenda, then spends more tax dollars to create jobs, working on the very infrastructure it ignored in the first place. Have fun, Liberal government.

I would like to conclude by quoting the hon. member for Calgary Southwest who has stated many times, and in my opinion is worth repeating many times: "A dollar in the hands of a lender, taxpayer or investor is much better than that same dollar in the hands of a bureaucrat, a lobbyist or a politician".

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I could hardly contain myself sitting in this seat when the hon. member talked about the infrastructure program. I am afraid he does not understand the legislative structure of the Government of Canada, the provincial governments and the municipal governments.

If he were to understand that municipal governments are those people elected by the grassroots citizens, the taxpayers of Canada, and it is the municipal governments, whether they be city governments, rural towns or very rural county municipalities, those local governments are responsible for the maintenance of their own highways, snow removal, their bridges, their sewers, their water treatment plants, that entire fundamental basic infrastructure that keeps Canadians doing their day to day business.

It is not the federal government which has been squandering its money. Its money comes from property taxes at the very basic level. The reason the infrastructure program was brought in arose from those municipal governments. I was part of one. Many of the member's colleagues in this House were also. We lobbied through our FCM to the federal Government of Canada for the past decade to get the government to cost share in infrastructure projects because they were falling by the wayside and property taxes could no longer afford to maintain basic infrastructure.

• (1145)

I reiterate that it was not the federal government squandering money. It was the lack of property taxes by all Canadians that could sustain our basic needs. We have shown the generosity, the fulfilment of that need from municipal councils to cost share so that we could build up those basic needs and maintain their industries, their citizens, their competitive edge and provide those jobs through a solid infrastructure. I would challenge the member to debate and refute the municipal councils across this country.

Mr. Silye: Mr. Speaker, I thank the hon. member for the history lesson on municipal government. I would also like to comment that it is awfully nice to say how generous the Liberal government is with money and funding to help, but whose money is it? It is other people's money. It is borrowed money and we have to stop borrowing because we have to stop adding to this debt.

There are lots of income taxes around. Municipalities have lots of ways to raise money to sustain themselves. This infrastructure program is going to people who already have jobs, who already are skilled. We need accountability.

Mr. Rideout: You do not know what you are talking about.

The Acting Speaker (Mr. Kilger): Order. I know that this period of questions and comments usually allows for lively debate but I would hope that whoever has the floor and in this instance, the member for Calgary Centre, would be able to conclude his remarks.

Mr. Silye: Perhaps the hon. member who said that I do not know what I am talking about does not know the rules. The standing orders probably would help that member quite a bit.

The problem with the infrastructure program that the Liberal government has put forth is that there has to be a mechanism for accountability that it has created new jobs.

Our concern is that it is not really creating the new jobs, witnessed by the member's own evidence that at the end of the year the drop in unemployment is only one–tenth of 1 per cent.

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I listened with great interest to my hon. colleague.

His background is business and my background also is business, starting as a small business person.

Mr. Silye: You should have stayed there.

Mr. Dhaliwal: The hon. member says that I should have stayed there, but I think I can contribute to this House just like he feels and that is why I am here. I want to comment and talk about some of the points made.

The budget the Liberal Party put forward talks about small business. It takes action on where the jobs are created. Eighty–five per cent of all jobs created are in small business.

I want to tell members about the infrastructure program. The hon. member said that was not creating jobs. In December I was in Singapore. There one learns how important infrastructure is. Its economy is booming. It has a very low unemployment rate because of a strong infrastructure.

Infrastructure is very good for the long term because it creates efficiencies. It lets business become more efficient and if one looks at what has happened in Singapore, it has an incredible ports system and an incredible airport system. All that has created a tremendous economic boom there where it has become the hub of that area.

The Liberal program is all about creating jobs. It is about economic growth. If one looks at the Reform Party's position, what it wants to do is bulldoze everything and cut the deficit in three years. It thinks that will build confidence in the economy. It thinks that will create jobs, that getting rid of thousands of jobs is going to create confidence in the economy.

This is a dream for the Reform Party. It is not true that one can create jobs by cutting $40 billion in a matter of three years out of the economy. What we need is economic growth. What we need is small business, incentive to create jobs and that is what we are doing.

We are reducing the paper burden for small business. We are looking at ways that small business can take advantage of research and development. We are looking at ways in which small business can export to other markets and that is where the jobs are going to be created.

• (1150)

I want to tell the member that we have not heard any concrete solutions from that side except cutting things like CMHC. If we cut CMHC, all the funding for CMHC—

The Acting Speaker (Mr. Kilger): Order. Having been reminded of the rules of this House, I will try to interpret them as fairly as I possibly can. In the timeframe that we have I would ask the member for Calgary Centre for a short reply please.

Mr. Silye: My first response, Mr. Speaker, is that the infrastructure program of the government represents only one–half of 1 per cent of the gross domestic product. For the wonderful things that this is going to create, like the leader of my party says, that is like trying to fly a 747 with a flashlight battery.

When the hon. member talks about our plan and how bad it is, we have not had a chance to implement it. Give us a chance. He talks about job creation. When the finance minister first introduced the budget he said: "Give our budget six months at least. Do not hold anything that happens in the economy against us for at least six to seven months. Then give us a judgment".

Now the report comes in that higher employment has been achieved and the Liberal government is quick to jump on the bandwagon and try to take credit for it. There is no consistency of logic there.

With respect to the fact that the government's budget in this infrastructure program is well thought out and well planned and that it is going to take action, I would continue to debate that. It is all rhetoric. It is all talk. No action is being taken. It is filled with 14 or 15 new committees to study everything from social programs to a new study on the GST when the hon. member's own leader—

The Acting Speaker (Mr. Kilger): Order. It is in that spirit of continuing debate that we will resume debate with the hon. member for Kamouraska—Rivière–du–Loup.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, it is interesting to see how the opposition motion dealing with "the government's lack of vision and lack of concrete measures relating to job creation policies" draws the members' attention to this problem, which is a very real one, as

we saw during the election campaign. The interest shown here is much greater than in the case of previous motions calling for the striking of committees. It seems that on the government side, they are either getting highly specialized in that area or just falling asleep. The motion before the House today is giving rise to an interesting debate, and so it should.

As a matter of fact, the two major tasks the government was supposed to tackle to meet voter expectations after it was elected, were control of expenditures and job creation.

The budget tabled by the Minister of Finance was a blatant indication of this government's failure to give itself enough room to manoeuvre and make the cuts required to invest in job creation. Because of this budget, Canada still has to pay a risk premium on the money it borrows abroad. I think that this is proof enough of the lack of efficiency and commitment on the part of the present government in the area of job creation.

The most blatant betrayal of their election promises can be found in the job creation field. I read somewhere in the *Liberal Plan for Canada*, which is not ten years old but only six months old, that unemployment was a waste of human and economic resources. And that the top priority for a Liberal government would be job creation.

And yet, this Liberal government is offering nothing more than an infrastructure program. It will take a lot more than a project, which might create 45 000 temporary jobs, to give hope to the 1 565 000 Canadians who are out of work, 437 000 of them in Quebec. The government's action does not reflect the sense of urgency to create jobs they talked about during the election campaign. Why is it? I think it is due to a lack of vision on the part of the government. It is unable to show the kind of vision necessary to face these tremendous times we are going through.

The structural changes brought about by the globalization of the economy make the conventional wisdom obsolete. To meet their objectives, the Liberals are counting on the economy recovering on its own. For the Canadian economy to reach its full potential, the annual growth rate should be above 4 per cent over the next four years.

The few measures taken now will not be enough to meet this objective; they are mere window dressing.

• (1155)

The initiatives undertaken by the Liberals only touch upon the problem and the government refuses to do something about structural unemployment, which prompted the minister of Finance to say that it would be unrealistic to think that the unemployment rate would drop below 8 per cent within five years. Is it no longer urgent to create jobs?

What would have been the building blocks of a stringent and efficient policy to fight unemployment, which is a waste of our very own human resources? The first building block would have been to restore consumer confidence.

The election campaign restored hope among Canadians and Quebecers for some major changes, including a change in attitude for the government, and voters thought they finally saw some light at the end of the tunnel. Instead, Canadians and Quebecers learned that the estimated deficit of the Liberal government would reach an all–time high, at $39.7 billion. They cried wolf for several months and came out with a miserable little policy.

Second negative signal, going after the unemployed instead of unemployment. Following the unemployment insurance reform, you will have to work more weeks in order to be entitled to less weeks of UI benefits, and those benefits would, in several cases, be reduced. Given that, the people in Quebec and in Canada have no reason to regain confidence and to decide, for example, to buy a house.

A young couple with no job security, where both spouses hold seasonal jobs, will understand from the messages sent concerning UI reform that, in a year or two, they will not be able to get the income support provided by the unemployment insurance program, because of the increased number of weeks claimants have to work, and for that specific reason they will decide not to buy a house. It would be totally irresponsible to decide otherwise.

The government sent another negative signal when it decided to wait until 1995–96 before reducing the unemployment insurance premiums from $3.07 to $3, which proves that the Liberals do not feel the situation is very urgent. To send a positive signal to Canadians and Quebecers, they would have had to freeze the premiums at $3 in 1994–95, and not only starting in 1995–96.

No, job creation is not really an obsession for the government, it is not even a priority, if you ask me.

Indeed, the government itself is undermining the confidence of consumers by recognizing that these measures will only have a minor effect on unemployment, since it is said in the Budget that unemployment will hover around 11 per cent in 1995.

In my last years at university, an 11 per cent unemployment rate would have been so totally unacceptable that people would have taken to the streets. In those days, unemployment was at 3, 4 or 5 per cent and even then, it was considered unacceptable. We are now told in the budget speech, which reflects the official position of the government, that we can live with an 11 per cent unemployment rate. This demonstrates, I think, that the government is not up to its responsibilities and, above all, to its campaign promises.

I think one rare encouraging signal in the Budget is the permanent renewal of the program enabling people to use RRSP funds to buy a first house. However, as I have just said, employment insecurity dampens the enthusiasm of many.

Another building block of a stringent policy would have been to send a clear message to the government machinery as a whole that the government is engaged in a ruthless battle against unemployment. Instead, the Governor of the Bank of Canada is replaced by another of the same philosophy. The monetary policy of the Bank of Canada is praised even though it is responsible for the fact that the recession was harsher in Canada than in the United States.

The demagogic struggle which the Bank of Canada has led and is still leading while the Canadian economy is plummeting has contributed to kill whatever confidence consumers had in the future of their economy. We must stop being afraid to be afraid and achieve a new dynamism. It is not with this kind of message that we will succeed in making progress.

If you compare the United States with Canada today, you will understand why the Americans are far better off than we are. Between 1989 and 1992, the United States pursued a monetary policy aimed at containing the recession and stimulating economic recovery. American monetary authorities are willing to accept an inflation rate that is higher than ours. There is an economic principle that says that if you fight inflation, unemployment will go up, and vice versa. This principle is long–standing and very fundamental since it is taught in any introductory course in economics. So, we have been very dogmatic and the results of that are obvious in the situation we are facing today.

• (1200)

The third building block of a measure that could have been adopted is a job creation policy specifically directed towards the main groups of unemployed Canadians that should be put back to work.

I have been sitting on the human resources development committee for a few weeks and I am very surprised by the way people talk about how we are going to get things from the disadvantaged. We are always on the defensive, whereas we should take advantage of a department like the Department of Human Resources Development to initiate positive measures, to turn to people who are doers and who will help us turn the situation around instead of simply guarding the status quo.

The primary group that should be targeted is young graduates, people between 20 and 35 years of age. Nowhere in government commitments is this group mentioned as being the target of structural projects.

There could be other structural projects, but there is one example that we have been focussing on in the House for a long time, and I think that we will keep coming back to it. The Bloc Quebecois would like the high–speed train project in the Quebec–Windsor corridor to be carried out. The realization of this project could have a ripple effect similar to that of the great hydro–electric projects of the 1970s. We feel it is essential that Canada and Quebec invest in railway infrastructure for transportation of goods and passengers.

We have a vast territory and the maintenance of the road network is very costly. Moreover, developing a competitive economy while banking on individual transportation is not an environment–friendly solution. The Bloc Quebecois is not opposed to restructuring the railway system if this helps increase its profitability. However, we have to proceed while taking into account possible alternatives instead of abandoning this mode of transportation bit by bit.

Rail transportation is not just nostalgia, it can also be a major development tool, as much for Canada as for Quebec, and it is urgent that we become aware of that and take action accordingly. Canada and Quebec must therefore adopt an efficient public transport policy.

The Quebec City–Windsor high–speed train project would cost about $7.5 billion over a ten year period, but 70 per cent of it would be funded by the private sector. The remaining 30 per cent, about $2.3 billion, would be funded by the Quebec, Ontario and federal governments. By getting involved in this HST project, this government would help stimulate a $5.3 billion investment by the private sector, not counting the spin–offs.

During construction, tax revenues generated by the project would amount to $1.8 billion. Thus, the funding provided would soon be recovered. The HST requires less funding than the infrastructure program and is an investment rather than an expenditure.

This investment by the federal government would not increase the Canadian debt and would help make VIA Rail profitable. It would create almost 120,000 jobs annually, including 80,000 direct jobs in the construction of the infrastructure and the manufacturing of equipment for the HST, and 40,000 indirect jobs upstream and downstream from the project. It would reduce unemployment insurance costs for the government.

In 1991, the Ontario–Quebec Rapid Train Task Force made a comprehensive feasibility study. Extensive public consultations concluded that people in the areas affected by the rapid train project would support it. It has been said many times that the Quebec City–Windsor corridor is crucial and that it is important that the cities in that corridor be made more effective in order to succeed in a competitive market.

Since the committee concluded that the project is relevant, a committee with representatives of the federal, Quebec and Ontario governments was set up to make a cost–benefit analysis of different technologies. The Bloc Quebecois advocates the implementation of an environment–friendly technology. The HST would reduce government spending. It would provide intercity transportation at a much lower cost than an expansion of road or air transportation services. This is a good example of a

streamlining of expenditures which would have a positive impact on job creation.

The multiplier effect of the HST project would contribute to strengthening of local economies. In Europe, it has been demonstrated that the HST can be an engine of growth for job creation and economic renewal. It would attract hotels, office buildings, convention centres, restaurants and other commercial and tourist activities.

• (1205)

During the election campaign, the finance minister acknowledged the structural erosion in Montreal and made a commitment to look for ways and means of solving this problem. He made the following diagnosis: the industrial structure of Montreal is obsolete and fragile and it is not being replaced by new, dynamic, and technologically interesting manufacturing industries. Why is it that the government does not take any action consistent with this diagnosis?

The HST would be an industrial force for Canada and Quebec. Our standard of living and our competitiveness depend on decisions we make now. We cannot sign away our future by rejecting the high–speed train or any other infrastructure project of this kind. Time is running out. If governments act right now, we will have a strategic lead on the North American high–speed train market. There are 20 projects of this type in the United States, a market estimated at more than $200 billion for the next 15 to 20 years. If we are the first on the market, our businesses will benefit from exports of technology.

The Canadian government must have a long–term vision and restart the economy by implementing innovative projects. The high–speed train seems to be a much better way to create jobs creation and increase competitiveness for a lower public investment level.

Furthermore, we must also ensure that productivity gains made by using new equipment, for example, in forestry, do not benefit only investors. These people have a right to make profits, but we must at the same time invest in tomorrow's forests, thus allowing the workers who were replaced by machines to work in tree planting, which will prevent in the medium–term stock shortages like those which fishermen are cruelly experiencing at the present time.

If we do not learn from the fisheries example, we will face the same problems in forestry 20 years from now. Above all, we will cause a serious social crisis in regions where traditional forestry communities have maintained a balance between production capacities and the growth of the forest. Given the new machinery now in use, other means must be developed to counterbalance the increase in production, or tree felling, through adequate forestation techniques. A skilled workforce is ready to take over such trades, but these people will never enrol in high–technology training programs. They are qualified for forest jobs, which I think we should provide them with.

Canada's slow recovery from the recession is also indicative of the inability of the federal system to face the increasingly deep changes sweeping the global economic order. Jurisdictional conflicts, overlap and duplication, and bureaucratic centralization all contribute to our slow responses and to the inefficiency of the measures taken. Think of the infrastructure program! I agree that this program is very good in itself, but when it takes three governments to decide whether or not a stretch of sidewalk should be laid in a village, I think efficiency is definitely lacking.

On top of jurisdictional conflicts, unemployment is a problem which is even more apparent to me on my riding tours. The unemployed need training programs, but the whole array of programs confuses them, not for lack of the required brochures, not because civil servants neglect their jobs, but because too many governments play a part in this jungle, and we have not really developed the tools which would allow us to reach the unemployed in serious need of adequate training programs.

There are 1.5 million unemployed in Canada, but only some 600,000 available jobs. That imbalance stems from the system's inability to adapt rapidly to emerging manpower needs.

Moreover, Canada has not solved its regional disparity problem, in spite of all the efforts made during the last 30 years: federal–provincial agreements, federal economic intervention in provincial fields of jurisdiction, and grant programs. Again last week, the whole issue of regional development in Canada came up once more, because we turned away from real solutions, which require assigning responsibilities, powers and the appropriate level of government's ability to tax.

• (1210)

The problem has not been not solved since the solution lies in deep structural changes which have yet to be settled after 30 years of constitutional debate. Some will say that Canadians do not want to hear about the Constitution. However, they want to put an end to the personal difficulties encountered by those unemployed individuals searching for jobs, whom they meet everyday. It is for us to propose solutions. Social program reform is part of the same logic that brought about the disastrous conditions we are experiencing today.

To conclude, I feel that the government should learn from the past. In order to allow his country to emerge from the Great Depression of the thirties, President Franklin Roosevelt did not hesitate to look for new ways to restore confidence among Americans. He undertook important programs, such as the one in the Tennessee Valley, which restored the confidence of the American people. Essentially, one only needs to have the

political will and the necessary vision to put Quebecers and Canadians back to work.

To build a society, one needs the participation of all human resources and a revolutionary change in attitudes and practices in order to allow each segment of this society to build its development on its strengths.

The present government was not elected to act as the steward of Canada. It was elected to turn things around and to give to Quebecers and Canadians a sense of pride in their achievements. There is still time to act.

[*English*]

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, on the day after the Academy Awards the remarks of the hon. member opposite are interesting in the sense that they were very flashy. It was a good performance.

I tried to follow his logic. I had problems listening to the litany of events historically and of statistics quoted by him in the early part of his speech which he attributes to the repercussions on job creation. Like most members of the party opposite he always refers to Canada and Quebec.

I have a question but I want to draw an analogy first. I live in a border riding not far from the city of Detroit. In the late 1960s we saw in Detroit the rise of the city state, a city at that time of some six million people, not unlike the province of Quebec in terms of population. In the late 1960s we saw the rise of a certain economic pride in the black community. We saw the rise of a saviour by the name of Mr. Coleman Young who became the mayor of Detroit. Mr. Young promised the people of Detroit that he would lead them out of the wilderness into some sort of economic nirvana.

In 1993 Mr. Coleman Young decided he would not run again; at 75 years of age he had had it. At the same time we find that the population of Detroit has declined. The economic base has declined and I ask the simple question why. It was the so–called city state, this type of nationalism that arose in that city that killed business. In fact development did occur in the state of Michigan. It did occur in the United States but it did not occur in Detroit because of the economic policies of that city.

Using the analogy that there is a certain element of nationalism, much like in the city state of Detroit in the late 1960s, will this have a repercussion on job creation, the 465,000 people he claims to be unemployed in the province of Quebec—I do not dispute that number—and are the policies of his party also not contributing to that uncertainty, the creation of the mentality that nobody wants to invest in the province of Quebec because of the policies put forward by his party?

[*Translation*]

Mr. Crête: Mr. Speaker, the hon. member should know that I talked not so much about the actual government's policy but rather its lack of policy regarding job creation.

• (1215)

As for nationalism which the member mentioned without going into specifics, he was probably referring to the nationalism of Pierre Trudeau who, by creating the Foreign Investment Review Agency, caused serious investment problems in Canada, problems which had to be corrected in order to restore Canada's international image. My colleague was probably referring to that kind of nationalism.

As for pride, I think we have shown in Quebec that despite the current system's shortcomings we were able to develop instruments for capital funds management. For example, the influence of the Mouvement Desjardins and the Fonds de solidarité des travailleurs has been such that, whereas Ontario members of the industry committee are trying, in a roundabout manner, to find ways to enrol them in a way that will allow them to get closer to contractors, in Quebec we have already found a solution to that problem.

We have also found a solution to another problem, namely worker consultation and everyone in Quebec, be it employers, union members, the government or political parties is asking for the patriation of the jurisdiction on labour. There is a unanimous agreement on that. Therefore, a sound nationalism is compatible with positions that further a society's progress.

Let us not forget that our nationalism has also permitted North America to sign the Free Trade Agreement because Quebec is the province that gave the most active support to the agreement and contributed the most to the initiative that will create a certain economic boom in North America. In that sense I can be proud of what we have accomplished.

[*English*]

Mr. John Finlay (Oxford): Mr. Speaker, I hope the previous speaker from the Reform Party listened to my hon. colleague because he would have learned something about history that my hon. friend mentioned and that I was going to mention earlier. We had a depression when the law of supply and demand held sway in the country, on this continent and in the world. We had a mini replay of the thirties in the eighties. We got heated up and there was to be no tomorrow. Interest rates went as high as 19 per cent.

My question has to do with the jurisdictional wars I heard about. In the House committee I am serving on we are working at harmonizing matters between departments and levels of government, not having wars. The infrastructure program was very

careful in putting decision making at the local level, at the municipal level, and that is where it is. I have seen no evidence of jurisdictional wars.

Perhaps my hon. friend does not have that kind of co–operation in his riding. I do in my riding. People are very pleased with the fact that they are deciding at the grassroots level where the money is to go.

[*Translation*]

Mr. Crête: Mr. Speaker, I believe it would be appropriate to repeat my position on infrastructures to make sure it is well understood.

To provide this country with adequate infrastructures is fine and is something we need. However, the present Canadian system calls for too much manoeuvering between the three levels of government—federal, provincial and local governments—which have an input in decisions that, in my opinion, should be taken at local level only. Without laying on the table that the one solution is sovereignty, it is clear that the centralized decision–making process is a problem in Canada, one which we have tried to bypass in many ways. In terms of regional development, departments were established in order to be able to deal directly with clients because the federal bureaucracy could not reach those regions.

Therefore, there is a structural problem. And the federalists should have a vision about what they can do to be more efficient and effective and stop developing tools aimed at making governments more visible.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I have a brief comment. As the hon. member was speaking about rapid transit, modern communications and rail fast track, I too could sympathize with those thoughts. Coming from Nova Scotia, we would like to have a better transportation system. We believe that rail is far more sustainable than highway. We are looking in those same directions.

• (1220)

However, what puzzles me is that as the member talks he sounds as if he is talking as a federalist, as a complete Canadian nationalist. He wants railways to go from Quebec to Ontario. He wants them to be sustainable, to serve all Canadians. I am wondering how this serves Canada and at the same time how he can separate his thoughts from the country.

[*Translation*]

Mr. Crête: Mr. Speaker, if having a vision means that we are looking for the economic development of Quebec and Canada in an adequate and coordinated way, whether federalist or else, I am saying that when Quebec is sovereign, there will still be transportation needs to and from Canada, the United States, Mexico, South America, Europe, every part of the world. Since we will always need tools, we might as well have the best.

In 1867, the Canada compromise was based on the east–west road. Why not redefine the territories, the jurisdictions and say that Quebec is a country and Canada is another one, and that the high–speed train could serve as one of the main communication links between those two countries?

Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am very glad to have the opportunity to address the members of this House and to reply on this motion.

[*English*]

The motion would condemn the government for a lack of vision in the area of job creation. I would like to comment on this point. A motion saying that the House should deplore the government's lack of vision and lack of concrete measures relating to job creation policies shows very little vision and very little concrete policies in and of itself.

It is a very shortsighted motion and a very shortsighted view of the program the government has placed before Parliament. All members of the House know what major issues are facing the country: the economy, the deficit and job creation. These are easy to see.

We have the example of previous governments that chose to address one or another of these problems at the expense of the others. Recent history has proven that an attack on the deficit only aggravates problems in the other areas, stifles economic growth, makes fewer jobs available to Canadians, and makes the deficit worse. Our view is that we must see the interdependence of all different problems we are trying to solve. This requires actions based on an integrated plan or a vision.

Our plan is to provide support to the economy, to reduce the deficit as quickly as possible without handcuffing economic recovery and to create jobs in the process. By keeping a keen eye on the process and the progress of each of the government's initiatives we know we will see results.

We as a government have put before the House and before Canadians a first step. It will not solve everything overnight, but it will provide a basis upon which we can build. It is the first step to economic recovery, to the well–being of individual Canadians and to the elimination of the deficit.

We have listened to Canadians. We are implementing our plan which includes jobs and growth. During the election campaign we were very clear about the solutions we were proposing. We are following through on them. One of the best and most visible examples is the infrastructure works program, a government program to rebuild the country's infrastructure over the next three years.

[*Translation*]

The infrastructure program is a shared–cost initiative to which each level of government in Canada—federal, provincial, territorial and municipal—will contribute $2 billion, for a total of $6 billion over the next two years. There will also be some flexibility so as to allow limited financing in the third year. The program is based on the collaboration of all levels of government in supporting infrastructure investment. The private sector will also be invited to invest in these public initiatives if their investments are considered useful to local governments.

• (1225)

The federal funds have already been divided among provinces and territories according to a formula based on the population and unemployment rate of each. I might add that that formula was approved by the First Ministers last December. Each province and territory will match the federal government's contribution, as will municipal and local governments.

The infrastructure program is intended to stimulate the economic recovery while responding to the need for infrastructure renewal and improvement in Canada. In this way, the program should help municipalities and communities to use new, efficient and environmentally sound technology while improving competitiveness and productivity.

We noticed a major reduction in the amounts spent for public infrastructure in Canada. In 1960, our three levels of government invested 4.3 per cent of the gross domestic product in fixed capital, but by 1980 it had dropped to 2.5 per cent.

Members opposite stress that right now, our financial resources are too tight to invest in infrastructure. We, on this side, do not agree at all with them.

[*English*]

The health of our cities and towns is absolutely central to the health of our economies. Good, efficient roads and transportation services reduce costs to individuals and businesses, avoiding expensive tie–ups, reducing wear and tear on vehicles, reducing operating costs. In the same way modern water and sewage systems are vital for servicing industry and commerce, as well as for the health of Canadians and the health of our environment. Without such services our communities cannot attract new industries or maintain the industries they have; local economies stagnate and communities die.

Our infrastructure has started to deteriorate and it will only continue to deteriorate. We have heard much about leaving a debt to our country and to our children. The cost of replacing infrastructure we do not maintain is far greater than the cost of maintaining it. If we do not do something now the debt we will be leaving our children is in collapsing sewers, unsafe water supplies, corroded bridges and crumbling roads.

There are longer term benefits to improving the infrastructure and the quality of life Canadians have come to expect. Improved infrastructure means improved environmental quality and improved amenities. It is vital to our quality of life, whether creating a clean and pleasant environment or a hospitable environment for working, living and doing business.

There are major issues in each of our cities that require urgent investment in infrastructure to remain competitive. These projects are needed to allow Canada and communities across the country to remain competitive and to continue enjoying the Canadian quality of life.

Our goal is to develop economic, social and technological infrastructure to support the efforts of all Canadians to make Canada stronger in coming years. Infrastructure works is a national program. We are investing in each province and territory. The provinces and the territories, as well as the municipalities, are matching our investment.

• (1230)

The infrastructure program is now a reality. Framework agreements have been signed with all partners, getting Canada's three levels of government working together for jobs and working together for Canadians. It is a tribute to the government that within barely two months of taking office we were able to get all the partners to the table and get the agreements.

People across Canada are interested in our country's economic well–being. They have businesses they want to keep working. The needs and commitment of these Canadians are also necessary to achieving the goals of the program.

All members have realized that in one way or another this program will affect their ridings and their constituents. All could probably list from memory a number of worthwhile projects that have been brought to their attention by the people who elected them. Not only will these projects be good for communities but they will also give a boost to the businesses in those communities. In each of those communities these projects will put people back to work. There will be jobs for people who are not working right now. This is job creation where it matters: in the homes, in the businesses and in the neighbourhoods right across Canada.

In every province projects will be submitted to a joint management committee by municipalities, by school boards and by other local groups. This means that the local level, the communities across Canada will be the key to the program. The projects that local governments are willing to approve, the projects that local communities identify as their priorities, will be the projects that make up infrastructure works.

This is truly rebuilding Canada from the grassroots up, rebuilding Canada in a democratic and equal way across the country.

There is also a responsibility in this program for every member of the House. Members can discuss with their town and city councils their local priorities, their local needs so they understand them and give them the support they can.

People will ask what infrastructure is. By agreement with each of the provinces it has been defined as the physical capital assets of our communities. That means the physical capital assets of the nation, with an emphasis on physical infrastructure associated with municipal services at the local level, things like water treatment, water distribution systems, sewage and drainage, roads and other transport facilities, buildings, machinery, equipment, earth works, related construction activities.

It can go further. The program has the flexibility to include smart infrastructure such as information highways or social, cultural and other economic priorities.

We have heard a great deal about government getting out of the way of businesses. A number of members of the House are obviously not aware that this program has the endorsement of the industry associations that will be involved in doing this work. The government does not go out and build roads and bridges. Companies across the country go out and build roads and bridges. We are giving them the opportunity to work again.

We hear a great deal from the opposition about listening to people and representing our constituents. Therefore I find it hard to understand why parts of the opposition have so much trouble listening to the people and the level of government that is closest to those constituents in their local towns, villages, townships and counties. These are the people who for 10 years have been asking their national government to take the leadership to bring all three levels of government together to rebuild the infrastructure of Canada. They continue to be strong supporters of the program, as do the business associations that will be involved in implementing the program.

• (1235)

The framework agreements specify the criteria that must be met for project approval: incremental and/or acceleration of investment; short and long term job creation; enhancing Canada's economic competitiveness; use of sound, innovative, smart technologies; bringing infrastructure up to community standards. Also included in the criteria are: codes and bylaws; enhancing long term skills in the workforce; enhancing environmental quality and sustainability; the use of sound, innovative, financial techniques, including the use of private capital and distribution of program benefits within a province or territory.

Yes, there will be an evaluation component so that when we reach the end of the program and as it proceeds we will know what it is accomplishing. This program will put people back to work this construction season. We will see 50,000 to 65,000 direct jobs and many more indirect jobs as suddenly construction workers and others in related industries have money in their pockets. They will have the money to go out and buy goods and services and to contribute to the public treasury as well.

A great deal of the initial $2 billion investment we have made will come right back to the government and to the people of Canada through the contributions of those people who are now working on this program instead of being unemployed.

From across the House we also hear a disparagement of construction jobs as if these are only old style job creation schemes and not real work for people. I am sorry, but somebody who digs a ditch, who operates a crane, who moves cement blocks, who puts a trowel to bricks is doing valuable, important and constructive work for this nation. We are proud of the jobs we are going to be creating. The people who will have those jobs will be proud of them.

We have heard that unemployment figures are up. Unemployment figures are up because this among other programs is bringing hope back to the country. People who have kept away from the job market are coming back because they believe now, with a new government in place, there may be a job for them.

The government believes it should keep its promises and put Canadians back to work. We ask for support, not criticism, from the other side of the House as we try to do that. By launching this infrastructure program we are helping the economic growth, helping Canadians get back to work and helping to reduce our deficit.

I truly hope that when motions come forward from the opposition, if they cannot be totally laudatory of our programs at least they might be more constructive.

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, I listened carefully to my Liberal colleague's speech and there are a few comments I would like to make.

First a general comment followed by a case in point. This government does not promote job creation as it said it would during the 45 days of the election campaign, and in its now defunct red book. I think the red book can be thrown out, considering the latest Budget brought down by the Minister of Finance.

Of course, the infrastructure program will create between 45,000 and 60,000 jobs, depending on whom you talk to. However, what are 45,000 jobs, compared with 1.5 million

unemployed Canadians, including 428,000 Quebecers? These 45,000 jobs, the cornerstone of the platform of the Liberal Party of Canada, are peanuts.

Does the hon. member not realize that this measure is totally inadequate and provides no structural improvement of the employment situation? Does she not realize that all the measures taken by her government since the morning of October 26 have clearly compromised job creation and this country's economic recovery?

• (1240)

Mr. Speaker, I will give you a few examples which I have found particularly revealing since we took up our duties on the morning of October 26.

First of all, her government, after spending years criticizing the high–interest policies pursued by our defunct Conservatives, has now opted for the same policy. This means that as soon as there is the slightest increase in inflationary trends, of the kind we saw in the first quarter of 1990, the new Governor of the Bank of Canada will administer exactly the same horse medicine as his predecessor, which was vigorously condemned by the present government. What does this mean? It means that as soon as there is the slightest hint of economic growth, interest rates will rise, and this will undermine job creation.

Second, since this government came to power, it has failed to correct the laissez faire approach taken by the budget in recent years. The latest Budget brought down by the Minister of Finance is a failure as far as control of public spending is concerned. So much so, in fact, that financial circles are starting to express concern about the government's lack of control. This means that we can soon expect an increase in the rates of interest charged on government borrowing, a trend that may continue in the foreseeable future.

I repeat, the government is undermining job creation, although for months, if not years, it has been saying that the Liberal Party of Canada is a party that promotes job creation. It is part of the tenets of the red book as well.

Third, Mr. Speaker, as you know, the present government insists on playing a role in manpower training, although this comes under the jurisdiction of Quebec and the other Canadian provinces. When it goes on about job creation being so terribly important, the fact is that by not withdrawing from this area, the Liberal government is undermining our chances of creating durable jobs and quality employment in the years to come.

How can members on the other side of the House say that the government is doing something about creating jobs, when the infrastructure program is merely a drop in the bucket, considering one and a half million Canadians are unemployed, and when the government takes the kind of measures it does in this Budget?

Another point I would like to raise, if I may, Mr. Speaker, is that on the other side of the House they keep saying they are doing something about unemployment and want to intensify the measures that will create jobs. What we find in the last Budget is more like a planned attack against the unemployed, because in the next three years, the government is going to take a little more than $5.5 billion out of their pockets.

That is how the government wants to create jobs and attack poverty, while refusing to restore the budget for social housing, for instance, as it has been promising for years. If that is the way it wants to improve the well–being of Canadians, as it did by attacking old age security pensions and tax credits for the elderly, well, Mr. Speaker, I am truly astonished that the hon. member is still proud to be part of a government that is as far to the right as its Conservative predecessors if not more so.

Mrs. Catterall: First of all, Mr. Speaker, I would like to thank my hon. colleague for his speech. I regret that I do not have time to respond to all of the statements made, but I will do my best.

Yes, it is true that the infrastructure program is just the first of many more initiatives to come. We acknowledge that this is only the first step, a building block, but one that will create jobs in an industry that is truly the cornerstone of the economy, namely the construction industry. Therefore, it is very important to begin here because projects can start immediately.

• (1245)

These initiatives will create both direct and indirect jobs.

The hon. member spoke of controlling public spending. This government has slashed $17 billion from its expenditures. I would like to ask my colleague opposite the following question: Which programs would he cut? In which areas would he reduce spending and which Canadians would feel the effects of these cuts?

The hon. member also spoke about training for all Canadians. He knows very well that current programs are, by our own admission, inadequate. We have called for broad program reforms, for example, integrating training programs with social programs. The hon. member knows that we are currently seeking input from the Canadian public on ways to improve programs. We will continue to follow this course of action.

The hon. member mentioned unemployment insurance recipients. While we may have reduced our spending in this area, our goal is to provide improved service to the unemployed who have lower incomes.

Getting back to another point, the hon. member said we failed to control spending. Now, he is criticizing one of our spending control initiatives. Again, I ask him: Where would he have cut? Which Canadians would have been affected?

The Acting Speaker (Mr. Kilger): The debate between the hon. Parliamentary Secretary and the hon. member for Saint–Hyacinthe—Bagot is a very interesting one, but other members should be given an opportunity to speak.

[*English*]

In the time remaining, approximately five minutes to the parliamentary secretary, I would like to recognize two members who are seeking the floor. I will first recognize the member for Lisgar—Marquette and we will come back to the member for York—Simcoe.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I enjoyed the remarks of the hon. member from the Liberal government. I would like to give some constructive criticism.

When the infrastructure program was announced I thought right away it was becoming too political. It was not really for job creation. When I saw a $27 million grant being made to Quebec City for a convention centre even before the guidelines were laid out I was frustrated with the program.

This is my concern right now. I was just informed by some constituents in Manitoba who talk to me quite regularly on this issue that the provincial government now seems to have control of about 40 per cent of that money designated to Manitoba. It is not really going to go to the communities where these projects are desperately needed. It is becoming a political issue in Manitoba because of the provincial election due there in the next year.

I would like the government to look at this and maybe change some of the guidelines if that is the problem. It will not be infrastructure for the benefit of the taxpayers; it will be infrastructure for the benefit of provincial governments. That worries me a bit. Could the member comment on that, please?

Mrs. Catterall: Mr. Speaker, I would be quite happy to comment on that. As I said, one of the strengths of this program is that it is all three levels of government working together. When projects come forward such as the one in Quebec City that he mentioned it is because that is seen as the priority of the local community for its long term economic development and health.

Similarly, while we have worked out agreements with all the provinces and territories based on exactly the same principles I enunciated, there is flexibility within each province and territory to meet the requirements of that community. That respects the diversity of this country and the different needs across Canada, the different needs of different kinds of communities.

• (1250)

The minister has made it quite clear that members of Parliament have a role to play in this. Not just government members of Parliament but all members of Parliament will be consulted about the program and its use in their own communities. All members' views will be sought and taken seriously. I can assure the member of that.

If the member feels there is a problem I urge him to speak to me or the minister responsible for the infrastructure program. If it is truly a problem we will try and do something about it.

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I have just a few comments.

I want to congratulate the parliamentary secretary for her very articulate and comprehensive outline of the infrastructure program. I want to reiterate some of the points that she made in her speech to the members in the House.

It is important to note that infrastructure is very important to the economic well–being of this country as well as to the health and the environmental sustainability of our communities. As vice–chair of the parliamentary committee on environment and sustainable development I am very concerned about those issues. The parliamentary secretary was very good in her explanation of how new sewers and things like that can enhance the health and well–being of our communities.

When one takes a look at it in the long term, when one can get rid of some of the problems that may cause illness and problems associated with health as well as environmental pollution, that can make a substantial saving in our deficit.

Mrs. Catterall: Mr. Speaker, the member has just emphasized the point that this is an investment in the long term health, economic and otherwise, of our communities. She is absolutely right. If we allow untreated sewage to be put into our lakes and rivers and to be dumped on our landfill sites we simply end up leaving our children and grandchildren much bigger and much more expensive problems than we have now.

Any member of this House can look around their own community and find perfect examples of where, had problems of contamination been prevented, it would have been far cheaper than trying to clean up those problems after they occurred. I thank her for raising the point.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, it is with great pleasure that I rise today to participate in this crucial debate, given the current social and economic situation in Canada and Quebec.

First of all, I would like to congratulate my colleague the hon. member for Mercier who has introduced on behalf of the Official Opposition this motion denouncing the lack of innovation, imagination and vision of this government in terms of job creation, because we must realize the magnitude of this problem in this country.

In January 1994, unemployment in Canada was still hovering around 11.5 per cent and 12.5 per cent in Quebec. This means that there are currently 1.6 million unemployed individuals in Canada, 425,000 of whom are in Quebec. That is unacceptable and honest minds will see this constitutes an emergency, a situation which calls for action, concerted action.

The Liberal Party of Canada apparently understood this at the time—because timing is important here—of drafting the red book presented to the voters during the October 1993 election campaign.

On page 15, you can read the following:

> —Canadians are facing hardship: 1.6 million unemployed, millions on welfare, a million children living below the poverty line, record numbers of bankruptcies and plant closings.
>
> Our overriding preoccupation is to offer a government that will help in solving problems and in creating opportunities for Canadians.

"Jobs, jobs, jobs" was their theme. A catch phrase that the people of Canada heard over and over, raising the hopes of many, particularly in Atlantic Canada and Ontario, that the government would finally see to it, as promised, that this hardship be alleviated as mentioned earlier.

At this time, I would like to digress for a moment to deplore the fact that this type of conduct seems to have become contagious. When we see Quebec Premier Daniel Johnson making easy, demagogic promises over which he has no control, there is a common denominator: everywhere we find Liberals who do such things. But have no fear, Mr. Speaker, Quebecers know the score; they are not so naive and will not be fooled; they will be able to judge those who have been in office for nine years and who let this situation deteriorate.

• (1255)

Let us return to the federal scene, which is our immediate concern. What are the Liberals doing now about the commitments they made in their red book? What about it, Mr. Speaker? There is a huge gap between what they say and write and what they do. What has come out of these commitments? A coast–to–coast infrastructure program, in which the government will invest $2 billion, it seems, with the co–operation of the provincial and municipal governments. How many jobs will we create for the 1,600,000 unemployed? It seems that we will create 45,000 temporary jobs. How many in Quebec for its 425,000 unemployed? Fifteen thousand temporary jobs. You should realize that this is what this government has proposed to meet its commitments: 45,000 temporary jobs, which include not only jobs that are created but also jobs that are maintained.

Of course, there is the Youth Service Corps that is also mentioned in the red book. Here is what it says on page 35: No group faces bleaker economic prospects than Canadians under 25. A Liberal government will help return hope to young Canadians by creating the Canadian Youth Service Corps, which will involve 10,000 young people a year. Mr. Speaker, do you know how many people under 25 were unemployed in Canada last month? There were 428,000 unemployed Canadians under 25, 18 per cent of this age group in the labour force, and this percentage and this number are increasing every month. What do they propose? A youth service corps with a fourfold mandate: community service; discovering and understanding Canada, as my colleague, the member for Lachine—Lac–Saint–Louis, said last week in this House; environmental awareness; and personal growth.

That is very nice, it is well intentioned, but we have seen other Katimaviks, we have seen other schemes dreamed up by senators, but that is not what Canadians and Quebecers need, especially the young people we were just talking about. They need specific job creation measures to meet their needs, to give them back their dignity and, in the case of young people, to give them back their collective future and their personal future.

We do not need projects like Katimavik, but we know how interesting it could be before a referendum to take young people who are vulnerable, especially in Quebec, and give them the proper conditioning to show how much people care about them and how good it is to live in this very democratic country that has no work for them. We know all that can be done with that target group to win some more votes to keep Quebec dependent on Canada.

In these two cases, faced with the same unemployment problem, we see the very serious problem of joblessness affecting the Canadian economy and the people of Canada. All that this government has been able to find so far are half–measures, the infrastructure program and the youth service corps, things that skirt around the issue, that do not really solve the problem but that can be described as a sort of smoke screen, pseudo–solutions for problems that the government seems completely unable to solve, despite its claims.

The same goes for the information highway, a scientific and technological project, but what are they doing about it? What is the action plan? What funds are being allocated to it? All we know is that since October 25, 1993, the minister concerned, the Minister of Industry, recently appointed an advisory committee that will study the information highway, behind closed doors. Meanwhile, our American neighbours apparently have a fairly well–defined action plan, which has the full support of the U.S. Vice President.

• (1300)

Without knowing where we are going, we have appointed an advisory committee that, until further notice, will meet behind closed doors: such is Canada's electronic highway, Mr. Speaker.

This illustrates very well the attitude of this government; we do not know where it has been nor where it is going.

Regarding these commitments, we can honestly say without fear of being mistaken that this government has disappointed us, that it is beyond the hopes it had raised or tried to raise among Canadians with respect to infrastructure and the Youth Service Corps; it has only addressed unemployment in science and technology in the manner we just mentioned. The government is letting us down.

I would now like to speak to an issue I am particularly interested in as industry critic: industrial conversion. Let us refer once again to the red book stating the government's intentions in this area and others. On page 55 we read this: "The defence industries today employ directly and indirectly over 100,000 Canadians. The end of the Cold War puts at risk tens of thousands of high–tech jobs. A Liberal government will introduce a defence conversion program to help industries in transition from high–tech military production to high–tech civilian production".

That was the vision, the intentions of the Liberal Party of Canada in terms of industrial conversion. It was a wise, enlightened vision of the situation but unfortunately, after this document was released, we never heard again of this government's so–called vision or intention to encourage the conversion of military production to civilian production.

Yet, this sector is in dire straits. Between 1987 and 1992, the deliveries of arms manufactured in Quebec fell by more than 48 per cent, almost by half, from $1.6 billion in 1987 to $810 million in 1992.

Businesses in the defence industry are value–added high–tech manufacturing ventures where salaries are high. The number of Quebecers working in arms production is estimated at over 46,000. Electronics, aerospace, general transport and EDP are the most active sectors in the defence industry. The major defence companies are very well known: Bombardier, CAE, SNC, Lavalin, Pratt & Whitney, Bell Helicopter, Expro, Héroux, Marconi, Paramax.

All these companies were successful in finding their niche in an international competitive environment. Together, they are responsible for over one quarter of all the research and development work done in the Montreal region. They have always enjoyed the federal government's financial support to develop defence capacities.

This shows how the conversion of these defence companies, given the geopolitical changes occurring all over the globe, is important, especially in Quebec, to maintain a healthy high–tech industry.

During the election campaign, the Liberals made four major commitments regarding industrial conversion. First, to expand the mandate of the Defence Industry Productivity Program or DIPP, to help the industry convert and diversify, a $150 million program. Second, to establish an economic conversion commission, with the participation of industry and labour, to facilitate and coordinate the process of conversion in the defence industry. Third, to develop joint conversion arrangements with the United States, the market for 80 per cent of our defence exports, in order to establish a concerted conversion strategy. Fourth, the conversion of Canadian military bases, for example in training centres for peacekeeping forces.

As we saw earlier, the government's intentions were illustrated by the closure of military bases, without reference to any kind of conversion. As for the new mandate of DIPP, it is said in the budget speech that, indeed, this mandate will be expanded in three years to possibly include some form of assistance for conversion and diversification. But at the same time, the government says that in three years, and not right now, the budget allocated to that program will be reduced by $10 million per year.

One wonders why wait three years given the problems of that industry, a slowdown of all activities, a reduced number of contracts in general, as well as a need to transform that military industry into a civilian one.

Moreover, we never again heard anything about this idea of setting up a commission to look at the conversion issue with the companies and workers affected.

• (1305)

Yet, there is in Quebec an example which seems to serve as a model for all researchers and university people interested in this issue. I am referring to EXPRO, a company specializing in military products, which is famous for having experienced all kinds of problems throughout its existence, including labour relations problems. When it realized that it was obviously and clearly in jeopardy, the company decided to come to grips with its problems, this with the support of its workers. It set up a manpower committee, made an in–depth review of the situation, hired consultants, established a diagnosis, and now EXPRO is a company with a civilian production instead of a military one. I think this is an example to follow. EXPRO is showing that where there is a will, there is a way.

Yet, the situation is serious, and some members of the aerospace industry have already reacted to the government's intentions, and especially to its lack of vision, as illustrated by its decision to cut in the military sector and elsewhere, without having planned anything to make up for the impact of these measures.

So, last week, representatives of this industry, who worry about the government's intentions, asked for an urgent meeting with the Minister of Industry to find out just what these intentions are and to discuss them with him. I am talking about such prestigious industries as CAE and SPAR Aerospace, which asked to meet with the minister because of the government's attitude and lack of planning. We do not know what transpired,

but we sense that there is a malaise in this industry regarding the government's actions, or lack of action.

We have to be aware of the dangers which would threaten our economy should inertia, a lack of planning, or a lack of vision guide the government's actions and policies.

There is a precedent in Canada. A very high–tech industry of the time—I am referring to the AVRO ARROW case in the fifties—had to cease operations, which resulted in thousands of Canadian engineers leaving the country to go to the United States, thus triggering a massive exodus of brain drain.

If the government fails to take any action, the same will happen to the Canadian economy which, in a matter of a few years, may lose a very substantial number of qualified people who might otherwise have stayed here to try to turn the situation around.

Furthermore, while in Canada there seems to be a conspiracy of silence in this respect, in the United States the Clinton administration plans to provide $20 billion in assistance over the next five years for defence conversion. Here in Canada, $150 million will be spent over the next few years on defence research, and this $150 million will decrease by $10 million annually, starting in 1996–97. There is a difference in vision between the two administrations which is enormous.

What is particularly exasperating, and shocking as well, is that there are plenty of projects that could be converted. The Bloc Quebecois was very clear about that during the debate on cancelling the helicopter contract. It is not just cancelling the contract but knowing how we can make the best of the situation and convert a project that was rather questionable, from the military point of view, to civilian production that will benefit the population and ensure that the know–how will stay, in Quebec in this case, and that it will be used for civilian purposes and that the budgets will be maintained.

At the time we said that after cancelling the helicopter contract, the government should proceed with construction of the high–speed train. The manufacturing process would require equally complex technology which would have made it possible for our researchers and scientists to stay here and continue to develop and do research, but this time for civilian industries. If the government were to go ahead with this project, it would be able to develop new expertise in a field with a very promising future, apparently, in North America, and Quebec and Canada would be able to capture a substantial part of the market so that the principal expertise in North America would be spread from Quebec City to Windsor, via Trois–Rivières. However, the project is on the back burner, and the government does not really know where it is headed in this respect. Once again, the government lacks vision. There is also the sad case which we will not forget, despite the government's apathy, namely the case of MIL Davie of Lauzon. This company, which built military vessels primarily for the Canadian government, is facing a situation where it will no longer receive any contracts because of the government's decision to pull out of this field. The company has come up with its own conversion plan depending on the good will of the current government which could, if it wanted to, award the contract to build the Magdalen Island ferry to this shipyard.

• (1310)

We learned again yesterday that the government does not know where it stands. It still does not know whether it will order a new ferry to be built or whether it will purchase one from a foreign shipyard. If the political will existed, the contract would have been awarded to MIL Davie a long time ago, since it has a conversion plan in place and has the facilities to build the ferry. If the government were to proceed on this, it would be killing two birds with one stone, that is it would be keeping our domestic know–how here in Canada and would be conducting research and development and converting former military facilities for civilian purposes.

In conclusion, I have to wonder where all of this is leading. Clearly, this government is guilty of lacking vision and empathy for the situation experienced by hundreds of thousands of Canadians and Quebecers. This government does not know in which direction it is heading. It lacks not only vision, but also the political courage to address the real problems facing people.

The red book is nothing more than smoke and mirrors. Personally, I am deeply disappointed and concerned because these are old methods which today have led to public cynicism. People realize that during election campaigns, candidates say just about anything. Once in office, however, they continue to provide the same kind of government and style of administration they once criticized. Nothing changes. This type of cynicism is encouraged and this contradicts the nice statements made in the red book.

How is it that today's Liberals and yesterday's Tories seem to have so much in common? I will conclude on this note, Mr. Speaker, perhaps because there is a common denominator. Both parties are financed by the same persons. They both feed from the same trough and both produce the same results.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, the hon. member speaks about Quebec youth and their vulnerability to federal Liberal programs.

I would have to differ. I have great respect for the Quebec youth. I believe the young people of Quebec are just as intelligent, if not more so, than the rest of our young people in Canada.

We have smart, competitive, aggressive, intelligent young people throughout this country.

He would suggest that the young people of Quebec are vulnerable, they are susceptible, they are less than knowing of what kind of program they might get into if they pay allegiance to the youth corps program. I disagree. I would give them more credit. The young people of Quebec are very intelligent and they will decide whether it is a good program or not. It is not incumbent upon us to suggest that they are not that intelligent.

[*Translation*]

Mr. Rocheleau: Mr. Speaker, I thank my colleague for her question. I do not think that we have to wonder if our young people are intelligent or not; we can take that for granted with the great performances recently turned in by Quebec youth internationally in the Olympics. We saw how competent and intelligent our young people could be.

What gets me, and I refer to something that happened to us in the past, is everything the federal government could do when Quebecers were deciding their future. We know how much the federal government got involved. We had Katimavik with Senator Jacques Hébert at the time, all that can be done to give our young people a feeling of belonging to the Canada of today and tomorrow.

We certainly know what the federal government tried to do in the 1980 referendum campaign. There was the Council on Canadian Unity through which the federal government got involved, although Quebec had a law limiting the "yes" and "no" sides to $2 million each. The federal government's involvement in the 1980 referendum is estimated to have been between $15 and $20 million. We are expecting a similar kind of operation when we see the government, as if by chance, come up with a similar initiative called Youth Canada which seeks to promote better understanding of Canada.

• (1315)

I repeat what your colleague, the member for Lachine—Lac-Saint-Louis, said, a better understanding of Canada. He told us about the four main projects, the four major thrusts, and I think that in complete intellectual honesty we can suspect this government's intentions, what it intends to do about the future (of Quebec) and to make Quebec stay in Confederation, and as we say in Quebec, what are a few thousand bucks, Mr. Speaker, it never bothered them.

Mr. Peter Adams (Peterborough): Mr. Speaker, I thank the hon. member for Trois-Rivières for his speech.

[*English*]

He mentioned in it the real problem, le vrai problème. It seems that one of the real problems we are facing, the solution to which will help everyone in Canada and particularly I hope the young people to whom he refers, is simply getting the economy moving.

I know that the member listened to the parliamentary secretary's remarks earlier about one aspect of the budget which was the infrastructure program. She stressed the jobs which will be created and she stressed the value for our economy in the future of improved infrastructure, as he knows.

There is one aspect which relates to this business of getting the economy going that she did not stress greatly. That is that through the infrastructure program which affects Trois-Rivières as it does the riding of Peterborough, already capital is being released, capital which is already there.

I do have a question about this, with respect for the hon. member for Trois-Rivières. In my riding for example, there is a seniors group which has already raised a great deal of money, some hundreds of thousands of dollars toward a new building. They are able to move on that building sooner than was the case before. I believe the flow of those moneys will help stimulate the economy.

There is also an arts group which has done the same thing. It has not raised quite as much yet but these are moneys which are there which will be released into the economy because of the infrastructure program.

Also in the public sector I would have to say one of the townships in my riding has money from dump fees. J'ignore l'expression française de ce terme.

The township is in fact being paid for the discomfort of having a dump on its property. It has accumulated those fees and it is going to spend them constructively on local projects with some jobs and by the way local raw materials, sand and gravel and things of that type.

Once these projects start, and in my riding we are talking about scores of construction projects in 17 or 18 townships, in the city, in the county, in the university and in the college, scores of these projects all starting when the frost is out of the ground. Again the wages will be paid, the wages will be spent. This capital which I have mentioned will flow across the country.

If it scores in Peterborough, I do not know if it scores in the Trois-Rivières area, hundreds if not thousands of those projects will take place and all of them we hope will stimulate the economy and that will help the young people and all the people of Canada.

I wonder if the member would care to comment on that point from the point of view of what is going to happen in Trois-Rivières once these projects start.

[*Translation*]

Mr. Rocheleau: Mr. Speaker, I thank the hon. member for his question. We in the Bloc Quebecois are not against the infrastructure program. We are against it being the solution the

Liberal government seems to have found to deal with a very serious problem in this country with 1,600,000 unemployed people.

I think this is easy to demonstrate. The government says it will create 45,000 temporary jobs, and we must remind you that when they talk about jobs, they talk about maintaining jobs; 45,000 jobs created and maintained for 1,600,000 unemployed workers. I do not see how the hon. member for Peterborough can think this will solve in any way the situation in his riding. Assuming that unemployment should be around 10 per cent—it is now around 13 or 14 per cent in my riding of Trois–Rivières—it is no reason to rest easy and tell ourselves that the government is up to the task.

Especially since—and I see the Minister of Human Resources is here—this same government is going after the unemployed rather than unemployment, the poor instead of poverty itself. We hear the government tell the poorest among us, those who are already in a bad spot, because unemployed workers are in a bad spot, that from now on they will get 55 per cent instead of 57 per cent of what they were earning and work longer to receive less, for a shorter period. I think they are going after those who are poorest.

• (1320)

They say we must modernize and revamp—the words they use are exceptionally subtle in denoting intellectual honesty—our social programs. We do not know how but we do know one thing as I speak: the government was able to figure out how much it will cost in two or three years, so it can spare the public purse by going after the unemployed and the poor: $7.5 billion, including $5.5 billion in unemployment insurance. We know that already. That is what I rise against when I hear such comments.

First of all, we have no real solution for reducing unemployment since the so–called infrastructure program is not a solution, it is not even a half–measure. At the same time, the government is going after those who are already hard pressed while leaving the richest Canadians alone. They create committees to examine whether their measures are justified or not. The time has come to review our thinking because the underlying process, as everyone is increasingly aware, is the disappearance of the middle class, like in an underdeveloped country with few rich people and a lot of poor people. This is what we think.

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I am pleased to have the opportunity to speak at this time, particularly in light of the comments just made by the hon. member.

[*Translation*]

First of all, the motion before this House is incorrect and so are the comments made by the hon. member from the opposition. I will take this opportunity to set the record straight.

For one thing, this year, there will be more jobs for Canadians, and particularly for Quebecers. The Conference Board said there could be as many as 57 per cent more jobs for Quebecers this year, as compared to last year.

Unfortunately, the opposition fails to mention the positive initiatives, measures and efforts the government and the private sector have made to create employment across Canada.

[*English*]

In saying that, I do not think we are here just to argue about figures. I think we are here to argue or talk about a very deep felt need by Canadians to have the opportunity to share in work, to have a sense of dignity, of making a contribution to their own and their family's well–being. The prospect, the hope for a job, for themselves and for their children is one of the great ambitions that we have always held out to Canadians.

What is not recognized in anything I have heard or listened to by opposition members so far is any recognition whatsoever that the world of work has changed and that we cannot simply fall back on old methods, that we cannot simply defend the status quo, that we cannot simply argue on a rhetorical basis for what used to be.

[*Translation*]

I found particularly interesting, for example, this comment from the editorialist for *La Presse*, Mr. Alain Dubuc: "Program reform is simply a must for everyone's sake. Lucien Bouchard is making himself the advocate for status quo". And I would like to draw point out this line: "Out of demagoguery or sheer narrow–mindedness, the Bloc Quebecois nationalists are turning into advocates for inflexibility and inertia". How true! It is true that the members across the way are advocating inflexibility and inertia and using demagogical arguments.

• (1325)

[*English*]

This is not a time for that kind of narrowness of spirit, that unwillingness to change, that attempt to exploit people's deep concerns for immediate partisan advantage.

We have to talk about how to put a good employment strategy in place in this country, something that takes into account various elements. There is no single answer. There is no panacea for the creation of employment. It is something that is affecting every country and it is going to take a full, concerted, comprehensive approach.

When I attended the job summit last week in Detroit where the seven major industrial countries were brought together, we talked about the fact that in those seven countries alone there were over 30 million people unemployed and the number is growing.

In Europe there has not been any job creation or any growth at all for the past year or two. In the United States there is job creation but it is low level jobs, part time jobs, insecure jobs at a wage that is not reasonable to live on.

The Canadian answer is to find a balance somewhere between the two. We must make sure there is growth and job creation, that we stimulate the economy, that we provide a boost in the private sector to give a new sense of momentum to the broad base of job creation that the private sector must provide. At the same time we must recognize that there are fundamental changes going on in the labour market, that it is not simply good enough to have a job at a minimum wage if that minimum wage is below the poverty line. It is not good enough to say to workers that they can have a 20–hour part time job if there are no benefits attached.

Those are the kinds of questions we are wrestling with. Unfortunately members, particularly those in the Bloc Quebecois, do not want to face those issues. Their representative on the parliamentary committee refuses to deal with the fact that there must be some change. Instead they go out, organize a demonstration and say to keep things the way they are. If we stay with the status quo then the jobs will not be there, the income will not be there, and the opportunity will not be there.

When this government is asked where is our vision, our vision is to undertake one of the largest, most comprehensive attacks on the question of unemployment ever seen in this country. We have initiated on a number of fronts a broad based employment strategy.

We have already heard some of the measures that have been brought forward today. There is the infrastructure program which by estimates could create 60,000 to 70,000 jobs. This is a way of providing a catalyst to get a spark into the economy. Now that we are beginning to grow at a level of 3 per cent a year there has to be a little bit of an electric shock treatment to get people hiring again. The infrastructure program should not be measured simply in the numbers of jobs directly created but also what it does to send a signal that begins to say to Canadians that we can start doing things again.

I must say when I listen to members of the Reform Party or the member for Mercier say it is a waste of money it seems to me those members do not really quite understand what it is all about. It is not a waste of money if you invest in better roads, better transportation and better infrastructure because that creates productivity. It creates the ability to generate more wealth.

If you allow your infrastructure to deteriorate, if you have too many potholes in the roads, if you cannot move information along an electronic highway or if you cannot begin to rebuild your schools and universities, then you will not grow.

We may argue about spending the money. It may be asked who is going to invest in a new road system. Is an oil company going to invest in new roads? Is the bank going to invest in a new training college? Are they likely? That is the responsibility of the public sector. It is the responsibility of government. That is why we have taken on that responsibility.

• (1330)

I hear members opposite say that it is a waste of money. That simply indicates to me they are not serious about the issue. They are not really looking at a growth strategy or an employment strategy. They are caught up as the apostles of rigidity or demagoguery, as the editorialist in *La Presse* said.

We introduced a number of measures in the budget. The infrastructure program was one. There is significant support for small businesses because the records show that is where jobs will come from. They will become the engine of job creation if we give them the right incentive or the right signal.

I find incredible the ignorance of members opposite who have criticized our efforts to relieve small business of the payroll burden in order to create jobs.

[*Translation*]

I find the Bloc Quebecois' position incredible. They are against efforts to reduce UI premium rates which will have a positive impact on small business.

Here is a good example to illustrate my point. Take a small business with 100 workers. As a result of this initiative or plan to reduce UI premium rates, this business will save $30,000. That is enough to hire another worker, one more employee.

[*English*]

How can we argue against a measure clearly designed to say to small businesses that by bringing down their cost structure, by giving them better cash flow and by reducing some of the burden placed upon them they will be given the incentive to go out and hire people?

I met a week or so ago with representatives of the Canadian Federation of Independent Business which represents hundreds of thousands of small businesses across the country. They said that was one of the best things any government had done because it began to say to them that we would rely upon them. They said that their membership would now take up the challenge because we have taken the initiative to show we care.

Yet we hear members on the opposition side saying that it does not matter or it does not count. I happen to believe it is very important to give the right incentive and the right stimulus to small business as part of an employment strategy to free up creative juices and to give the cash flow that is necessary. Members opposite—and I know they would not do it deliberately—distort the impact of that. They make all kinds of claims that changes in the UI system will have an enormous effect upon the poor.

[*Translation*]

I think it was Mrs. Trépanier, Quebec's Minister of Income Security, who said that it had a slight impact.

[*English*]

Our own figures show that it will be no more than an additional $100 million in terms of people coming off the rolls. People do not recognize that simply because we increase the level of weeks of work does not mean to say that people will stop working. A lot of companies and a lot of organizations presently cut their work time to suit the 10–week period. There may even be more work to do, but they cut it and put people on the unemployment insurance rolls as a way of helping their own balance sheets.

A member of Parliament in our caucus who was chairman of a major school board in Ontario said it was a common practice for school boards to hire people on nine–month contracts and then let them go for three months in the summer so that they can pick up UI. That is not a practice we condone. That is one reason we are saying if we begin to relate the weeks of benefit to the weeks of work we begin to provide the proper relationship. We begin to say that one works to earn benefits; one does not get benefits by not working.

• (1335)

It is no wonder the editorialist in *La Presse* says: "Il y a les apôtres de la rigidité et de la paralysie". C'est une bonne raison pour cette déclaration. They are not thinking. They do not have an employment strategy. They do not have any strategy that encourages people to go back to work.

That is a lot more important than collecting UI. UI is a crucial program to help people make transitions from work to work. It is not long term dependency. That has been part of the problem. Over the years we took a good program and started changing it to the point where it became a program not to make that transition but to try to solve all other problems.

We are saying let us have a proper program dealing with long term unemployment. That is one of the reasons we are conducting a major review. That is one reason we invited the participation of members opposite even though they now refuse to participate.

Let us have a special program for long term unemployed people. They should not be kept on UI in perpetuity but they should have programs of training, job creation, income supplements or whatever the proper mix will be, so that we find ways of getting someone who can no longer stay in the labour market back in. We should focus or target that need exclusively. We should have programs designed for that need, not try to tinker with old programs that no longer fit the bill.

This is why we are conducting the review. Opposition members say there is no vision, but that is the vision. Where is their vision? There is nothing in their motion or in anything they have said. Our vision is to get people back to work.

Let us talk about young people. Let us talk about what is happening to the close to half a million young people between 18 and 24 years of age who are without work. It is probably one of the most tragic circumstances we have. How do we come to grips with the difficult problem of enabling people to make that changeover from formal education back to work? In many cases formal education does not even work any more for them. Many young people no longer fit into the school structure; they drop out. There is a 30 per cent dropout rate. It is a tragedy.

If we do not have sufficient levels of education and training we know there will be no jobs. We are not back in the age where skills are unimportant. We are in an age where if one does not have that basic element one will not work.

That is why we place a lot of emphasis on this point. We have included in the red book—and I will be introducing them very shortly in the House—initiatives for a major program of apprenticeship–internship. It will take tens of thousands of young people to give them experience in the workplace. It will be a combination of education and good, solid experience in employment so they can acquire the necessary skills. That is the commitment we made. That is a vision. That is a proposal. It is part of our program. We are negotiating with the provinces now to make sure they are on side.

The secretary of state spoke this morning about proposals for a major youth corps to give community employment experience for young people right across Canada. When they cannot obtain their first employment we get them into a setting where they learn skills, produce their first resumé and learn how to do something useful and important. It will give them some hope.

We are looking at major changes in student aid and student loans programs to give another incentive to young people to get back into the training and educational stream. Along with the discussions we are having with the provinces we are putting in place a serious, broadly based youth employment strategy. I am very pleased to announce today that as part of the strategy we are

substantially increasing the amount going into summer employment by 20 per cent so we can say to young people: "Go back to school and we will help you get a job to get there".

That does not come easy. We have reallocated money. We have brought together another $20 million which will mean that over 60,000 young people this summer will have an opportunity for employment sponsored in a wide variety of circumstances. When the opposition says we have no plans or actions, I say we just announced another one today as part of a broadly based scheme.

It is interesting that not once did we have a question from members of the Bloc or members of the Reform Party about summer employment and what we are going to do with summer students. They were so deeply concerned about our young people they never got around to asking questions about that. They have only been here for a couple of months but they never quite got around to the question of what will be happening to young people this coming summer.

• (1340)

Members of Parliament in my own caucus asked me about it every week. They had the good sense and understanding of what was happening to young people, and that is one reason the government responded to its own caucus.

The question of employment will take a real effort by many Canadians. I hope the committee will report this week on what it heard from a broad base of consultation in the first phase. We are also negotiating seriously with all the provinces to talk about how we change training programs and how we change social security to get people back into the workplace.

We are meeting with a wide variety of advisory groups. In the past two weeks I have met with 15 different groups across the country.

[*Translation*]

Today, comprehensive consultations are being held in Montreal with several social groups to discuss changes relating to the social security net.

[*English*]

We are talking to Canadians to involve them and to say that change is necessary but we can do it together. We can do it as a country united in the fundamental objective of getting people back to work and of restoring the dignity of work.

The only people absent from the debate, the only people who seem to be withholding their participation, are members of the opposition. They do not seem to think it is important enough to look seriously at how we can change our social assistance system by giving incentives to go back to work. They do not think it is important enough to be looking at what is happening to young people in our society. They do not think it is important enough to look at long term unemployment and how to get a much better mix of programming to deal with the problem. All they want to ensure is that there is somebody to go to the barricades, organize a demonstration and say: "Stay with what you have". Fortunately that is not the message of Canadians.

We are listening to the people who are not in the extreme groups on the left or the right. It is interesting that one group of people on the far right is saying that we should trash every program we can find and the group on the left is saying that we should keep every program we have. Fortunately a large group of Canadians in the middle say that change is necessary but it should be done responsibly and carefully so that we can get the country back to work again.

I ask members opposite to help create a climate in which there can be jobs for Canadians. They should help to put together the building blocks of an employment strategy that recognizes the creation of employment in the private sector, that relieves the burden of payroll taxes, that has a specific target for the long term unemployed, that looks seriously at a child care system, that enables women to participate fully with a sense of security and that works in dealing with our young people.

If we can put those elements together, if we can put the right package together over the next several months, we will create a new vision for the country. We will have given Canadians a new sense of identity. It will not be tied up with some kind of false debate about the Constitution, who controls this or who is responsible for that. The fundamental point is that we will have restored for Canadians a sense of hope and opportunity that they, their families and their kids can go back to work. That is the real meaning of what the country is about, and we intend to do it.

The Acting Speaker (Mr. Kilger): I take note of the number of members interested in asking questions of the minister. I will try to accommodate as many as possible. I would ask members to keep in mind the great interest stimulated by the intervention of the minister.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I listened carefully to the Minister of Human Resources Development, and not Natural Resources as I said last week. In any case, I wonder if ministers have any real powers, regardless of the department.

So, I listened carefully to the minister, whom I have known for some time now. I must say that he is very articulate and he sounds convincing but, once again, the content of the red book and the speeches we hear every day are the absolute opposite of reality. I must first ask the minister how he thinks he can create jobs by, on the one hand, investing one billion dollars in infrastructures and, on the other hand, taxing UI benefits for the unemployed, to the order of $800 million for 1994–95, following changes to UI which is within the scope of his department. What does that mean? It means that, on one hand, the purchasing power of Canadians is reduced by $800 million while, on the other hand, one billion dollars is invested in infrastructures.

That means that nothing is created. On the one hand purchasing power is reduced, while on the other hand money is being distributed, and we are told that people will spend more and that jobs will be created. The minister does not understand the economy at all, because he is not creating anything. The results are almost non–existent.

• (1345)

Moreover, the minister says that he will create jobs while also increasing taxes and personal income tax by $1.7 billion over the next three years. Over that same period, he will also increase taxes by $1.8 billion for small businesses. And he thinks he will create jobs that way. He is completely wrong and he does not understand anything about the economy. If jobs are created in Canada, it will certainly not be because of the Liberal Party and its alleged vision on economic development and employment. If jobs are created, it will be thanks to the initiatives of individuals and certainly not because of this government's measures. Indeed, there is absolutely no vision in its way of doing things, which is to tax Canadians even more and then try to create jobs with an inadequate program. If you want to create jobs by investing one billion dollars and then take back $800 million, not to mention the fact that Canada's gross domestic product is somewhere around $700 billion, I can tell you that one billion will not make much of a difference.

Mr. Speaker, I would also like the minister, who is responsible for manpower training to tell us when he will fulfil a request which the Quebec government has been making for at least three or four years. When will he delegate manpower training to Quebec? In doing so, he would immediately save at least $300 to $400 million, while at the same time ensuring more effective manpower training in that province? All Quebecers, whether they belong to the business sector, the unions or the government, support this request. When will the minister do something about this?

Mr. Axworthy (Winnipeg–South–Centre): Mr. Speaker, first of all, I would like to say to the hon. member that I did address these issues directly and that I am surprised by all the contradictory statements he made. On the one hand he says that we have to bring down the taxes and rates, and on the other hand he says that we should not touch the unemployment insurance system. We have done that. We have reduced the UI premiums. That will stimulate employment and help small business to create jobs. Our policy has had another major impact on workers. It has increased by $70 to $80 the income each worker can spend on goods and services for his or her family, which is also good for small businesses. That is not too bad. Workers now have more money in their pockets. At the same time, we provide stimulus for small businesses and for workers.

[*English*]

I am trying to tell the hon. member that his party is very confused. On the one hand members say not to touch UI. On the other hand they say to bring down the premiums. We have done that; we have brought down the premiums and the stimulus effect is there. However, to bring down the premiums we have to make sure that we can still pay for the deficit of the UI system which this year is $6 billion. We have to bring down the deficit of $6 billion. That is the reason we balance it out. In a way it ensures more benefits going to the poorest people, not less.

• (1350)

Unfortunately members opposite in their statements somehow forget the facts, which is too bad. I feel sorry they have this selective memory. It is not a good thing in a situation like this to be so selective in your memory. It gets you into trouble.

We have increased the benefits for the poorest in society. We have created a new linkage between work and benefits and we have given stimulus to private enterprise to create new jobs. It seems to me that is not so bad a proposition.

Mr. Ted White (North Vancouver): Mr. Speaker, the opposition motion deplores the lack of vision in the Liberal policies on job creation and I think the minister missed the point here.

The infrastructure program has no vision because it amounts to less than half a per cent of the gross domestic product. That is like a family of four winning $200 in the Lotto 649 in a whole year.

Then the minister goes on to say that high unemployment affects every country. That is simply not true. Places with low taxes like Hong Kong and the Cayman Islands have more than 97 per cent of their people employed. There is a direct link between taxes and unemployment.

Countries with high tax loads have high unemployment. There is a terrible lack of vision from the government in failing to recognize that it is the high tax rates that are causing unemployment and that the problem can be cured by reducing government spending.

Will the minister acknowledge that high taxes are the cause of unemployment?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, one important revelation from this debate is that we now understand the employment strategy of the Reform Party. It is called the Cayman Islands employment strategy.

An important set of principles can be taken to heart. How do the Cayman Islands support their projects? A group of offshore companies register there in order to escape the tax burdens of all the other countries in the world.

What the member is suggesting is that Canada should be a tax haven for all the misfit companies around the world that want to escape their rightful obligation to pay their taxes to their rightful government.

Now there is one hell of a good employment strategy coming from the Reform Party. Let us have a Cayman Islands employment strategy, says the Reform Party. Except I do not think Canadians want to have a Cayman Islands employment strategy.

Canada is a serious industrial country, one of the top seven countries in the world. Canadians realize we need a comprehensive strategy, not just infrastructure but a wide combination. Infrastructure is important in one element; stimulation to small business is another; reduction of the payroll tax for small business; serious training programs; real attempts to get their educational system in place, a broad based comprehensive program.

That is what is going to create jobs, not following the precepts and principles of the Cayman Islands.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, first I would like to express some gratitude on behalf of Tom Hanks who, had the Minister of Human Resources Development sought a different career, may not have won the award he received last night.

I would like to point out a couple of things. The minister talked about the apprenticeship programs, student loans, the youth service corps. He lumps them all together and says that we reject them. That is wrong. Certain programs have more merit than others.

For example, the apprenticeship program leads specifically to a direct career job and is something well worth pursuing. On the other hand to say that our poor youths after graduating from college can be helped by putting them in a make work community project which does nothing to enhance their career expectations may not be good value spent.

I would look to the unemployment insurance rebates. We often hear about smoke and mirrors. Let us look at that particular one. After we carry away the mirrors and disperse the smoke what we have is a raise in UI premiums by the government which, even before it implemented it, says: "We have created another job in small companies". I would suggest if that were true what the minister should have done was raise the rates by $3 instead of the 30 cents. Then the government could have knocked that entire $3 off and would have had 10 times as many jobs.

• (1355)

If the infrastructure program is needed, fine. Let us talk about the need for infrastructure repair. Let us not bring in the smoke and mirrors again and call it job creation because it does not create jobs. We have already discussed at length the fact that most of these jobs will be put to contract which will go to companies that have their crews and it will not create any new employment at all.

In creating the jobs we are talking about, the government will spend $70,000, according to studies, to create a $35,000 job which produces a $10,000 benefit to the government.

To create jobs for $1.6 million worth of people we would need $96 billion. Even if the roof of this building opened up and that money dropped in and it was spent without increasing the deficit, we would still have no jobs at the end of that year when that money was spent. The government's infrastructure program does not create employment. It simply addresses a different problem and the problem remains.

How is the government going to bring on long term jobs when it maintains the old Liberal strategy of tax and spend and not addressing the deficit?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I am really thrilled that the hon. member with such a profound question left me 30 seconds to answer it. The question deserves that length of answer.

How do we do it? It seems to me that there is one fundamental principle the hon. member should understand. It is that investing in our country, investing in infrastructure, investing in schools, investing in roads is one of the primary elements of creating growth and jobs.

By opposing the infrastructure program that was called for by every municipality across the country to improve its transportation system they are standing in the way of long term job growth development.

In the meantime they are also facing the fact that 40 per cent or 50 per cent of construction workers are out of work and this job creation program is one element among several that will get them back to work, create growth, and show the Reform just how their Cayman employment strategy makes no sense.

The Speaker: It being two o'clock p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members, pursuant to Standing Order 31.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

RACIAL DISCRIMINATION

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, on March 31, 1966 a group of black South Africans who were holding a peaceful demonstration were massacred in Sharpeville. During the same year the United Nations declared March 21 the International Day to Eliminate Racial Discrimination.

Yesterday International Day to Eliminate Racial Discrimination was celebrated around the world. In Vancouver I was a speaker at the event organized by the Vancouver Multicultural Society in co–operation with the Vancouver Police Department.

The road to democracy is hard and dangerous. Canada is a blessed country where we do not have to endure acts of racism but we are still far from being a racism–free country. A strong message must be sent out that racism and discrimination can no longer be tolerated. These two diseases must be completely stamped out for Canada to become an example to the rest of the world.

March 21 makes people pause and think. Through education and example we can achieve equality for all and respect for each other.

Let me congratulate the many volunteers—

* * *

[*Translation*]

PRIX DU MÉRITE DU FRANÇAIS

Mr. Jean Landry (Lotbinière): Mr. Speaker, yesterday, the president of the Union des artistes, Serge Turgeon, presented sportscaster Richard Garneau, with le Prix du mérite du français dans le secteur culturel, a merit award for French language use in the cultural sector. For some time now, the Conseil pédagogique interdisciplinaire du Québec has been recognizing each year the outstanding contribution of an individual or organization to the promotion of dynamic and correct use of the French language.

Mr. Garneau reminds all Quebecers as well as francophones across Canada that correct use of a spoken language forms an integral part of everyday life, both at work and at play.

On behalf of all the members of this House from Quebec, I would like to pay him a well–deserved tribute.

[*English*]

POLICE MEMORIAL

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, I would like to draw the attention of the House to the gallery. In our presence today are family members of police officers who have been tragically killed in the line of duty.

They have come to Ottawa to take part in the unveiling of a memorial dedicated to those officers who have made the ultimate sacrifice during the service and protection of their communities.

Names like Van der Wiel, Sonnenberg and King may not be widely known but they should be universally respected. It is that respect that I am expressing to the families assembled here today.

The dedication will take place at the Summer Pavilion on the Hill at 5 p.m.

I encourage all members to take a moment today to remember those officers who have been our most noble and brave public servants. May their legacies be a reminder to all of us of the need to reform our criminal justice system so that no more lives are needlessly lost to those elements of society who have not learned to respect the laws of our land.

* * *

TAINTED BLOOD

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, as a result of a 1983 blood transfusion, a Nepean constituent became infected with HIV and consequently developed AIDS. He carried this devastating disease unknowingly for 10 years before he was diagnosed with full blown AIDS. As a result of not knowing, his wife is now an AIDS carrier.

Federal and provincial assistance has been offered to only those directly affected by HIV tainted blood. They fail to recognize the secondary victims of this tragedy. This couple had no way of knowing that he was carrying the HIV. Had they known, cautionary measures would have been taken.

The primary victim has received financial assistance to help him in his time of need but who will help the secondary victim, his wife? I implore the Minister of Health to reopen the federal extraordinary assistance plan to take into consideration secondary victims of the tainted blood scandal.

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FENELON FALLS CURLING TEAM

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, I rise today to salute the Fenelon Falls Secondary School girls

curling team which has earned a berth in the upcoming provincial high school curling championships in Sault Ste. Marie starting today until March 25.

We have all heard of the surprise performance in sporting competition, the small conquering the large, the David and Goliath syndrome. The courageous team I speak of, skip Jennifer Dickson, vice–skip Andrea Howard, second Cayley Rodd and lead Christina Dunn, won but a few games in the Cannington–Lindsay–Fenelon league this year.

However, in true underdog fashion the team peaked at the right time, finally winning a shootout against Trenton to see which team would represent central Ontario region at the all–Ontario provincials.

It is the first team from Fenelon Falls to compete at the championships and it will face a level of competition never before experienced.

I salute this team as it heads into uncharted waters and wish it all the best as it represents all central Ontario schools at the provincials.

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MEMBERS OF PARLIAMENT

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, there have been repeated calls in this House for reform of MP pensions, especially in the matter of double dipping. This, as members know, involves taking a government salary with the right hand while accepting a government pension with the left. My colleagues of the Reform Party opposite have been most eloquent in attacking this practice.

The taxpayer's dollar is the same dollar whether it comes from provincial pockets or federal pockets. I would therefore ask my Reform colleagues to join with me in urging that all parties institute a code of conduct whereby no MP collects a salary and a taxpayer funded pension at the same time.

I am sure all would agree, for example, that a $61,000 Alberta government pension on top of an MP's salary is a flagrant example of double dipping.

The Speaker: I would hope that the statements would be of a more general nature as we go on.

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[*Translation*]

HYUNDAI CAR PLANT IN BROMONT

Mr. Jean H. Leroux (Shefford): Mr. Speaker, it was with dismay that we heard about Hyundai's decision to suspend indefinitely the operation of its facilities in Bromont. Over 800 workers will be affected.

The Bloc Quebecois and the people of my region are outraged. Must I remind that Hyundai received substantial grants from the federal government to build its facilities in Bromont?

Now, we are told that company officials refuse to meet the primary stakeholders to discuss the situation. How can a company like Hyundai treat its workers so offhandedly?

The Bloc Quebecois urges the federal government to act immediately to preserve these workers' jobs as well as to make sure this never happens again. More than ever, the government must manage public funds with a strong hand.

* * *

• (1405)

[*English*]

THE GRUMMAN GOOSE

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, I would like to call the attention of the House to a potential tragedy for Canadian aviation history.

In a Prince George RCMP hangar rests the Grumman Goose. This plane was built in 1944, can land on water, snow or ground and has logged over 24,000 flying hours. It has seen service on both coasts, in Ottawa and the high Arctic. It has been used for drug busts, surveillance, rescues and air shows in addition to ferrying people and equipment.

The RCMP may have to sell this 50–year old plane and the National Aviation Museum cannot afford the estimated price tag of $300,000.

I implore the RCMP and the government to reconsider the possible sale of this plane to give Canadians the time to find alternatives for raising the money to preserve this piece of our heritage. If not, the last flight of the Goose will probably take it out of Canada forever, heading south of the border to the highest bidder.

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CANADIAN ARMED FORCES

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, recently I had the pleasure and opportunity to visit CFB Greenwood and Camp Aldershot in my riding of Annapolis Valley—Hants.

During my visit to these bases I was most impressed by the dedication, professionalism and commitment of our men and women in the Canadian Armed Forces. These men and women often do their work with little or no public recognition. Yet our military has made a significant contribution to the maintenance of international peace and security.

This strong tradition of pride and service is a model for nations around the world. I am proud of the personnel serving in CFB Greenwood and Camp Aldershot.

As we embark on foreign defence policy reviews in the months ahead, I urge all parliamentarians to reflect on the professionalism of our military and the important role it plays at home and abroad.

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THE LATE KENNETH KIDD

Mr. Peter Adams (Peterborough): Mr. Speaker, Kenneth Kidd, professor emeritus at Trent University, died recently.

He was born in 1906 and educated in Toronto and Chicago. He was a pioneer of modern archaeology in Canada. His work included excavating the famous Ste. Marie Among the Hurons site near Midland, Ontario and a project at the Cartier–Brebeuf site in Quebec City. He was an early student of petroglyphs in Canada.

He moved from the Royal Ontario Museum to Trent as founding chair of the department of anthropology.

In 1969 he founded the first university native studies program in Canada at Trent. This was a seed well planted as there are now upwards of 40 such programs across the country.

Ken Kidd and his wife Martha, both distinguished and productive citizens of Peterborough, received honorary degrees from Trent in 1990.

I am sure that my colleagues in this House join me in extending our condolences to Mrs. Kidd.

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THE RANKIN FAMILY

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, five sons and daughters of Mabou, Nova Scotia made their family and their community proud at last Sunday's Juno Awards in Toronto.

The Rankin Family brought home four Junos including entertainer of the year, group of the year, country group of the year and single of the year.

Combining beautiful harmonies and energetic step dancing, the Rankins have gained international acclaim performing their unique brand of Celtic music across Canada and around the world. They are part of the thriving musical culture in eastern Nova Scotia that has its roots in Canada's Scottish heritage.

We in eastern Nova Scotia are proud to share this rich cultural heritage with the rest of Canada. We could have no better ambassadors than the Rankin Family.

[*Translation*]

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, the Prime minister, the Minister of Foreign Affairs and the Minister of International Trade have told us: "Human rights are no longer tied to trade" and business sense.

The Liberals had promised a more "we'll go it alone" Canadian foreign policy, one more in line with Lester B. Pearson's vision. Let the naïve think again! The Liberal government is sending the way of the trash heap a long–standing tradition of defending human rights, reducing Canada to the condition of petty trading nation without any vision, or heart or soul.

One Liberal minister after another will visit China over the next few months, but the Canadian ministers will not bring up the legitimate concerns of Quebecers and Canadians about human rights issues.

I hope that Canada will come round. There is nothing worse than a nation losing its soul.

* * *

• (1410)

[*English*]

CANADIAN ALUMINUM INDUSTRY

Mr. Mike Scott (Skeena): Mr. Speaker, I rise on behalf of people employed in the aluminum industry in Canada, in both British Columbia and Quebec, to express outrage and contempt for a policy which will provide a $60 million export credit to help finance a new aluminum smelter in South Africa.

This deal is tantamount to providing Canadian taxpayer assistance to construct fish packing plants in Spain or pulp and paper mills in Brazil. It demonstrates an arrogant and elite attitude with respect to taxpayers' funds which we on this side of the House believe should be regarded as funds held in trust.

I am convinced beyond a shadow of a doubt the vast majority of Canadians would never support this loan guarantee and this leads me to believe that this government does not much concern itself with how Canadians want their affairs managed.

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KITCHENER PRISON FOR WOMEN

Mr. Janko Peric (Cambridge): Mr. Speaker, on Thursday, March 17 approximately 700 residents of my Cambridge riding had an opportunity to air their views about the controversial site for the Kitchener prison for women.

Much of the controversy stemmed from the fact that the previous Conservative government did not seek input from residents of Kitchener's Doon–Pioneer Park prior to site selection. This Liberal government has made a serious effort to correct the wrongdoings of our predecessor.

The hon. Solicitor General of Canada reopened the file into the Kitchener prison project shortly after the election. He provided the residents of Kitchener with an opportunity to voice their concerns at Thursday's meeting, something that my constituents have been asking for since the site was announced.

The residents of Doon–Pioneer Park and I would like to thank the minister for taking the time to listen. We all hope that his final decision will be a reflection of what was said at Thursday's meeting.

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WORLD SPEED SKATING CHAMPIONSHIPS

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the world short–track speed skating team championships were held this past weekend in Cambridge, Ontario.

Félicitations à Nathalie Lambert, Sylvie Daigle, Isabelle Charest, Christine Boudrias and Angela Cutrone whose performances assured Canada the women's team title.

[*Translation*]

On the men's side, the Canadian team made up of Frédéric Blackburn, Mark Gagnon, Derrick Campbell, Denis Mouraux and Stephen Gough came in second, behind the South Korean team. Congratulations!

This was the last competition in Canada for Sylvie Daigle and Nathalie Lambert, two of the Canadian short track speed skating team's stars.

[*English*]

Sylvie and Nathalie have both had exceptional careers and are to be commended for their dedication to their sport.

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THE ECONOMY

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville): Mr. Speaker, due to very difficult economic times in Canada many Canadians have been forced to practise fiscal restraint and responsibility.

Canadians from all regions of this country have responded by tightening their belts and going without many necessities they could otherwise have. They have done this even though many others have continued to live high on the hog.

There are many examples of where fiscal restraint has not been practised to the same degree. One such example is the recent lavish farewell functions to honour the outgoing Governor of the Bank of Canada. Almost $30,000 was spent to bid farewell to John Crow. It is outrageous that Canadians are expected to foot the bill for this lavish spending.

Mr. Crow spent many years preaching restraint but when it comes time to depart it seems like one does not practise what one preaches.

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THE BUDGET

Mr. Nelson Riis (Kamloops): Mr. Speaker, today a splash of ice cold reality was flung into the government's face with the abrupt increase in interest rates which will inevitably send a shudder through the investment and consumer communities.

The international money lenders have sent an early warning signal to the federal government by increasing interest rates and placing pressure on the Canadian dollar. The budget confidence appears to have lasted only two months.

Did the government address the issue of unemployment in this budget? No. Did the government make a realistic revenue estimate in the budget? No. Did the government build higher interest rates into its estimates of government costs next year? No.

When rates jump and the dollar falls, the federal deficit will jump and interest rates will be forced up. As a Chinese proverb says, unless we change directions we will likely end up where we are headed.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

HUMAN RIGHTS

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

Without waiting for the results of its foreign policy review, the government has already made its decision. It has made a 180 degree turn and set a course that is guided by strictly commercial interests, thereby turning its back on protecting human rights.

I want to ask the Prime Minister whether he would confirm that his government intends to promote Canada's trading relations at the expense of human rights. I also want to ask him whether on his trip in China, he will allude to the oppressive policies of this dictatorial regime only in very polite terms and in private, on the weak–kneed advice of his Minister of Foreign Affairs.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, whenever we have a chance, we raise the issue of human rights throughout the world, and that includes when we discuss politics with the Chinese. We also discuss the problem when it is time to make decisions on distributing envelopes for development assistance.

However, we realize that we must maintain normal trading relations with China as with other countries. We also believe, as has been the case in the Soviet Union, that these countries become more open as a result of economic growth and trade with democratic countries, and that when they experience the benefits of market economies and democratic freedoms, obviously attitudes change.

When I go to China, I intend to raise the issue of human rights, but at the same time, I would like to maintain normal trading relations with that country. I think this is the best way for Canada to protect our commercial interests and at the same time be present so that we can raise the issue of human rights with the authorities of that country.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, does the Prime Minister realize that by letting commercial interests prevail over human rights, Canada is relinquishing its historic responsibility, since the Prime Minister knows perfectly well that polite comments behind closed doors will have no impact on foreign leaders who systematically violate human rights? I would like to ask him whether that is why Canada did not express public support for U.S. protests against China on the issue of human rights.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we always raise this issue, and we did. We have an international policy that is different and does not depend on the position of the United States, and I think Canadians want Canada to take an independent position in this respect. For instance, we were the first country, well before the United States, to recognize China. It was not until after Canada recognized China that the United States did so.

I think Canada has always raised the issue of human rights and has always traded with China. Under the Diefenbaker government, we were already selling wheat to China. We have had trading relations with the Soviet Union, and we always raised the issue of human rights. We did not change our priorities, but we know, and we say this quite frankly, that it is no use being holier than thou. If I told the President of China, who represents 1.2 billion people, that the Prime Minister of Canada was telling him what to do, he would laugh in my face. I think the best way to accomplish something is to help this country develop its potential, and once they have had many exchanges with the Western world, they will understand the benefits of democracy and respect for human rights and economic progress in a market economy.

Hon. Lucien Bouchard (Leader of the Opposition): The Chinese leaders are not going to be impressed by our dollars. What they will respect is an international conscience which Canada has always brought to bear throughout the world and on which its present prestige in the world is based.

There is a clear lack of continuity between the great international accomplishments that are largely the work of the Liberal Party, and its heirs here in the House today, who are frittering away that legacy.

I would like to ask the Prime Minister whether this means that on his trip to Mexico, he will not raise the issue of human rights violations in the province of Chiapas with the Mexican President, although as a trading partner, he will be in a position to do so.

• (1420)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, as soon as we were informed of the problems in Chiapas, we sent a note of protest to the Mexican government. If you read the notes that came from Mexico, you would see that we were one of the first countries to do so and one of the countries that protested most vigorously.

Nevertheless, we believe that it is normal to have trading relations with Mexico. I am surprised to hear the Leader of the Opposition say we should not have trading relations with Mexico and China because we do not like the way they govern their countries.

We have always had trading relations, and it would be hypocrisy to claim that we can cut off our trading relations with countries with whom we disagree on the issue of human rights. We have always traded with China, the Soviet Union and Mexico. We intend to continue and to raise the issue of fundamental freedoms at the same time.

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GOVERNMENT'S CREDIT RATING

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, as expected, the Dominion Bond Rating Service of Toronto lowered the federal government's credit rating yesterday, justifying its move by the government's inability to put its fiscal house in order. This lower rating, which will translate into hundreds of thousands of dollars in costs to the taxpayers of Quebec and Canada, revives the spectre of major hikes in interest rates, a scenario which occurred before under the Liberals in the early 1980s.

Does the Minister of Finance not agree that this lower rating is tantamount to an unequivocal condemnation of Canada by the financial community, signalling the failure of his budget with regard to public spending control?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, in lowering this rating, the

DBRS was following the lead taken by another agency last year, that is to say before our budget. So, no connection can possibly be made between our budget and what has just happened.

Second, this rating relates to only 2 per cent of our debt, namely foreign currency. As for the budget, it is very unequivocal. Our goal is to bring the deficit down to 3 per cent of the gross domestic product within three years. We will achieve our goal and ultimately eliminate the deficit. That is our goal and we will achieve it.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, the Dominion Bond Rating Service quotes explicitly the budget as the reason for lowering the credit rating.

Does the Minister of Finance not recognize that failing to take seriously our proposal, the Bloc Quebecois proposal, to review and cut the fat in federal government expenditures was a bad move and that such an irresponsible move could end up costing the people of Quebec and Canada hundreds of thousands of dollars, while at the same time causing job losses and allowing interest rates to skyrocket?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I have not heard the Bloc Quebecois propose any cuts. All I heard was: "Do not touch military bases. Do not touch unemployment insurance. No reform. No restructuring. Do not do a single thing." That is the Bloc's position. So, we have no lesson to take from them.

[*English*]

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, last week we asked the Prime Minister if he would respond to the falling dollar and rising interest rates by making a stronger commitment to deficit reduction.

The Prime Minister refused to do so and now just yesterday, as has been mentioned, the Dominion Bond Rating Service downgraded its credit rating on the federal government foreign currency debt.

The DBRS said in making its downgrading that the federal government policies are not stringent enough to get the government out of the debt trap and if it wants a better rating it will have to include some meaningful spending reductions in the 1995 budget.

Is the Prime Minister now prepared to direct the finance minister to bring forward a stronger deficit reduction program before the government's credit rating is further downgraded?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, what the DBRS said was that we have a high level of foreign debt at the federal–provincial level, that is the corporate level. That is true. That is the situation. We as a country are heavily indebted at the federal and provincial levels and it is going require co–operation with the provinces which we have already begun, and that is true.

• (1425)

The Dominion Bond Rating Service said that our productivity is up, our inflation rates are down and there is great room for strength within this economy. It also said that it was putting the downgrade on but 2 per cent of our foreign debt and it maintained the triple–A level on our Canadian debt.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a supplementary question.

Surely the finance minister is not suggesting that this downgrading was done lightly or frivolously. Surely members across the way know that the eyes of investors and borrowers are on the frontbenches of government, looking for signs as they are worried about the government's fiscal situation.

Is not the minister concerned that this downgrading could be the beginning of a trend and what steps is he taking to prevent downgrading of all of Canada's outstanding debt?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, first of all our budget was well received by the majority of the rating agencies.

Second, we very clearly set out that in the first stage of our budget that we were going to arrive in three years at a deficit target of 3 per cent of GDP and it will be the first time in the last 15 to 20 years that that has been attained.

Furthermore, we said this is the first stage of a two–stage budget. We also said that cutting at the margins and nibbling at the edges does not apply. Fundamental reform to unemployment insurance, to defence, and the way the government operates is what is required and that is what this government is going to do.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, it is not how members of this House, either on this side or that side, react to the government's signals. It is how the money markets react and that reaction has been negative.

Increasing scepticism that the federal government is not really prepared to come to grips with the deficit problem is now leading to concerns that the government may attempt to inflate its way out of a portion of its debt and cause interest rates to rise, the bank rate today rising from 4.25 per cent to 5 per cent.

Will the minister assure the House that the government will resort to deeper spending cuts before it will allow inflation rates to rise above present levels?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the only inflation I hear about in this House is that party that wants to inflate the number of members of Parliament who are in this House.

Let us be very clear. Prior to Christmas the Government of Canada and the Governor of the Bank of Canada arrived at a set of monetary targets which we did within the first month of taking office, something that it took the previous government two and a half years to arrive at. Those monetary targets are among the most stringent of any industrial country in the world and we are very proud of them.

This is a low inflation country. We have paid a great penalty to get there. We are not going to lose the benefit. We are going to remain a low inflation country.

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[*Translation*]

PUBLISHING INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Minister of Canadian Heritage.

Yesterday the minister encouraged us to continue reading the *Toronto Star*. Well, this morning I took him at his word. I learned that at least five Canadian publishing houses had already expressed an interest in acquiring control of Ginn Publishing.

How does the minister explain the fact that the CDIC has not responded to Canadian publishers interested in purchasing Ginn Publishing? Furthermore, will the minister recognize the need to conduct an inquiry into the actions of the CDIC, which has systematically rejected all efforts made by Canadian publishers to buy Ginn Publishing?

• (1430)

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, yesterday we were fortunate to have a few documents tabled. They clearly indicated that certain Canadian publishers were interested in buying Ginn. However, I did not see a specific purchase offer in these documents.

We are not so much concerned about events which took place nearly 10 years ago as we are about what has happened since this government took office. And I have seen no direct offer to purchase Ginn since this government has been at the helm.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, it is surprising, nonetheless, that no purchase offer has been made. The CDIC had promised to issue a monthly prospectus and it has not done so. Therefore, the minister must admit today that while no offer has been made, some interest has been expressed nevertheless. An offer can be made if there is a prospectus. But this government never issued one.

Some hon. members: Hear, hear.

Mrs. Tremblay (Rimouski—Témiscouata): How can the Minister of Canadian Heritage seriously continue to claim that the CDIC was determined to sell Ginn to Canadian interests, but received no serious offer, when the evidence he has points to the contrary? Will he not agree that he is losing all personal credibility as far as this matter is concerned?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am not the manager of the CDIC. I do not have the financial skills to take on that job. Moreover, I do not think it is up to the Minister of Heritage to start doing some advertising outside his field.

My area of responsibility is Canadian cultural policy. Regarding this matter, I have stated clearly on several occasions that I consider Ginn to be an exception. While admittedly this may not have been a particularly fortunate transaction, the policy itself is sound. It calls for supporting and protecting the Canadian cultural industry, including the publishing industry.

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[*English*]

ALUMINIUM INDUSTRY

Mr. Mike Scott (Skeena): Mr. Speaker, my question is for the Minister for International Trade.

I wrote to the minister several weeks ago expressing objection to his announcement of a $60 million U.S. credit arrangement to finance a new South African aluminium smelter.

In his response the minister stated that several Canadian companies either received or retained business contracts as a direct result of this export credit.

Officials from the South African embassy informed my staff that only one Canadian company, SNC–Lavalin, is directly contracted on this project, that they secured their contract almost two years ago and were well under way prior to the federal government's credit deal.

Will the minister be forthright and tell the House precisely what motivated the government's decision to extend almost a $100 million Canadian credit for this South African smelter project?

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, when I spoke on a previous occasion about the number of companies participating it was under the umbrella of SNC–Lavalin in Montreal which has the contract for the design of the plant.

The other companies that are gaining the benefit are suppliers to and associates of the principal contractor.

Mr. Mike Scott (Skeena): Mr. Speaker, I have a supplementary question. Does the minister not acknowledge that the use of Canadian taxpayers' funds to assist in the construction of aluminium smelters in South Africa is extremely unfair to the British Columbians and Quebecers employed in the aluminium industry who pay those taxes?

Hon. Roy MacLaren (Minister for International Trade): No, Mr. Speaker. It is our expectation that any excess supplies on world markets will disappear by the time the proposed refinery comes into full operation. We do not believe it will have any adverse impact on the Canadian aluminium industry.

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[*Translation*]

PUBLISHING INDUSTRY

Mr. Michel Gauthier (Roberval): Mr. Speaker, the Minister of Canadian Heritage decided to allow the sale of Ginn Publishing to Paramount only for fear of being sued by Paramount.

• (1435)

The *Star* quoted Paramount's lawyer, Mr. Grover, who yesterday ruled out the possibility of Paramount suing the minister if only the minister had stood up to them.

My question is for the Minister of Canadian Heritage. Now that I have reassured the minister that he no longer has any reason to fear being sued, will he do what he should have done from the beginning in the Ginn Publishing case and cancel the sale to Paramount?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am surprised to discover that our colleague's advisors are Americans. Mine are Canadians and I believe what they tell me.

Mr. Michel Gauthier (Roberval): Mr. Speaker, for the minister's information, it is the Toronto lawyer of Paramount who made that statement. Toronto is still in Canada, Mr. Speaker. Tell the minister that! It is not very far from Kingston either.

Not only do we read English–language newspapers but we usually read a contract before we sign it. Since Paramount's lawyer himself expresses serious doubts about his client suing the Canadian government, it would be rather surprising if the government's lawyers had produced a legal opinion without any reservations that would have prevented the minister from going back on the deal.

Does the minister, who has failed miserably in his first test as defender of Canada's cultural heritage, not believe that he should table the legal opinion to show that he is really above reproach on this?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am very happy to know that the lawyers in question are Canadians but I believe that they serve an American master.

As for the legal opinion, I am pleased to be asked this question in this House after being asked the same question outside the House, as this opinion contains quotations from Cabinet documents which, according to the settlement negotiated between a previous government and this one, cannot be presented in this House. I abide by this rule.

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ALUMINIUM INDUSTRY

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, my question is for the Minister for International Trade.

On February 14, I asked the minister why he had approved a $60 million credit for the construction of a new aluminium smelter in South Africa, when this plant will be competing directly against Canadian producers.

The aluminium industry is very important for Canada, especially British Columbia and Quebec, since almost 10,000 people are employed in our ten smelters. These plants are located in Shawinigan and in nine other ridings represented by members of the Official Opposition. In recent years, hundreds of Quebecers—

The Speaker: Order. Would the hon. member please put his question.

Mr. Ringma: Does the minister admit that this new aluminium smelter in South Africa poses a direct threat to the job security of thousands of workers in Quebec and British Columbia?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): No, Mr. Speaker, the smelter in South Africa will not come on stream until late 1996. I do not believe at that time there will be any adverse impact on the prospects of Canadian aluminium companies and workers.

• (1440)

[*Translation*]

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, I want to ask a supplementary question. Does the minister not agree that the markets normally control excess production through spending cuts or plant closures? Is the minister implying, by predicting a better balance between supply and demand, that we can expect more cuts and layoffs in the Canadian aluminium industry?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, the current difficulties in the aluminium industry basically arise from the supply excess from Russia.

I believe the glut that is now on the international market will resolve itself through the more orderly marketing of Russian excess production and in the near future we will see a return to more normal circumstances in the world aluminium trade.

* * *

[*Translation*]

HYUNDAI PLANT IN BROMONT

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, my question is for the Minister of Finance, who is also responsible for regional development in Quebec. In answer to a question on the future of the Hyundai plant in Bromont, the Minister of Finance confirmed yesterday that he had begun discussions with the Quebec government and with Hyundai, in order to find an alternative proposal. Today, we learned that none of the big three American automakers showed any interest.

Given the refusal of GM, Ford and Chrysler to take over the Bromont facility, can the minister tell us what alternatives are being considered by the federal government?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, this Friday, officials from the Quebec Government, the Federal Office of Regional Development and Hyundai will meet, and we hope that the company will propose a recovery plan or some options. Following this meeting, senior officials from both governments will meet with us, that is myself as minister responsible for the Federal Office, the federal Minister of Industry, and Quebec government's officials, at which time appropriate decisions can be made.

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, I hope that Hyundai will give these people a better reception than this morning, when it refused to meet with the mayors. Given that Hyundai did not respect the commitments it had made to get government grants, does the minister intend to recoup the $26 million paid by the federal to the company, and will he pledge to reinvest that money to develop sub–contracting activities in Quebec's auto industry, so as to alleviate the impact of the closure of Hyundai's plant, until the facility reopens?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the money provided, that is $23 million by the federal but $46 million in total by the two levels of government, is guaranteed. It is protected. What we will do really depends on the outcome of the discussions which will be initiated on Friday with the company.

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[*English*]

HEALTH CARE

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, my question is for the Minister of Health.

The Ontario government is embarking on a new system of long term health care reform for seniors which will favour the not for profit home care providers, eliminating the commercial provider agencies. As well 20,000 health care workers are employed in Ontario by the private sector agencies.

What does the minister intend to do to ensure that the federal tax dollars transferred to the Ontario government are spent in a cost effective manner?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, the Government of Canada transfers a great deal of money to the provinces to provide extended health services for home care, residential care and nursing home care. Approximately $550 million goes to Ontario alone.

I must add that the Canada Health Act does not dictate how these dollars should be spent other than to say that they are for extended health care. We believe they are being spent in this manner.

• (1445)

The exercise of how the dollars are spent and how they organize extended health care is under provincial jurisdiction.

I would emphasize however that I believe they should seriously consider continuing private enterprise in terms of jobs in that sector as it is a cost effective manner of delivering the services within some non–profit agencies.

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AGRICULTURE

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, my question is for the minister of agriculture.

Many Canadian farmers say they would like to choose between marketing their product through the Canadian Wheat Board, other grain companies or directly with buyers in the United States or other countries.

What steps is the minister taking to give farmers the choice they want and allow farmers and others to compete with the Canadian Wheat Board?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food): Mr. Speaker, a variety of representations have been received by me on this particular point. The representations go both ways. Some farmers and farm organizations are

strongly advocating support for the Canadian Wheat Board and its traditional strength as a marketing agency on behalf of Canadian farmers. Others are taking a different point of view and supporting the argument that is contained in the question that has just been asked.

As I say, I am receiving a large number of these representations. Some of them propose the notion of a plebiscite as a method of resolving this controversy on the prairies with respect to grain marketing systems.

To those who have proposed the notion of a plebiscite I have responded with a number of technical questions that I think they ought to address and think carefully about before rushing to embrace that particular form of solution.

At this moment in time, to my knowledge, I have not received any replies to those questions but I anticipate I will. That will be a part of the input that the government will take into account as we consider this question.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I have a supplementary question for the minister.

Canadian grain farmers have been demanding for years that the wheat board be democratized and that the board monopoly be brought to an end.

In a recent poll only 29 per cent of grain farmers want the wheat board to remain the sole marketer of barley to the United States.

When will the government stop resisting farmers' requests for more choices in marketing their barley and hold a plebiscite on this issue?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food): Mr. Speaker, in response to the first question, I indicated there were a number of serious issues that those who advocate the notion of a plebiscite might want to consider very carefully, one being the legal basis on which a plebiscite might be held.

Those who recall the previous government might remember that government was ensnared in some rather serious legal difficulties because it acted without the proper legal authority, according to the Federal Court of Canada.

There are a whole range of other questions having to do with the structure, the voting list, the wording of the question and the kind of majority required to carry the question. There are eight or nine technical and logistical questions that need to be answered very seriously before one would rush to embrace this particular proposal.

I have put those questions very seriously and sincerely to those who advocate the notion of a plebiscite. I await, with a great deal of interest, their response to those questions.

[*Translation*]

WORKER ADJUSTMENT PROGRAMS

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Prime Minister. Yesterday the Minister of Human Resources Development stated that the federal government had no plans to introduce specific adjustment programs to help workers who lose their jobs because of recent international trade agreements. Once again, the Liberal government is doing an about–face on a major economic issue. Before the election, the Liberal Party stressed in particular the need for free trade adjustment measures.

My question is as follows: Can the Prime Minister confirm that his government does not intend to introduce specific adjustment programs for workers displaced by NAFTA, considering that this was a sine qua non condition for his supporting NAFTA?

• (1450)

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, in response to the hon. member I would like to point out that in addition to the NAFTA agreement we have also just signed a major agreement on the General Agreement on Tariffs and Trade. A number of other major changes are taking place internationally.

When I answered the question I said we are not providing specific adjustment for one event; we are providing adjustment for all workers affected by major changes internationally and we will continue to do that.

I would simply say to the hon. member she could be far more helpful if she participated in the development of those adjustment programs rather than opposing them as she has for the last several months.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, if the minister believes that the recent reform of the unemployment insurance program is the way to help workers affected by NAFTA and GATT, I would like to suggest some very enlightening reading material to him.

The red book will soon be a source of embarrassment for the Liberals. It states the following and I quote: "Governments must assist individuals and firms to deal with the restructuring that is occurring as a result of trade liberalization. Such assistance is critical to building acceptance of structural reforms in the Canadian economy".

After criticizing the Conservative government so harshly, the Liberals are taking exactly the same attitude. Why are you reneging on your party's commitments?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, first let me say how pleased I am that the hon. member has finally read the red book.

Worker adjustment is a very important concern of this government. That is why we have introduced a number of training and adjustment initiatives as well as program changes and made counselling available. The purpose of job training and social security program renewal initiatives is to help Canadian workers grappling with the problem of change in the business world and with changing working conditions in Canada.

Our government is deeply committed to helping all Canadian workers, not just a small select group.

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[*English*]

VANCOUVER PORT CORPORATION

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, last week the Minister of Transport was asked a question regarding the approval of a casino on the Vancouver waterfront by the Vancouver Port Corporation. He responded that the government has nothing to do with this decision, stating that an independent board is responsible for deciding these matters.

Could the minister explain to the House how this board is appointed and what criteria is used in determining who receives these appointments?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, just to clarify a part of the questioner's premise in respect to the decision, I want to make it clear that the definition of what will be acceptable in any province with respect to gambling or casinos is within the purview of the provincial jurisdiction and that is what I meant in answer to that question earlier from the hon. member.

With respect to the criteria used in making nominations to any boards for which the government will be responsible, the primary consideration of course is competence.

Mr. Jay Hill (Prince George—Peace River): I have a supplementary question, Mr. Speaker.

Both the unions and the shipping companies recommended the reappointment of Patrick Reid, the past chairman of the Vancouver Port Corporation. They all agreed he was doing a great job.

Despite this unusual show of solidarity the Prime Minister and cabinet approved the appointment of Mr. Ron Longstaffe to this $65,000 part time position.

• (1455)

The former campaign manager for the hon. member for Vancouver Centre has been quoted as saying that he has been a supporter of the Prime Minister for 10 years and that is all part of the political—

Some hon. members: Oh, oh.

The Speaker: The question.

Mr. Hill (Prince George—Peace River): The question is does the minister still maintain that the decisions reached by this board are independent and not influenced by his government?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, once the hon. member is a member of a party that develops a bit of history, he also will be able to refer to people who have supported his party for a long time. It is certainly not something that any of us are looking forward to.

With respect to the decisions that are made by port authorities in various parts of the country, it is the intention of the government that local autonomy be an important part of any decision making process.

Beyond that, and I want to make it very clear, at the port of Vancouver, the port of Montreal or any other of the facilities under the jurisdiction of the Government of Canada we always insist on people being appointed who have a national vision of their responsibilities.

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GRAIN TRANSPORTATION

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is also for the Minister of Transport.

The Grain Transportation Agency announced last week that to fill the grain sales of committed grain and the grain that we will be selling until the end of July, the railways need an additional 5,000 hopper cars.

Without these additional cars, grain sales will suffer and the ports of Vancouver, Prince Rupert and Thunder Bay will suffer serious slowdowns. We know the 5,000 cars are neither affordable nor available.

Will the minister order today that all hopper cars be used exclusively within Canada and forbid the use of hopper cars east of the port of Thunder Bay? Will he continue to order under section 17(4) of the Grain Transportation Act the use of truck transportation where feasible so that this grain can get to market?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, I want to thank the hon. member for his question.

We have gone through this before. As the hon. member knows, it was partly in response to his request that we were able to enter into a special arrangement that allowed for trucks to convey some of the grain.

The hon. member will know that the experiment was not terribly successful but we would want to look at any options that will allow for the efficient transportation of grain to market. We certainly will take the hon. member's comments into consideration and come to a decision.

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[*Translation*]

LA FRANCOPHONIE

Mr. Louis Plamondon (Richelieu): Mr. Speaker, my question is for the Minister of Canadian Heritage. We are in the middle of Francophonie Week and the government keeps making high–sounding statements about the importance of the French fact and its place in the world, but in reality its policies in support of Canada's French–speaking people are much less generous.

In view of some discrepancies between his own statements and those of his senior officials, can the minister confirm that funding for the Federation of Acadian and Francophone Communities in Canada will not be cut by 5 per cent?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am pleased to say that we have managed to spare communities such as the one he just mentioned from existing cuts in my department.

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[*English*]

JUSTICE

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Justice.

Last week the media in British Columbia reported two instances of a disturbing trend in the drug trade. In Nanaimo, an undercover RCMP officer went to a residence to make a drug buy. While the suspect was not home, the transaction was completed by her eight–year old daughter. Likewise in another undercover buy in Vancouver, the drug dealer used his six–year old son to carry the drugs.

What steps is the minister prepared to take to protect children from this criminal exploitation?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. member has touched on a subject of grave concern to members of the government. I saw those reports last week and was horrified by them as I am sure the hon. member was.

As I said on January 27 when I spoke in the debate on the speech from the throne and outlined the initiatives we have in mind for both strengthening the criminal law of the country and focusing on crime prevention, we will not tolerate conduct that induces children into the commission of crimes.

• (1500)

I said at that time that there are sections now in the Criminal Code that make it a criminal offence to use children in the commission of crimes and I called upon the provincial authorities to enforce those provisions vigilantly. I intend to continue in that effort. Beginning tonight, I am meeting for two and a half days with my provincial and territorial counterparts.

This among many other important justice issues is on the agenda. I can assure the hon. member we will take all reasonable steps to ensure that this does not happen again.

The Speaker: It being 3 p.m., I have a point of order from the hon. Minister of Transport.

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POINTS OF ORDER

VEHICLE SAFETY

Hon. Douglas Young (Minister of Transport): Mr. Speaker, I want to rise on a point of order to respect an undertaking I made in this House on March 11.

On that date in responding to a question from an hon. member I expressed the concern many of us had about the safety of minivans as a result of some reports in the press. I indicated I would have my department look into the matter because it was a serious question.

I am now able to report my officials have informed me that testing results and accident data indicate that minivans offer a level of passenger safety comparable to that of other passenger vehicles.

I would point out for the benefit of members that there is no requirement for minivans to be equipped with bumpers because it has not been demonstrated they would improve the safety of vehicle occupants.

Mr. Speaker, I thank you for permitting me to respect the undertaking I made in the House several days ago.

The Speaker: I am sure the hon. minister recognizes that there could have been other venues but I am glad he shared the information with this House.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—JOB CREATION

The House resumed consideration of the motion.

Mr. Ted White (North Vancouver): Mr. Speaker, the motion before us today as proposed by the Bloc Quebecois reads that this House deplores the absence of vision and concrete measures from the government with regard to policies directed toward job creation.

It seems to me that actually this House should be saddened by the absence of vision of this government in terms of job creation.

It certainly saddens me that the leaders on the government side have been in politics for so long that they really have no idea any more of how jobs are created in the private sector.

During the 1993 election campaign the now Prime Minister took the position that the economy simply needed a kick–start and that the infrastructure program proposed by the government would be that kick–start.

At the time the leader of the Reform Party stated that trying to start the Canadian economy with a $6 billion infrastructure program was like trying to start a 747 with a flashlight battery.

Six billion dollars represents such a tiny portion of the gross domestic product that any effects of it are probably impossible to measure. If I were grading the performance of the Prime Minister I would have to say that he earned a *D* for believing it was possible to kick–start the economy with a $6 billion infrastructure program. If he were playing a game with the public vote I would have to award him an *A+* for his ability to convince the public that this would actually work.

Just how much of a kick–start to the economy is this program? Statistics Canada puts the gross domestic product for Canada for 1992, that is, the sum of all the goods and services produced, at $688.5 billion. The $6 billion job creation scheme at $3 billion per year for two years represents just .44 per cent of the gross domestic product. That is less than half a per cent of the gross domestic product. How could anyone seriously think that could kick–start the economy?

• (1505)

To put things in perspective, it is a little bit like a family with a gross income of $60,000 per year winning $264 in Lotto 649. What difference would it make to its living standards? It would not even pay for the kick–starter on a motor bike.

I have to wonder whether the members on the government side ever bothered to do the calculations or whether they just took the red book at face value. If they just accepted the red book proposal without doing the calculations then every single one of them should be ashamed for failing to show leadership, for failing to do the basic research that is essential if we are to be leaders.

On the other hand, if they did the calculation and came to the obvious conclusion, realized the implications and still failed to tell their constituents then they should be ashamed for deceiving the voters. There is no way out for the government members. They must admit to lack of research ability or they must admit to deception.

Reluctantly I must give them all a *D* for deception or an *F* for failure.

Think about who is paying the price for this boondoggle. The federal government is putting up one third, the provinces are putting up one third and the municipalities are putting up one third. There is only one taxpayer. Clearly this money has to come from the taxpayers and since the federal and provincial governments are running deficits, obviously it has to be borrowed. At the municipal level at which they are not permitted to run deficits it will obviously increase property taxes.

The whole program is a disgrace. We may benefit in the short run but it will be our children and grandchildren who carry the mortgage into the future.

I know that government members are itching to say: "Will you take the share of the infrastructure program in your riding?". I know they think they can paint me into a corner on that. The people of North Vancouver have to carry their share of the debt burden for this program so it is only just that they take their share of it as well.

Nobody wants to pay interest on somebody else's loan for infrastructure and neither do the taxpayers of North Vancouver want to pay interest on somebody else's infrastructure program in Canada. We will take our share but it does not mean that we agree with the program.

Prior to being elected I was in business for 13 years. I owned and managed a successful communications company with a staff of 10 until 1990 when I sold that business to start a leasing company. That company specializes in leasing to the small business sector, particularly home based businesses. Many of my friends are business people employing staff in the range of 10 to 15. I understand small business and I know what helps create jobs. I know what it is like to meet a payroll. I also know the job killing effects of excess taxation.

This is something that many of the government members do not know because they have always worked in the public sector, they have always been aldermen, they have always been politicians. How could they know what it is like? Their pay cheques arrive in their bank accounts each month and they have always done so. It is easy for them to broaden the tax base because they do not have to foot the bill.

However, let me explain what is like to be in a small business in which everything is so competitive that one does not get the choice of raising the prices the same way that the government can raise taxes.

On the sale of a fax machine for $600, a typical dealer in that industry will make about $75. That is the gross profit. In B.C. the combined GST and PST comes to $84. The two levels of government get $9 more than the dealer does for the sale of that product. Out of the $75 the business has to pay all the overhead, the salaries and the commissions and, if there is anything left over, 25 per cent tax on what remains.

In any particular month a business may have to remit income taxes, employee deductions, GST, PST, municipal taxes, workers compensation and property taxes. It is very disheartening for small business people to be remitting two or three times as much tax as they make for the companies and themselves. This is the single biggest disincentive to job creation. It causes business owners to avoid expansion. It causes them to avoid staff hiring because of the support costs. It encourages an underground economy full of cash only deals. Excessive taxation is killing jobs and forcing honest people into a tax revolt.

• (1510)

Compare this situation with a place like Hong Kong where the tax rate for corporations is only around 15 per cent and the unemployment rate is only 1 per cent. Nobody minds paying their taxes when they get to keep 85 per cent of what they earn.

It is time that this government admitted it has a spending problem, not a revenue problem, and began taking steps to drastically reduce government spending. If it would do this the business sector would realize that something is finally being done about government spending, confidence would be restored and there would be a promise of tax relief in the future. This would encourage business expansion and the creation of new jobs.

I know this is true because I am from the small business sector, which is more than many of the government members can say for themselves. The light at the end of the tunnel would turn back on again and companies would begin reinvesting in new jobs and expansion.

We need to move the emphasis away from the public sector. We need to move it away from the public sector to the private sector if we are ever going to again experience a strong and healthy Canadian economy with the potential for adequate new job creation.

This House should be saddened by the lack of vision of the government side and I urge the government to take a real look at the situation. It is not magic, it just common sense. If we could get our corporate tax level down there would be a rush of all those businesses that have relocated into the United States back into Canada to create jobs for the people who need to live and work here.

Mr. Alex Shepherd (Durham): Madam Speaker, I would like to thank my hon. colleague for his speech and assure him that I come from the small business sector as well. I am a chartered accountant and worked many years with small businesses and I even have two or three of my own small businesses still in operation. Much to his chagrin, that is just not the case on the government side of this House.

The hon. member made a comparison between Hong Kong and Canada. That is very easy to do. He talks about a 15 per cent income tax rate, but he did not really tell us about whether Hong Kong has a medicare system or whether it has other kinds of social welfare systems that the people of Canada have learned to expect and live with.

I wonder if the hon. member could mention some of those points.

Mr. White (North Vancouver)): Madam Speaker, I thank the hon. member for his two questions.

I am pleased to know that he has been involved in the small business sector. As a chartered accountant, which he says he is, he would know the tax difficulties that small businesses face. An accountant spends most of his time trying to help small businesses with their tax problems. Everybody knows that the taxes are too high.

I would also thank the member for bringing up the situation of Hong Kong. I put it into my speech exactly to elicit that sort of question.

Obviously Hong Kong is at the other extreme from Canada at which there are no social programs but everybody is working because they absolutely have to.

I would not suggest that we turn Canada into that sort of situation. I do believe that there is a position somewhere between where we are now and the situation that is represented by Hong Kong that would be a much better place for Canada to be today.

Mr. Julian Reed (Halton—Peel): Madam Speaker, in listening to my friend in the Reform Party talk about the $6 billion as representing such an infinitesimal part of the gross domestic product, it makes me wonder if he has ever been a farmer or ever been a gardener and planted a seed. When one plants a seed it grows and it bathes in the sunlight and takes nutrients from the soil and multiplies. That is exactly what this infrastructure program is intended to do. It is the seed that we have planted.

• (1515)

In the great riding of Halton—Peel I have had reports from the municipalities which say that the choices they have made for infrastructure renewal will have a spin–off effect in those municipalities for the next 10 to 15 years. Therefore, I would say to the hon. member that when he is thinking about this investment in infrastructure this is not just a two–year wonder that will employ a few people and then end. If the projects are well chosen, I can assure him that it will help greatly with economic renewal in this country.

Mr. White (North Vancouver): Madam Speaker, I thank the member for mentioning the $6 billion job creation program again. The B.C. share represents only .33 per cent of the spending on infrastructure for this year. It is very tiny.

The member raised the comparison with a seed. Before getting into this position I used to grow my own vegetables so I know how a tiny seed can grow into a very large plant. In this case, although the government may have the intention of planting a seed and having it grow, we all know in our hearts that it is not going to work. There may be the occasional good program that comes out of this but there are plenty of examples already. I made a statement in this House about this a few days ago. There are already many examples of where this infrastructure program is being used for political rewards: private boxes in stadiums and things that do not contribute to the overall benefit of society.

Mr. John Harvard (Winnipeg St. James): Madam Speaker, I have a couple of comments and a question for the hon. member from Vancouver.

I do not think we Liberals need to take any lessons from the Reform Party when it comes to small business. We realize how important small and medium sized businesses are to the economy. It has been said many times and I will repeat it here. Small and medium sized companies have produced about 85 per cent of the new jobs in this country in the past few years. They are an important segment of the economy.

I would warn the hon. member from Vancouver to be careful in his simplicity about reducing taxation. I know that taxation is sensitive and one can take taxation too far with respect to business. In many cases we have taken it too far. When he uses the Hong Kong example, I can come back with the example of the United States of America which has an unemployment rate of about 6.5 per cent. It sounds good at the surface but there is an enormous price to pay for that because of their inability to distribute wealth in any reasonable way. The United States of America has an enormous problem when it comes to poverty. Poverty turns into disaster. There is the matter of crime in the United States. It is directly attributable to poverty.

When the hon. member talks about taxation he should also be very mindful about distribution of wealth or does he not care about the distribution of wealth? Would he just leave it to the marketplace and all of its inherent injustices?

Mr. White (North Vancouver): Madam Speaker, since I have to be brief I will only make a comment on the distribution of wealth.

It is well known that if one took 100 per cent of the income from all of the people who earn more than $100,000 a year and gave it all to the poor, they would get a couple of hundred dollars each. What use is it taking money off people with high taxes on this pretext of redistributing wealth? It does not work.

• (1520)

Hon. Roger Simmons (Burin—St. George's): Good afternoon, Madam Speaker. I extend my congratulations on your Speakership. This is my first opportunity when Madam Speaker was in the chair to say that and I wanted to very much.

Now I want to do some other things. My good friend from Mercier brings before this House a resolution. Let me say something else, Madam Speaker, that as long winded as I love to be, I am going to be all of 10 minutes because my good friend from Durham is going to follow me for the second 10 minutes of our 20 minute period.

My friend from Mercier would have the House deplore the government's lack of vision and lack of concrete measures relating to job creation policies.

I say to her that is a marvellous resolution. It is certainly grammatically correct. All the words are in the right place. It is procedurally correct. It is in the correct form for the House. It is certainly politically correct. That is what an opposition normally does. It says that it is not good enough, we want more.

Procedural, political and grammatical are three of the four litmus tests that one must always apply to any resolution before this Chamber.The fourth is whether the motion is substantively correct. Is it correct in substance?

My friend from North Vancouver as always is in the Chamber. He is nodding so vociferously I have a feeling he has something going with the member for Mercier. He must have written the resolution. He is pleased with the wording in the resolution and annoyed at me for suggesting it might not be absolutely letter perfect.

How gracious do you want me to be? I have already conceded that it is at least three parts correct, so we are 75 per cent of the way there.

Let us look at the other 25 per cent. Is it correct in substance? By analogy I say to her you can lament the poverty of a rich man, but that does not render him poor. You can cry in your beer about the low alcoholic content of your beverage, it will dilute the beer, but otherwise will not prove your overall thesis.

The smart thing to do, I say to the member, before rushing out to deplore, to lament or to cry in your beer is to analyse the beer, find out what it is you are about to deplore, and satisfy yourself that you know what you are talking about before you begin deploring it, let alone talk about it.

What are some of the cold hard facts? There are several, but there is a word in this motion, I love it, vision. Vision connotes something down the road. It suggests that somebody back there had some perception of what ought to be or what might be and so you say to yourself: "Who's the author of this resolution". Ostensibly it is the member for Mercier, my good friend, but just possibly it is her House leader.

• (1525)

Just possibly it is her leader. Just possibly it is a committee project. Perhaps all 54 had a hand in this. I do not see too many taking credit, but let us give her credit. She is at least the author of record and she uses the word vision. Let us look at the vision of the author because it is very insightful.

Could it be the same author who wrote a document called "A New Party for the Turning Point" last May? Could it be the author of a document that was circulated widely during the election of last fall in Quebec? Could it be the document that talked extensively about the separation of Quebec? I understand that because it is a publicly stated part of the party's platform. I have no difficulty as a matter of principle with that being in the document. It would be deceptive on the part of the party if that were not in the document. I do not decry that. However, since this is a party that decries the lack of vision of others then the implicit question is this: How about its vision on this same subject?

We go to the document. They had a fair amount of hindsight on page 7 of the document, the first reference on employment. It says that naturally there has been a considerable increase in unemployment. That is not exactly vision. It is not a bad observation but it is based on past experience, not on what might be.

Then we slave through the document, which makes for some pretty good reading actually, and wind up on page 22. On page 22 there is a table which again, for the second time now in 22 pages, refers to job creation by name or by inference.

There it says that in 1988–89 the federal government spent $2.7 billion on job creation exclusive of transfer payments. That is not bad but it is also hindsight. It is also what has been. There is not one solitary sentence about what the vision of the member for Mercier would be on the subject she now deplores.

What are the cold hard facts? I suppose a not too cold but certainly hard fact is: "66,000 lost jobs returned", a story a week ago in the *Financial Post*. Another not too cold but certainly hard fact: "New jobs jump in February" in the Toronto *Star* a week ago. These are some of the hard facts, not particularly cold.

"Job rate drops to 11.1 in February". My good friend from Calgary Centre enters the debate. I am so glad to see him. His favourite paper, the *Globe and Mail*, says that the job rate dropped to 11.1 in February. These are just a few of the cold hard facts.

I see my time is quickly running out. Let me come to one more issue. The issue is Chicken Little, the sky is falling. The easiest thing in the world is to say that everything is wrong with the world. The easiest thing to say is that the sky is falling. Unless members have some information for me to say how they are going to prop it up, I do not want to hear it. If I am going fast, I would like to go without knowing.

It is true whether on the issue of separation from Canada or on the issue of job creation that my good friend from Lac–Saint–Jean, the Leader of the Opposition, had a Damascus road experience, no question about it. The day he left the Tory cabinet, he had a true Damascus road experience.

For those members who are not as biblically correct as I pretend to be, Paul on the road to Damascus did a 180 degree turn and saw a light. The member for Lac–Saint–Jean did a 360. He did a turn on the road, but when he finished turning he was still going in the same direction, away from the light.

I stick to the issue of job creation. He realizes that the party he aided and abetted for a number of years was on the wrong track economically, with regard to national unity and a number of other issues.

• (1530)

I respect his decision to see the light. What I lament about with his behaviour is that he did not just do a turn, he twirled. He turned not only into the light but back away from it and in the process missed a great opportunity to not only to help build a great country but to get more young people, more people of all ages, back to work. That is what I lament over.

That is why the deploring in this motion is about all the wrong things. The basic premise of the resolution does not bear scrutiny. I appeal to the members of this House to treat the motion for what it is worth, a politically correct motion that the Official Opposition was obliged to move. We respect its adherence to political correctness. We appeal to the House to do the right thing and stick by the government which has a program for youth, an apprenticeship program, that I could go into. I have pages. I have not even started my several page speech here.

There are so many things we are beginning to do. Have we done it all in four months? Not quite, but we are working on it.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Madam Speaker, I listened carefully to the hon. member's parody. I think he should immediately sign up, in fact I strongly recommend that he sign up with the Quebec national theatre school. There, he will find an appropriate forum to put his great public speaking skills to the service of Quebecers first and Canadians second. As far as I am concerned, his approach with respect to the people of Canada and Quebec is unacceptable. He has tried to play on the word "vision" and make a joke of it. However, we must admit in this House that the Liberal government has indeed lacked vision in all the projects it has proposed so far.

I will simply remind my hon. colleague that 400,000 jobs are presently vacant with no one to fill them for lack of training, of adequate training that is. I will also remind him that we have 1,500,000 unemployed people in this country. So, can he make a serious commitment to put everything having to do with manpower training, duplication and overlap in the hands of the provinces so to speak, to allow surpluses to be made and millions of dollars to be set aside to help our young people to create, to be creators instead of mere welfare recipients? Is he prepared to admit or submit to his government that job training should come under provincial jurisdiction?

Mr. Simmons: Madam Speaker, I thank my colleague and friend from Chicoutimi, a man of great vision and foresight, the first person to recognize my skills and qualifications for the Quebec national theatre.

[*English*]

Despite the member's opening remarks about my parity and so on, I am sure what I was doing did not escape him at all. In effect I was saying practice what you preach and preach what you practice.

• (1535)

In the opposition's document of last fall there were only two fleeting references to unemployment and both related to past or current events. Neither gave any indication nor any inkling as to what the Parti Quebecois would like to see done insofar as the issue is concerned. It is difficult to preach to others if one does not have the solution. That was the thesis of what I was attempting to say. If I said it badly I apologize to my good friend from Chicoutimi.

Mr. Ian McClelland (Edmonton Southwest): Madam Speaker, as always the hon. member for Burin—St. George's said what he wished to say eloquently. It is absolutely amazing how he is able to say so little but so well. I applaud the hon. member.

As this is such an exceptionally serious topic that we are debating today and the hon. member knows so well that his home province, of all the provinces, suffers the most from unemployment, could he say something about having the portability of labour across the country that includes Quebec so that people from all parts of this country can go wherever they want to find employment?

Mr. Simmons: Madam Speaker, I thank my friend and colleague from Edmonton Southwest.

Let me first address his concern about my style of speaking. Newfoundlanders in the foyer at a funeral tell jokes. That does not mean they are glad the guy is dead. That means they have a very particular way of dealing with an issue. If we can get a message across with a bit of humour or relieve a situation with humour we do it. Whether it works is for others to judge.

However, the subject is deadly serious. I can give the member an example that we have chafed under for a long time in Newfoundland. If the member knows the border between Labrador and Quebec he will know that there are two communities, one called Labrador City just east of the border and one called Fermont, Quebec just to the west, 12 miles from Labrador City. The person who lives in Fermont can drive down and work in the drug store or the shop in Labrador City, as she does and has for many years, but the son of the guy who owns that store cannot get a job in Fermont, Quebec. That has gone on there for many years. That is wrong.

The lack of labour mobility across this country is wrong and discriminatory. It has caused a fight between Ontario and Quebec recently. I concur completely with my colleague that—

The Acting Speaker (Mrs. Maheu): Resuming debate, The hon. member for Durham.

Mr. Alex Shepherd (Durham): Madam Speaker, it is always a great delight to follow my hon. colleague, the member for Burin—St. George's.

Concerning this motion brought forward by the hon. member for Mercier, lack of vision and lack of concrete measures relating to jobs, I have to speak against it.

I want to talk about unemployment. Unemployment in this House has been regarded as something bad, something unfortunate, something systemic of our capitalist society and something that is wrong about where we are going in our life.

I would like to give a little history lesson, going back to the 17th century when people did not understand the concept of unemployment, when people worked seven days a week and basically dropped dead from work. There was no such thing as unemployment. They had to survive by working day in and day out.

By the 19th century we were into the industrial revolution. Things were not necessarily any better but there was a better standard of living. People started to live longer. By the time we got to the 20th century and the Second World War we discovered that we had developed all kinds of new technologies, all kinds of things that made our businesses and our lifestyles more liveable. We discovered that we did not have to work the long hours we did in the past.

• (1540)

Around that same time the labour force participation rate in Canada went up. In other words, more people, mainly females, joined the workforce. We had a huge increase in the supply of labour, all at the same time that our technologies were becoming innovative.

Now we are abreast with the 21st century. This is a knowledge based society. New technology has come to the fore: computers, computer graphics, laser technology, all kinds of new innovations that have made this the knowledge based society.

What has this done? This has created even further unemployment. I wonder if people could put their eyes on the concept that unemployment is merely a factor between needed productive hours and productive capacity. By that I mean we need *x* number of labour hours to produce our output. The reality is that these relationships have been changing over time. As we become a more technological society, we suddenly discover we need less labour input.

I question whether this is a failure of our system or whether it is something to be proud of. Are we evolving into a society in which we have to work fewer hours?

I can remember when I was very young my parents working six days a week. During my working years we have all worked five days a week. The question is do we need to work as many hours as we do and why are we working as many hours as we do? Maybe we are chasing a materialistic society. Maybe we are chasing all kinds of things that we do not really need.

The reality is unemployment has continued to go up from the 17th century right up until today. We can look at a number of features if we want to focus on the unemployed; those 1.559 million people currently out of work in Canada, plus a certain number of those on welfare, who could be gainfully employed.

As a consequence we have a huge mass of people not working. At the same time we have people in our workforce who are working 60 hours and 70 hours a week. Clearly the problem with unemployment is not that it exists but that it is concentrated in a small group of people. Unfortunately it is getting larger.

What is the solution to this problem? The problem is that unemployment is concentrated in the youth, the unskilled and in those who have watched their skills change. This is probably a growing sector of our unemployment. Those people possibly in their forties who started off in the job market believing that they had a job for life have found that structural unemployment has caught up with them and put them out of a job.

How are we going to change our unemployment rate? Our unemployment rate, as I mentioned, is merely a factor of required labour hours. Either we increase the number of labour hours by increasing our business activity or we change the labour hours to some extent. I will leave the debate about changing labour hours for another day.

Basically our other orientation is to increase the number of required labour hours by increasing productivity. Within that parameter of increased labour hours we also have to look back at the pool of the unemployed, the people who are unskilled, those people who have structural change in their lives where their skills have disappeared and the youth who possibly have dropped out of school at a very early age and similarly are unskilled. How could we address increasing the number of labour hours? We can do it in two ways. We can increase our productivity.

• (1545)

The government has enacted legislation regarding a reduction in payroll taxes. It would reduce the costs of businesses to employ people. It would create an incentive for businesses to employ more people and to expand in our society. It would create a demand for more labour hours. This is something our government has done, and I go back to the original motion, in terms of concrete measures.

We have implemented an infrastructure spending program to create assets, to create productive resources. One municipality in my riding has agreed to increase the size of its arena. It has an employment policy to employ local workers. People who are unemployed will be working. There is a promise of work. The infrastructure spending program is what I call seed capital because it has a tendency to grow. If a job is created for one person working on the arena, he goes downtown and buys more products. He consumes more. He creates more jobs. It is a way to increase productivity.

We have addressed to some extent the need of small and medium sized businesses to have access to better capital. We have done it in a number of ways. We have talked about implementing a code of ethics with the banks to allow small businesses better access to capital markets. We will also implement other programs to deal with access to equity capital markets. Once again it will give business an incentive to create new jobs.

Another initiative of ours is the information highway. It is another aspect of 21st century technology; it brings Canada into the 21st century. It is the second stage of our technological revolution.

Finally, we have to increase the opportunity for wages and employment. We have to look at the pool of unemployed people. Do not mistake what I have said. I did not say it was good that all these people are unemployed. I am saying that unemployment may be with us for a long time. It may be an asset if we handle it properly.

To effect skills so that people who are unemployed today have better access to the job market when expansion occurs we have the youth corps. It will teach some skills to young people who are currently unemployed and have dropped out of the high school system. We have implemented an apprenticeship program to give young people and others job experience. It will give better skills to those people whose skills have shifted over the years.

The original motion refers to lack of vision and lack of concrete measures. That is not so.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Madam Speaker, again, in his speech the hon. member referred to this famous infrastructure program. Let me tell you that this program which, according to government members, should solve the unemployment problem in Canada, is in my opinion simply a way to shift the deficit burden to the provinces.

• (1550)

The deficit burden is and will continue to be off loaded on the municipalities since—and I have the figure to prove it—several municipalities in my riding, before they can participate in this infrastructure program, will have to invest an amount about equal to their federal subsidies.

Let me also point out that municipalities willing to participate in this infrastructure program but unable to afford it will have to increase their debt load. Who will pay for this? It is always the same taxpayer who must pay, whether the money comes from the federal, provincial, or municipal government.

I would like to hear his opinion on the money that Canadian taxpayers will have to spend on the infrastructure program, without solving the unemployment problem in Canada and Quebec.

[*English*]

Mr. Shepherd: Madam Speaker, I thank the hon. member for his question. Basically he is quite right. There is only one taxpayer in Canada. The question is how to best utilize our economic resources so that we create employment. The infrastructure spending program, as I just mentioned, has an expansionary effect. In other words as people go back to work they start paying taxes and reducing the deficit. Clearly we cannot continue with such high levels of unemployment. The real way to reduce our debt is to get a lot of people back to work.

I am always amazed hon. members to my left invariably talk about the federal deficit as if it were some kind of unusual phenomenon of the Canadian federalist system. The province of Quebec has a debt. The province of Ontario has a debt. France has a debt. The United Kingdom has a debt. There is nothing unique about the federal government deficit. They all have debt. The problem is that we have to deal with it.

Trying to turn this whole system on its head and blaming the federal government for the fact that we have to pay interest on our federal debt is not a realistic argument.

Mr. Jim Gouk (Kootenay West—Revelstoke): Madam Speaker, with regard to the debt and the infrastructure program, has the hon. member considered the whole concept of the amount of our debt and what we should do with regard to it?

Unemployment is a direct result of overtaxation. Canadian consumers have less disposable income and consequently companies have more expensive products with fewer people trying to buy them. The infrastructure program should be dealt with as an infrastructure program and nothing else. It does not create any permanent jobs. It increases government debt.

Mr. Shepherd: Madam Speaker, I will give the hon. member a brief example. The erection of a building will create technological innovation for my riding. I do not believe once the building goes up the function that goes on there will suddenly not have an ongoing factor. It is just the reverse. I believe infrastructure spending will continue.

By the way, why do we not talk about Japan? Japan has a surplus and it still has unemployment.

[*Translation*]

Mrs. Monique Guay (Laurentides): Madam Speaker, I am always keenly interested in taking part in a debate when the subject is job creation. The subject becomes all the more stimulating when we tack on the words "concrete measure" and the mandatory "urgent". Concrete and urgent action. That is what hundreds of thousands of unemployed people are expecting. It is absolutely essential that these words be reflected in the government's day–to–day initiatives. The ministers who have the means to improve the horrendous job situation quickly and efficiently have to realize that when the will to introduce concrete and urgent measures is lacking, the government is condemning hundreds of thousands of unemployed people to harsh, intolerable living conditions.

• (1555)

The extent of the unemployment situation has harmful consequences and deeply affects our social fabric. Unemployed persons, along with their families and children, quickly find themselves living in hellish conditions, without adequate financial resources. Day–to–day survival becomes a problem. Tensions mount and the pressure increases as the unemployed scramble to meet basic needs. Many households experience crises, dramas and break–ups.

Intolerable living conditions brought on by unemployment affect the mental and physical health of those involved. In the long term, significant social costs are incurred and it is we who ultimately must pick up the tab. These things are happening in every one of our ridings and the situation is deteriorating. Our social fabric is unravelling and the public's anger is simmering. The Prime Minister can say what he likes but the way he was welcomed last week is proof that the public is fed up with pious wishes and nice speeches.

The people no longer believe in promises. They want action to get them back into the labour force quickly. If the members opposite fail to understand the message and to respond quickly

to the demand for jobs, they will expose our society to more serious problems very soon.

If the government does not pay enough attention to the repeated warnings heard in recent days, I sincerely believe we are moving towards a dark future. Our children will pay for this inertia. For some such as the well–off, including some of the members opposite, the daily problems of the jobless may appear trivial, not very important, since their own current assets allow them to secure their descendants' future. If I were in their shoes, I would worry and start asking myself serious questions.

We have seen great empires melt away because of crises caused by serious socio–economic problems. In my riding the situation is alarming: over 30 per cent of the labour force are out of work. Worse still, these people see no light at the end of the tunnel. Signs of employment recovery are non–existent. The members opposite promised us job–creation measures. They said over and over it was their priority with a capital "P". Where are these measures? Where is this well–publicized job–creation plan?

The people in my riding are now seeing the Liberals' lack of imagination and unwillingness to create jobs. The government is falling back on its infrastructure program, which is clearly insufficient to put people back to work. What a crock! It is not a project creating or maintaining 45,000 temporary jobs that will restore confidence to the 1,559,000 Canadians and 428,000 Quebecers without jobs.

For workers, it is disappointing to see this government take an almost passive attitude in the face of the unemployment crisis. It throws out a few crumbs and then sits and waits for the expected economic recovery to turn the situation around. However, economists agree that this recovery will not bring a miraculous increase in the number of jobs. Miracles do not happen in this world, as the members opposite know full well. So what are they waiting for to take action? What are they waiting for to innovate, introduce new programs, stimulate the economy wisely?

• (1600)

Nice speeches are not concrete and urgent measures to create jobs. In my riding, the infrastructure program will create or maintain only a few hundred temporary jobs. It is not very convincing from a party that proclaimed itself, before October 25, of course, the saviour of the economy and the great creator of lasting jobs. It already admits that these measures will only have a minor effect on unemployment, since the budget forecasts that the unemployment rate will remain around 11 per cent in 1995.

The government always says it cannot do more given the current financial situation. The lack of money has become the favourite tune of the members opposite whenever the Canadian people ask them to invest more money. This tune is unacceptable. In its last budget the government decided not to trim fat or eliminate waste. Had it listened to us and shown the will to thoroughly examine all these programs, it would have had enough financial leeway to foster and invest in job creation. But it has made its bed and must now lie in it.

In the March 21 issue of *La Presse*, we read that 1,000 Canadian entrepreneurs will participate in the Expo 1994 trade fair in Mexico. This is not a bad thing. These business people will test the ground and look at the opportunities offered by that country's 86.5 million people. This is all well and good but when these entrepreneurs need help to penetrate that market, what kind of support can they expect from a government that decided to maintain waste and fat instead of giving itself greater flexibility? Fat and waste are not concrete and urgent job–creation measures.

The same applies to small and medium–sized businesses. They must be supported in their development and their plans for the future. Where is the Liberal government's flexibility? It does not have any, just crumbs that do not allow for real development. Our economy is based on regional small and medium–sized businesses. We must stimulate, even favour their creation. The government must get out of its rut and support dynamic environments such as universities, polytechnic schools and engineering departments; it must go there to find new ideas and people able to start new small and medium–sized businesses.

If the members opposite just sit and wait for an economic recovery, do you really think the economy will pick up? So far, the Liberals have not shown any vigour, any new idea in their job–creation strategy. Roads, aqueducts, sewers, viaducts and bridges are all they came up with. They will create or maintain small, precarious jobs, spend some $2 billion without, in the end, investing anything in new medium and long–term projects, when such projects could create jobs in addition to stabilizing and strengthening our economy.

Madam Speaker, I would now like to draw your attention to an issue I deeply care about, which I have often raised with the ministers opposite. It is the construction of new social housing units and co–ops throughout the country. As we know, the Liberals have maintained the Conservatives' decisions in this area. Low–cost, co–op and non–profit housing programs were abolished on January 1st; from now on, not one cent will be spent on providing decent accommodation for the 1,200,000 Canadians in urgent need of housing.

Yet, these programs aimed at helping the poorly housed also created many jobs.

• (1605)

Statistics indicate that building 1,000 new housing units generates 2,000 jobs in the construction sector. That is a lot of jobs. We kill two birds with one stone: Employment is stimulated and living conditions are improved. I am convinced that

many contractors and construction workers in my constituency would be very pleased if several hundred social housing units were to be built in our riding. This would be a concrete social measure which would be beneficial from a socio–economic point of view. Unfortunately, members opposite decided otherwise. They chose to leave poor families in slums and instead go for fat and waste. This, for me, will always remain a shameful decision.

When we talk about employment, we must necessarily deal with professional training. In that regard, we are all aware that a significant amount of public money is wasted because of program duplication and the federal government's interference and desire to control and centralize.

For a long time now, there has been a consensus in Quebec to the effect that the federal must delegate all powers to the province regarding this field of jurisdiction.

It has been clearly demonstrated that the vocational training system in place is more and more obsolete. In Quebec alone, $250 million could be saved every year by eliminating overlapping. The system shows obvious flaws under the pressures of new technologies and new forms of work organization. In fact, the system does not allow individuals to quickly and adequately meet market needs. It is too burdensome, slow, complex and costly. The federal government interference in this field is certainly not conducive to promoting an efficient training system. It is individuals who pay the price for this interference. The system simply does not work. Individuals and labour markets are both adversely affected. We, Bloc Quebecois members, are asking the federal government to completely withdraw from this sector. However, as long as Quebec remains part of Canada and keeps paying taxes, the federal government will have to transfer to the province its fair share of public money. This patriation will finally allow Quebec to train efficiently and quickly its manpower, based on the needs of the labour market.

This is another concrete measure which will help develop the ability to work of the unemployed, and consequently reduce the unemployment rate.

In conclusion, I ask members opposite to take a close look at reality. Good horse–sense should tell them it is time to shape up and have a vision. Look beyond the immediate future. Try to see what the next few years hold; try to see what will happen with labour and consumer markets, services and products of the future, as well as new technologies. Look at all this and try to find initiatives which will make us ready. If you do not undertake this exercise and come up with a vision now, in ten years we will still be building roads to support our economy. I am very aware that this technique was once very profitable for old parties, but individual workers want more than just using a pick and a shovel for a short while to earn a living.

Our workers are intelligent and they want to be considered as such. University students work very hard for three or even five years to earn their degree. And then what do they find on the job market? Nothing. Absolutely nothing. Yet these people represent our future: they have all the skills and knowledge necessary to rebuild the economy.

I ask the government to open its eyes wide and invest in real employment, as opposed to short–lived programs, so that all these young people can have a future.

• (1610)

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Madam Speaker, I have some esteem for the hon. member and I was a little disappointed—I understand that she belongs to the Official Opposition—when she made comments like "cut the fat" that feed into people's fears, this dishonesty propagated by members of the Reform Party.

As a former deputy minister, I saw how much fat there was, and there was not so much because we have been cutting the fat for years. This does not mean that we cannot review what is going on to see if we could do better. But I find the suggestion exaggerated, not to say dishonest—that would be unparliamentary. It gives the impression that we could wipe out the debt, the deficit and everything else. I have so much esteem for my colleague that her statement surprises me. If I misunderstood her, she can correct me.

This proposal before us today lacks a certain credibility. It is incredibly gloomy and pessimistic. I would never believe that my colleagues in the Bloc are so pessimistic and gloomy. Frankly, it pains me; I think that I will throw a little party to try to cheer them up a bit.

When they talk about housing, they talk about a certain kind of people and they use what is going on in an attempt to give a very wrong impression. They do not talk about the $100 million to be spent over two years to repair houses across the country. They do not talk about the $2.1 million to be used to maintain 650,000 existing homes. They do not talk about the $170 million in savings. And the hon. member does not know if there might be some social housing initiatives. How pessimistic: everything is dying or falling apart.

What really bothered me is that they do not understand. Do they not listen to what is going on? They talk about the infrastructure program as if it were only about spades and shovels, but she did not study the programs, because there are very few spades and shovels. We are talking about a training network across the country. Is that spades and shovels? We talk about setting up high–tech companies. Is that spades and shovels? Yes, you have to break the ground with spades and shovels

to build the building so that we can have information networks, but their view is very narrow. They do not see beyond spades and shovels. I find that very disturbing.

When we talk about small and medium–sized businesses, for example, we have known for a long time that more than 85 per cent of jobs come from such businesses. We know that these businesses need capital. We know that they need to invest in research. We know that they need to group together and that is what we are doing. It is too bad that my colleagues in the Bloc do not understand that it is happening.

Why did they not talk about summer jobs that will increase by 20 per cent? Did they not know? Are they badly informed? Do they not have a research office? Do they not talk about it? What is going on? Did they talk about the Youth Service Corps? No, they did not! Did they talk about the apprenticeship program? No, they did not! There are so many good things that could have been mentioned, but no, all they see is doom and gloom. What a pity!

Maybe the hon. member would like to react to what I said. If I misunderstood, I will gladly apologize with a big smile.

Mrs. Guay: Madam Speaker, our dear parliamentary secretary certainly has acting talents. He sings even while talking to us.

About the fat, he may not like that term, but it refers to tax shelters, to family trusts and that sort of thing. It is not mentioned explicitly but that is what it is about.

• (1615)

That is where cuts should be made to be able to invest, to invest in jobs, in social housing, in social housing construction projects. We have been given the same old song and dance about social housing since the beginning by this Parliament. No investment has been made in new social housing units. From one year to the next, CMHC is allotted exactly the same $2 billion budget to administer. A $100 million amount is earmarked over two years for RRAP, the residential rehabilitation assistance program for home buyers. We know our programs, Madam Speaker. There is no need to tell us what we already know. We know.

Our research services work very well. They are really very efficient. All I have to say is that certain projects, some section 25 projets, these DEPs we all use in our committees—

An hon. member: Are you going to cut them?

Mrs. Guay: They intend to cut even the DEP program. Liberal members will have nothing left to give their voters. Of course, there are summer job programs, but that is not enough. These programs do not create permanent jobs. Summer jobs are only temporary.

Steady jobs must be created, high–tech jobs, in areas where there are vacancies right now and no one to fill them. Above all, we have to create these jobs through manpower training, our own program, the one already in place in Quebec and that we are fighting to keep.

Mr. Raymond Lavigne (Verdun—Saint–Paul): I hear my hon. colleague opposite say that she is familiar with section 25 programs and with direct employment programs and that she uses them. Well, I use them too and I am a Liberal. I am a French Canadian and I use both of these initiatives, direct employment programs and section 25 programs. Since I was elected, 38 permanent jobs have been created in two small and medium–sized businesses in my riding. I would be curious to know how many jobs the hon. member opposite has created in her riding since taking office?

Mrs. Guay: I am not sure I understand the hon. member's question, but I will say what is being done in my riding to boost employment. Direct employment programs and section 25 programs are temporary measures. They are designed to help certain unemployment insurance and welfare recipients get back into the labour force.

In my view, which I believe is shared by several of my colleagues, these programs do not create long–term jobs. They were introduced to help people for a certain period of time, perhaps six months. Some programs have lasted one year, but there are no guarantees that the employer will ask an employee to stay on.

People often benefit from a section 25 initiative and then go back on unemployment for six months or a year. These are not effective programs. They do exist and we do use them because people need food to eat and a roof over their heads. Of course we will use these programs for as long as they exist. After all, they are paid for with our tax dollars, yours and mine.

[*English*]

Mrs. Jean Payne (St. John's West): Madam Speaker, I am not sure if it has been 10 minutes or 20 minutes that has been allotted to me. If it is 20 minutes, I would like to split the time and give the last 10 minutes to the member for Vancouver East.

It is a pleasure for me to speak this afternoon to the motion put forward by the Bloc Quebecois on job creation. If we are to listen to my colleagues in the Bloc, it would be our belief that the opposition believes that this government has no plan for job creation. Nothing could be further from the truth.

The entire Liberal platform as outlined in the red book is about job creation. I and every other Liberal member of Parliament campaigned for 47 days about job creation with a concrete plan of action. No government in Canadian history has moved as quickly as this government has to create jobs. For over two years the government has advocated a $6 billion cost shared program to improve public infrastructure in Canada. Just two months

after the election the Prime Minister received the agreement of 10 premiers to implement this program.

• (1620)

If the members of the opposition want to see a concrete plan to create jobs, they should wait for a few more weeks until the construction season starts. Canadians will then see real concrete being poured across this country creating real jobs, and it will not be only with picks and shovels.

In the next two years tens of thousands of jobs will be created in the construction industry alone, building projects under the infrastructure program. If that is not vision then I do not know what is.

The government's job creation policies do not stop at the infrastructure program. The budget paper called *For Growing Small Businesses* provides a litany of government proposals and initiatives to help small businesses grow and create jobs. The decision of the government to reduce unemployment insurance premiums next year will reduce payroll costs to businesses and free up money to hire new employees.

This government is actually reducing taxes to create employment. The Canada investment fund will provide capital assistance to businesses. Capital funding is essential if new technologies are to be properly developed and marketed. This will directly lead to the creation of highly skilled jobs in all parts of this country.

The government will sponsor the creation of business networks. These networks will allow smaller companies to pool their resources and realize some of the benefits that only large companies now enjoy.

This government also realizes that such networks can only work if they are controlled by the private sector. However, we will be providing matching grants to make the networks as broad ranging as possible. These networks will allow small businesses to expand their operations and hire new employees.

The information highway will also help job creation. Most experts believe that information industries will become dominant in the coming years. With the advent of the information highway companies in all parts of this country, in towns large and small, will be able to access, process and sell information. As telecommunications networks improve it will not matter where you or your business is located. All you will need basically is a computer and a telephone line and you can be in business.

As we rebuild resource based industries like the fishery for the small communities in my district, information based companies may be the provider of jobs. The highway will reduce communication costs for existing businesses and allow information based businesses to set up shop almost anywhere in the country, including my riding of St. John's West.

The restoration of the RRAP will also help low and middle income families renovate their homes and live more comfortably. On top of this, the money supplied by the federal government for this program will be spent in small building supply companies, many of which my riding consists of, and will be used to hire skilled trades people like carpenters and electricians. Restoring the RRAP will create jobs in communities large and small across Newfoundland and Canada.

The apprenticeship program will help our young people learn valuable work skills and increase their opportunities for employment. We are all well aware that there are shortages of skilled labour in some parts of Canada. The apprenticeship program will train young people to perform some of these jobs, thus providing employment to a generation faced with staggering unemployment and a pessimistic outlook to the future.

The apprenticeship program will also help break the vicious cycle of no job without experience and no experience without a job. When they graduate from their programs, young people will have the skills and experience to fill the job.

For the Reform Party any investment by the federal government to create jobs is too much. They would rather see the government cut untold billions from the budget and set every unemployed worker adrift. The Reform policy is a do nothing policy. This government was elected with a strong mandate to do something and that is what we intend to do.

For the Bloc, its main interest is to prove that the federal government does not work and cannot do anything to solve the problems of Quebecers or other Canadians. If the government spent $100 billion in Quebec the Bloc would complain that there is one worker in Montreal who does not have a job, and therefore Canada does not work.

For those few Tories left in the country, they say that our policies are exactly the same as theirs. This is not true. The Tories put together half measures and hoped that the problems would disappear. In the election we saw that the only thing that disappeared was the Conservative Party. The truth is that we have prepared a balanced approach to job creation.

• (1625)

Government can no longer do it all when it comes to job creation. There is not a bottomless pit of money to throw at the problem. This government is using its scarce resources to stimulate the economy and prod businesses to create jobs.

No one person or group of persons has all the answers and we do not claim to. However, this government is prepared to work with business, labour and individuals to provide real job creation opportunities.

With goodwill and a sense of determination from all parties we will recover from the recession and provide lasting employment to Canadians in all regions including Newfoundland, including St. John's West.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Madam Speaker, I listened with great interest to the hon. member. I am from Quebec and she is from another province. Being the Official Opposition critic for natural resources, I get phone calls from the Maritimes, especially from New Brunswick. People in forestry, in farming say: "You must help us".

If the Liberal Party agenda was that good, I would probably get a lot less phone calls. These people tell me and I quote: "They cut back in social services, in programs, cut back in unemployment insurance, cut back in health care and especially in forestry and farming". Very few things for small business.

Of course, what the hon. member is saying repeatedly, and rightly so, is that there is nevertheless an effort made with regard to the infrastructure and that must be recognized, and I do. But we are saying and I cannot repeat it 20 times: this spring, this summer or this fall, that program will work and I thank the government for it, but after that, what will the future hold for federal youth programs? What will the future hold for small business? What will the future hold for farmers and people in forestry? I put the question to the hon. member and I would like her to answer me. What will the future hold for all these people?

[*English*]

Mrs. Payne: Madam Speaker, I thank the hon. member for his question. I am not sure if the hon. member is aware of the fact that I am from Newfoundland and not from New Brunswick. As the hon. member realizes, in Newfoundland we have more of a fisheries crisis than we do of anything else.

The problems that the hon. member spoke about in forestry and in farming certainly to a lesser degree are experienced in Newfoundland.

I want to say again to the hon. member that the infrastructure program that was announced by this government was very welcome in my riding. As I said in my remarks earlier we in St. John's West cannot wait for that program to come into place. In my riding we have a very high unemployment rate because of the fisheries crisis and for other reasons.

We certainly look forward to these programs being put into place in order to create even the short term employment which at this point in time will be very welcome. However, this program was not meant to create short term employment solely. It is also a means to kick–start the economy so that other businesses will in turn create long term jobs.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne): Madam Speaker, I would like to start by quoting from the speech of my colleague. She said: "Government cannot do it all when it comes to job creation". This is very nicely put, and we agree with that. However, we feel that the government should not be doing nothing, which is precisely what it is doing right now.

The reliance on an infrastructure program takes us back to the Trudeau era, and maybe even earlier than that. This recipe for restructuring the economy dates back to the 1930s, at the time of the great depression, when an infrastructure program was put in place. I believe that times have changed. The economy has also changed and I just hope that the Liberals have kept pace with those changes.

• (1630)

The way this infrastructure program will work is dreadful, and I will give you an example. I do not know whether the people in my riding have come to the same conclusion, but here it is. In a small town of my riding, Repentigny, the council had to borrow $6 million in order to get its share of money from the infrastructure program. After it has borrowed the $6 million—and I am not talking about Montreal here, I am talking about a town of 50,000 inhabitants—the town will receive the same amount from the federal government. How much is this going to cost in interest payments? How much more taxes will the residents have to pay? And how long will the program last?

I regret, Madam Speaker, but I must say that it is disgrace for the government to come up with such a program, claiming it is going to create jobs, and nothing else.

[*English*]

Mrs. Payne: Madam Speaker, I am not sure that the hon. member asked a question. I think it was more a comment than a question. However, I do understand the hon. member's problem there. I suspect that there probably are some communities that will not be able to take advantage of this infrastructure program.

However, I have talked to all of the municipal people from every community in my riding over the past couple of weeks. We have worked out a plan whereby almost every community will be able to take advantage.

I do not say that there are not some exceptions. There certainly are. However, I believe that with some ingenuity and some imagination almost every community in my riding will be able to take advantage of this program in one way or another.

[*Translation*]

Mrs. Anna Terrana (Vancouver East): Madam Speaker, I welcome this opportunity to rise in this House to participate in this debate on job creation because I believe the government's proposal is full of vision.

The Minister of Industry recently made at a G–7 meeting in Detroit a speech in which he stressed the need to maintain a stable economic environment to stimulate job creation.

The economic challenges facing Canadians are well known. Unemployment is too high and budget deficits undermine governments' capability to take remedial action.

All G–7 nations are facing similar problems. Within most large economies, consumer confidence has generally remained low, reflecting unemployment rates which are high and still rising as well as continued uncertainty with regard to employment. We cannot take a piecemeal approach to these problems. A comprehensive approach is required.

The government recognizes that the task at hand is as simple and at the same time as difficult as setting the economy back on the road to growth, because the solution to our problems is just that, growth.

[*English*]

The government has begun the work of implementing a long term growth strategy for a durable recovery and job creation. It has three elements. The first is reducing the deficit. Canada is committed to reducing its deficit to GDP ratio 6.4 per cent in the fiscal year 1993–94 to 3 per cent by 1996–97. This is a realistic plan based on cutting $5 in expenditures for each $1 in new revenue raised.

Second, it will reduce the impediments to growth by ensuring the right framework for business expansion in the three areas of trade, training and infrastructure. The signing of the GATT and NAFTA agreements will be a major boost to our exports and will lead to many jobs and opportunities in Canada. We are also increasingly focusing on the Asia–Pacific region and was in which Canadian companies can participate.

The Minister of Human Resources Development's initiatives to ensure that Canada's labour force is ready to tackle the new opportunities will be a major determinant of our success. Social security reform will create jobs for Canadians.

Further, the government's infrastructure program is helping the economy to get moving again. This is a short term job creation program that recognizes the impact that smart investments in infrastructure can have on long term job creation.

Third, the government will provide leadership for Canada's transition to the new economy. Growing companies take risks and use science and technology to the fullest. They are, in a word, innovative. There is much that can be done to promote innovation but this was perhaps the area of greatest neglect by Canadian governments in the 1980s. It is the area of greatest potential for restoring growth in the economy in the 1990s.

• (1635)

[*Translation*]

To provide adequate leadership for transition to this new economy, we must promote the development and use of new, innovative technologies by the private sector; examine the needs of small businesses and the opportunities coming their way, particularly in the case of extremely innovative businesses; co–operate with the private sector to put in place the infrastructure required by the new economy.

[*English*]

The approach to job creation that the government is following relies on the ability of technology, whether newly created through R and D or adopted and more effectively diffused to a greater number of companies to create jobs.

Technology and innovation are central to the solution of the unemployment crisis. Higher productivity brought about through the application of new technology and innovation leads to higher income and to more and better jobs.

A recent study by the Department of Finance found that technology intensive industries produced 47.7 per cent of the new jobs created between 1984 and 1991. Industries that were both high tech and high knowledge users contributed 46 per cent of new jobs, although they accounted for only about one–third of total employment.

In the recent budget we began the process of implementing a new agenda through which technology plays a central role in our approach to job creation.

[*Translation*]

Another driving force of our economic growth is small business. Not only do the vast majority of existing businesses fall into that category, but they are also our main source of job creation. In fact, during the 1980s, 87 per cent of all new jobs were created in that area. In 1991, 53 per cent of all Canadians in the private sector were either self–employed or working for businesses with fewer than 100 employees. Technology, combined with horizontal management structures and flexibility, can help small businesses adjust quickly to respond to changing consumer needs.

According to a recent government study on the growth of some 2,000 small businesses, companies that make use of technology, develop their own innovative technologies or concentrate on technology diffusion or adoption achieve better results in terms of growth.

[*English*]

Although small businesses create jobs they can face serious impediments such as restricted access to capital, inadequate management skills, a lack of skilled employees, limited technological sophistication and underdeveloped marketing abilities, especially abroad.

We must work on removing the impediments they face. We must also encourage small businesses to become aggressive innovators. Therefore, the government is committed to improving the business environment for small business and reshaping government policies and programs in support of small business.

In summary, the government has outlined its agenda for small business which underlines the government's determination to work closely with all the stakeholders to ensure that this vital sector continues to provide economic growth and create even more jobs.

Another important hallmark of the new economy is the world of telecommunications. In its plans for the future, the government will focus on the development of the information highway as a necessary infrastructure for the new economy. The information highway links the major elements of the new economy: users, content, technology and networks.

Well planned spending on this new type of infrastructure offers the potential for immediate job creation in the short term, while it is being built. As well, there will be a payoff in the longer term through the support of higher levels of economic activity when it is operational.

[*Translation*]

To conclude, the Government of Canada has carefully examined the international situation with regard to growth and job creation. While high unemployment and the increasing number of low-paying jobs may have many causes, they are basically due to the inability of economies to innovate and adjust to technological progress as well as changes in the international trade structure.

The Canadian program to promote innovation in all economic sectors and invest in people is on track.

• (1640)

Mr. Réal Ménard (Hochelaga—Maisonneuve): Madam Speaker, first I would like to thank the hon. member for Vancouver East for her always very heartfelt, very moderate remarks, and I would like to make two or three comments that will take the form of questions. As you can appreciate, today's opposition motion does not mean in any way that we believe jobs can be created by waving a magic wand. It simply says that this government does not offer us hope for the future, an overall vision regarding job creation. On a more fundamental level, beyond this lack of vision, we see structural obstacles in the presence of two governments that have clearly not found a balance in terms of job creation.

For us, the best government is not the one that intervenes the least. The best thing that could happen to Quebecers is to have one less government. So much for the general framework.

In the meantime, since we must continue to work within that system, I would like to ask the hon. member for Vancouver East this: Does she agree with me that, at the national level, the sectors that will create jobs, where workers will be needed in coming years, surprisingly enough and contrary to conventional wisdom, are often sectors with strong community involvement? I am thinking in particular of the whole issue of support services for seniors. The hon. member knows that the number of senior citizens will double in Quebec and Canada. That is something we have in common.

As an eminent economist from the Université du Québec à Montréal, Ruth Rose, pointed out, there is also the child-care sector. We live in a society where people work split shifts. It is not like in the old days when people got up at eight o'clock in the morning and worked until five in the afternoon before going home. People now work irregular hours and governments will have to invest very heavily in a national network of child-care centres.

In closing, I will talk about the recreation sector, especially for handicapped people. We are fortunate to have in this House a member such as the hon. member for Mercier, whose keen intelligence and talent is well known and who has always said, like most members of the Bloc Quebecois believe, that economic growth and job development must go hand in hand with community network development.

I therefore ask the hon. member if she believes we can, within her government's job proposal, emphasize community networks. Can we rely on her dynamism and her sense of involvement; will she become her government's social conscience if it ever decides to cut job-creation programs?

Mrs. Terrana: Do you want me to join the Bloc Quebecois?

Mr. Ménard: No, that is not necessary.

Mrs. Terrana: Thank you. I have a great social conscience because I come from a riding that needs to have a social conscience. I also see the need to find other sources.

I believe that we must redefine the question of work now. Work is no longer what we knew. Now we talk about technology and support. You are right. We also talked about child care, for which, as you know, the Liberal Party and the government promised to create 50,000 spaces when economic growth in Canada allows.

I believe that we must work together. For example, the private sector should support us in all this, the other governments too, as you said, and I believe that if all governments worked together, it would be easier.

Finally, there are all the consultations to find out what we really need. Of course I would like the situation to be otherwise but I also know that it is not possible.

[*English*]

Mr. Mike Scott (Skeena): Madam Speaker, first I would like to apologize for missing my rotation and I am grateful for having the opportunity to come back on. I would like to begin by saying that I probably would agree with the intent of the motion of the Bloc Quebecois although we are probably going to come at it from a different angle.

• (1645)

I come at it from the angle that government does not create jobs. Every time I hear this term job creation by somebody in government it is almost like running a fingernail down a chalkboard as far as I am concerned. Government does not create jobs. What government can do however is facilitate the creation of jobs.

I have lived in the northwest of British Columbia for all my life and for many years I was the partner in a construction business in northwestern British Columbia. It was a successful business. We started in 1981–82 with five employees and when we sold the business in 1990 we were employing up to 200 people at various times of the year.

We did this without any government grants, any handouts, any subsidies. As a matter of fact, and I say this with all sincerity, we did it in spite of government, not with any government help.

I have also been involved in the business community in Kitimat for many years with the Chamber of Commerce and many of my good friends and acquaintances come from the business community. Of course as a community we often associate and we talk about the various problems we face in our businesses and the various things that hinder or help us.

I can assure everyone that virtually all of the business contacts I have do not look at government as being some kind of boon to their existence. As a matter of fact they share the feelings I have that if government would only get off their backs and leave them alone they would have a lot better opportunity to create jobs or expand their businesses, to be profitable, to grow and to prosper.

I have some examples of the failure of government policies, some anecdotal evidence, that maybe some of the members here would be interested in.

Back in the early 1980s we contracted on the construction of a road that the federal government had put out for tender. In the contracting business when you submit a tender you are locked in. Your price is fixed. If your price is accepted then you are obligated to complete that job or project for the price you tendered.

At the time we were bidding the job there was no federal sales tax on explosives. Historically it had not been included. For whatever reason it had never been a part of the federal sales tax regime.

We bid the job. We got prices for explosives because it was a major component of the job and subsequent to submitting our tender and being awarded the job, but before we even got started on the project, the finance minister of the day came along and imposed a federal sales tax on explosives. We immediately went back and said to the minister that we were working for him, the government. We fixed the price to do this job, and after we fixed our price he had come along and increased our costs by $50,000 and we thought we ought to be able to get that back.

Do you think the government would do it? This was a Liberal government I might add. It was not the Conservative government. We never had any success.

These are the kinds of problems businesses come up against. Let me give you some more examples of government intervention in the marketplace.

For many years there was a successful ready–mix business operated in my community and that ready–mix business as part of its operation had a small block plant. On rainy days when there was nothing else to do the employees, rather than being sent home, would manufacture masonry blocks.

There was a fellow in a neighbouring community who got the bright idea that he should be in the block business. He secured a $700,000 loan or a loan guarantee from the federal government to put his business into operation, to create a huge block plant that could not possibly ever sustain itself for the market area it was trying to service. He drove the fellow in Kitimat out of business. His block plant had to close down. The employees lost the benefit of employment on rainy days when there was nothing left to do. In the end the new business failed simply because it was not a good business idea in the first place. If it had been a good business idea I suggest that he would not have had the problem in coming up with the funds.

Any time the government gets involved with funding these kinds of operations it is generally because it is a bad business idea. It is generally destined to fail. Not only are the taxpayers hurt but usually the competitors of that business are hurt. They are the ones that are contributing to the tax base. In effect their tax dollars are being used to support these businesses that are built up to compete against them.

• (1650)

These are the kinds of federal policies that we have had to live with in the business community in the past. When I hear about job creation it just does not ring true with me.

Let me give a most recent example. In the House today we were talking about a subsidy on the part of the government for a new aluminium smelter in South Africa, a $60 million U.S. dollar or close to a $100 million Canadian export credit to a new South African aluminium smelter. If the government is talking about job creation they must be interested in creating jobs in South Africa but certainly not here.

We have 10,000 people in Quebec who are employed directly in the primary production of aluminium and 2,000 people employed in British Columbia in my riding at Kitimat in one of Alcan's largest smelters anywhere. These people are paying their taxes and contributing to Canadian society and they see their taxes being used to support the construction of a new aluminium smelter in South Africa. How are we creating jobs in Canada by that measure? Where is the consistency in government? I just do not see it.

Some of the irritants and costly policies that government follow are that small businesses in Canada are acting as the agent of the government in collecting taxes, UIC premiums, CPP premiums and personal employment data. As well as being an unpaid job, the fact is they are liable for any mistakes they might make. They are liable for doing the government's work for them. In addition to acting as an agent they have to make payroll deductions and remit that money on a regular basis. In the case of my business it was on the 15th of each month. In the past we had to have our cheques postmarked by the 15th of the month so that we would avoid penalties and interest.

Now the government that talks about aiding small business wants to have electronic transfers of those funds on the 15th of the month. If you do not get your electronic transfer done in time you are going to be faced with a 10 per cent penalty right off the bat let alone the interest charges. Now I ask, how is that assisting or helping small business?

This policy is tantamount to paying taxes in advance. When I was in business we had to meet our payroll and pay our expenses often long in advance of receiving the revenues that were attached to those expenses. I do not think the government fundamentally recognizes just how difficult it is.

It is one thing to talk about job creation and how we are going to assist small business, but it is quite another thing to sit there on a Thursday afternoon and try to make sure you are going to be able to cover your payroll on Friday. That is something that small business right across Canada has to face all the time and it is something that we in government—and I include myself now because I have become part of the guilty as it were—all too often fail to recognize. It is an extremely difficult existence out there for small business.

A small business person does not get a pension plan. They can maybe make use of the registered retirement savings plan but they do not have their own pension plan. They are not entitled to unemployment insurance benefits if their business fails. Oftentimes they are putting in 60, 70 or 80 hours a week and not receiving benefits. Many people who are working in regular jobs would be surprised. I think a lot of times people expect that entrepreneurs in small and medium sized businesses are very wealthy. The case is really that very few people actually become fabulously wealthy and successful. Most people just make a living at it and as a government we have to recognize that.

I have seen no evidence to this point that the government is taking any steps to rectify the problems that business faces. Taxation rules for example, are becoming more complex rather than simpler. I recall that when I was in business I looked at the tax act on a couple of occasions and neither myself, my accountant or my lawyer could not figure out what it meant.

• (1655)

How can we expect small business to be able to prosper when it has to deal with ambiguous tax laws? When you are trying to make a business decision on the best way to acquire a new asset or to open a new business, you have to spend all your time trying to figure out the best way to do it taxwise rather than getting on with the job and letting your entrepreneurial talents run toward creating the business and making it work. That is the kind of thing that government can do for small businesses, make it easier for them to exist.

Diversification funding, regional development funding and all the things I talked about earlier are still very much alive and it is still very much the attitude of members opposite that this is the way we are going to help business and industry. It is not.

As long as government prevails with this attitude, we are going to have a continual drain on tax dollars, we are going to have continual failures in the individual areas where these moneys are invested and it is going to hinder rather than help small business. While the Bloc is talking about no vision for the future, my vision is to get government out of these things and let small business prosper on its own.

I am going to conclude my remarks by saying that there is an opportunity right now for government to show leadership, to change some of the policies it has been following, to recognize that government does not create jobs, government does not create wealth. It certainly has the ability to expropriate wealth and it does that with remarkable ability.

The only jobs that government ever creates are jobs that are created as a result of the expropriation of somebody else's wealth in the first place. We have to recognize that. When government does recognize that—

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member. It is almost five o'clock.

[*Translation*]

It is my duty pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hochelaga—Maisonneuve—Canada Labour Code; the hon. member for Mégantic—Compton—Stanstead—Federal Deficit.

[*English*]

Mr. Scott (Skeena): Madam Speaker, in concluding my remarks I was saying that there is an opportunity for government to show some leadership, to change policies and develop a vision for business and industry in Canada by being partners in the sense that we get out of the way and allow small business the opportunity to do what it can do very well if given the opportunity.

Mr. John Bryden (Hamilton—Wentworth): Madam Speaker, I really did appreciate the remarks of the hon. member for Skeena, particularly the matter of direct grants to business.

A lot of us would agree that often this does not work very effectively but I wish he would give credit to this budget where credit is due. I point out to him that the government has cancelled the $608 million KAON accelerator project which is a classic example of the type of thing that he is talking about.

I would like him to comment on that and tell me whether he agrees that the government was wise to cancel KAON.

Mr. Scott (Skeena): Madam Speaker, I thank the hon. member for his intervention.

I would remind him that KAON was not a regional development initiative. It was a science initiative. Having said that, the member asked to give credit where credit is due in the budget.

We have subsequent to the new government being elected not only development incentives and grants taking place within Canada but it was only recently announced that the federal government was going to provide a $100 million Canadian export credit to a new aluminum smelter in South Africa. That tells the whole story. The government has not yet accepted the fact that you cannot do it that way.

• (1700)

Mr. John Harvard (Winnipeg St. James): Madam Speaker, the hon. member for Skeena talked about small business in a way as though Liberals in the country had never heard of small business. I can assure the gentleman that thousands of Liberals are business people and that thousands of businesses support the Liberal Party.

We know some of the problems faced by small business. If the gentleman from Skeena would have read the budget a little more closely, he would have noticed that small business plays a big part in the budget. We are attempting to do many things to make its life a little easier.

For example, we will be developing what we call a lending code for banks, because small businesses have been complaining vociferously for years about the way they are treated by banks. We will be establishing a venture capital fund. We are expanding information centres across the country because we know how important information is to small businesses that are not wealthy, as he pointed out, and do not have the resources to get information on their own hook.

We will be expanding the technology network because technology is important to small business. We will be expanding the parameters of the Export Development Corporation because exports are important to the country and important to small business. Small business can do a lot more in the way of exports. Right now only 8 per cent of our business community exports.

We have recognized some of the problems facing the small business community. It is recognized in the budget. I think the Reform Party does not do a service to this institution when it, it appears, deliberately ignores what was stated in the budget.

Mr. Scott (Skeena): Madam Speaker, I point out that we live in a democracy. Those business people who support Liberals are allowed to be wrong.

I touch on what the hon. member said about the expansion of the Export Development Corporation. This is exactly what I am talking about. The Export Development Corporation announced the $100 million Canadian loan credit to build the new South African aluminium smelter. If this is what the hon. member is talking about, I rest my case.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I want to ask a very brief question. In his initial remarks, if I heard them correctly, my colleague indicated that governments do not make jobs. I think I understand what he was getting at. Normally there are conditions under which businesses operate. If they do well their profits create jobs for Canadians or wherever they happen to be.

I would like my colleague's reaction to the following. While I accept that—and I am assuming I have interpreted his comments correctly—would he not agree that government involvement, for example in student employment as will be occurring this summer and as has occurred during the last few summers particularly during periods of study, is a noble and supportive enterprise on the part of government?

Would my colleague agree, for example, that the program we want to initiate, the youth corps, is a noble and worthy initiative that should be supported by all parties?

What about the apprenticeship program the government wants under way, particularly in areas of high tech and where jobs will be required in future growth areas?

What about those kinds of initiatives? Is the Reform Party's policy against those kinds of initiatives? I understand the basic philosophy is that if we reduce taxes more jobs will be created. However does that exclude those kinds of initiatives for youth, the new apprenticeship programs and the like that I have mentioned?

● (1705)

Mr. Scott (Skeena): Madam Speaker, in the area of educational assistance such as apprenticeship programs, provided there is a cost benefit and the benefit outweighs the cost, certainly our party is in favour of it. We believe we have to make a stronger effort to educate and train our people so that they are ready to go into the workforce.

As far as the youth corps and the youth development program are concerned and as far as I am personally concerned, we are really looking at a handout. We are not looking at a hand up. We are not looking at preparing people and getting people into positions where they will be entering the workforce. What we are really doing is handing out taxpayers' assistance to youth.

I am sure the hon. member disagrees with me, but that is the way I see it.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

FISHERIES AND OCEANS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I believe you will find there is unanimous consent for the following motion:

That, pursuant to Standing Order 108(2) concerning the replacement programs for the Northern Cod Adjustment and Recovery Program and the Atlantic Ground Fish Adjustment Program, the House authorize the required personnel of the Standing Committee on Fisheries and Oceans to travel from place to place for the purpose of preparing and holding video–teleconference Committee sittings during the week of March 28–31, 1994, in the following cities: Rimouski, Sydney, Yarmouth, Moncton and St. John's, Newfoundland.

(Motion moved and agreed to.)

[*English*]

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I would also propose the following motion:

That, at the conclusion of the time allotted for the consideration of government business on Wednesday, March 23, 1994, the Speaker shall put all questions necessary to dispose of the third reading stage of Bill C–14, an act to provide borrowing authority.

(Motion moved and agreed to.)

* * *

[*Translation*]

SUPPLY

ALLOTTED DAY—JOB CREATION

The House resumed consideration of the motion.

Mr. Paul Mercier (Blainville—Deux–Montagnes): Madam Speaker, how much time do I have remaining?

The Acting Speaker (Mrs. Maheu): You have until 5.15 p.m.

Mr. Mercier: Madam Speaker, to emerge from its economic doldrums, our country needs a large–scale collective project, one which will generate our enthusiasm and mobilize us. Such a project exists, but an act of government good will is needed to get it off the ground. I am referring to the project to build a high–speed train to service the Quebec City–Montreal–Laval–Ottawa–Toronto–Windsor corridor. Several studies have already concluded that this project would be economically viable.

The minister is waiting for a new report to be released this summer. However, based on the information he already has, he should be able today to say, without jeopardizing the terms of the venture: "Yes, we will proceed with the high–speed rail project". If the minister were to make this statement now, he would not be hurting the authors of the expected report in any way.

This kind of statement would pleasantly surprise us and would show that our government can at least boast of the three things that my hon. colleague for Laurentides criticized it earlier for not having, namely vision, vision and more vision to create "jobs, jobs, jobs", as promised in the red book.

● (1710)

There are so many reasons to support what could become the major project of this decade that I hardly know where to start, or should I say, I hardly know what I should leave out, to finish my speech on time. In any case, first of all, studies have shown that the market is large enough to ensure the project's economic viability. According to information released by Bombardier, the

company's pre–feasibility study has shown that this railway service would serve a population of eight million and attract nearly 5,300,000 travellers annually, an increase of 3,700,000 over the current ridership.

We now have information that emphasizes the benefits of HST connections for travellers in terms of security, travelling time and cost. According to the study, travelling time from station to station, calculated with a top operating speed of 300 kilometres per hour, would be 1 hour and 35 minutes between Quebec City and Montreal, 1 hour and 5 minutes between Montreal and Ottawa, and so forth. The time saved, even compared with flying, is considerable.

Furthermore, as is the case in Lyon, the HST could provide a very efficient way to solve the problem of transportation to and from Mirabel and Dorval and could also provide a quick connection between these airports by adding a loop where the train would run only at certain times.

Another reason to support the HST is, of course, the environment. Per passenger, the HST consumes half as much energy as the automobile and one–quarter as much as a jet aircraft.

If the line could be fully electrified, as is the case all over Europe, there would be even less impact on the environment, because there would be no emissions and the train would consume energy that is abundant in Ontario as well as Quebec, a province that is trying to export surplus energy.

I will now discuss job creation, since that is the purpose of this debate. The HST would create a total of nearly 120,000 jobs annually. This initiative would reduce government spending under the Unemployment Insurance Program. I say this in connection with the expected loss of hundreds of jobs as a result of the merger between CN and CP. Ideally, the HST would absorb these workers.

Without a plan for the future, Quebec's railway industry is doomed. The HST would give VIA Rail a second lease on life and a chance to finance railway lines operating at a loss, as the SNCF does in France.

The cost, and I have not had much of time to discuss this aspect, is evaluated at $7.5 billion, but there would be revenues—

[*English*]

The Acting Speaker (Mrs. Maheu): It being 5.15 p.m., pursuant to Standing Order 81(17), the proceedings on the motion have expired.

Accordingly it is my duty to put forthwith every question necessary to dispose of the business of supply now before the House.

SUPPLEMENTARY ESTIMATES (B)

Hon. Arthur C. Eggleton (President of the Treasury Board) moved:

That Supplementary Estimates (B), 1993–94, laid upon the table Tuesday, March 8, 1994, be concurred in.

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

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to.)

• (1715)

Mr. Eggleton moved that the Bill C–19, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1994, be read the first time.

(Motion deemed adopted and bill read the first time.)

Mr. Eggleton moved that the bill be read the second time and referred to committee of the whole.

(Motion agreed to, bill read the second time and the House went into committee thereon, Mrs. Maheu in the chair.)

(Clauses 2 to 7 inclusive agreed to.)

(Schedule agreed to.)

(Clause 1 agreed to.)

(Preamble agreed to.)

(Title agreed to.)

[*Translation*]

Mr. Michel Gauthier (Roberval): On a point of order, Madam Speaker.

The Deputy Speaker: The hon. member for Roberval on a point of order.

Mr. Gauthier (Roberval): Madam Speaker, since I am not familiar with these proceedings, I was wondering whether the President of the Treasury Board could give this House the assurance that the content of the bill before us is presented in the usual format.

[*English*]

Mr. Eggleton: Madam Chairman, this bill is in the same form as passed in previous years.

(Bill reported.)

Mr. Eggleton moved that the bill be concurred in.

(Motion agreed to.)

The Acting Speaker (Mrs. Maheu): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

• (1720)

Mr. Eggleton moved that the bill be read the third time and passed.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

Some hon. members: Yea.

Some hon. members: All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Call in the members.

The House divided on the motion which was agreed to on the following division:

(*Division No. 16*)

YEAS

Members

Adams
Anderson
Assad
Augustine
Bakopanos
Beaumier
Berger
Bertrand
Bevilacqua
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Caccia
Campbell
Catterall
Chrétien (Saint–Maurice)
Cohen
Collins
Crawford
Dhaliwal
Discepola
Duhamel
Easter
English
Finestone
Fontana
Gagliano
Gauthier (Ottawa—Vanier)
Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hickey
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren (Etobicoke North)
Maheu
Maloney
Alcock
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bernier (Beauce)
Bethel
Bhaduria
Bodnar
Boudria
Brushett
Bélair
Calder
Cannis
Chamberlain
Clancy
Collenette
Cowling
Culbert
Dingwall
Dromisky
Dupuy
Eggleton
Fewchuk
Finlay
Gaffney
Gallaway
Godfrey
Graham
Grose
Harb
Harvard
Hubbard
Iftody
Jackson
Keyes
Knutson
Lavigne (Verdun—Saint–Paul)
Lee
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Marleau
Martin (LaSalle—Émard)
McCormick
McTeague
Mifflin
Minna
Murphy
Nault
O'Reilly
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Valeri
Verran
Wappel
Whelan
Young
Massé
McKinnon
McWhinney
Milliken
Mitchell
Murray
Nunziata
Ouellet
Payne
Peters
Phinney
Pillitteri
Reed
Richardson
Ringuette–Maltais
Rock
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Ur
Vanclief
Walker
Wells
Wood
Zed—146

NAYS

Members

Ablonczy
Asselin
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Daviault
de Jong
Deshaies
Duncan
Fillion
Frazer
Gauthier (Roberval)
Gouk
Grubel
Guimond
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Landry
Laurin
Lebel
Lefebvre
Manning
Martin (Esquimalt—Juan de Fuca)
Mercier
Mills (Red Deer)
Ménard
Picard (Drummond)
Péloquin
Riis
Rocheleau
Schmidt
Silye
Solomon
Strahl
Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)
Althouse
Bachand
Benoit
Bernier (Gaspé)
Blaikie
Brien
Bélisle
Charest
Chrétien (Frontenac)
Cummins
Debien
de Savoye
Duceppe
Epp
Forseth
Gagnon (Québec)
Godin
Grey (Beaver River)
Guay
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Prince George—Peace River)
Jacob
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Marchand
McClelland (Edmonton Southwest)
Meredith
Morrison
Paré
Pomerleau
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
Speaker
Taylor
Tremblay (Rosemont)
White (Fraser Valley West)
Williams—92

PAIRED—MEMBERS

Members

Allmand	Caron
Cauchon	Copps
Dalphond–Guiral	DeVillers
Dubé	Dumas
Leroux (Richmond—Wolfe)	Loubier
McGuire	Nunez
O'Brien	Parrish
Patry	St–Laurent

● (1750)

The Speaker: I declare the motion carried.

(Bill read the third time and passed.)

[*Translation*]

Mr. Plamondon: I came in late, Mr. Speaker, so I did not get to vote. I just wanted to say that I would have voted along with the representatives of the loyal opposition. If ever results were to be applied in reverse, I would like to be counted in.

* * *

[*English*]

INTERIM SUPPLY

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): moved:

That this House do concur in Interim Supply as follows:

That a sum not exceeding $13,753,845.366.08 being composed of:

(1) three–twelfths ($9,553,789,266.75) of the total of the amounts of the items set forth in the Main Estimates for the fiscal year ending March 31, 1995, which were laid upon the Table on Thursday, Februry 24, 1994, and except for those items below:

(2) eleven–twelfths of the total of the amount of Transport Vote 40 (Schedule A) of the said Estimates, $2,725,250.00;

(3) nine–twelfths of the total of the amount of Treasury Board Vote 5 (Schedule B) of the said Estimates, $337,500,000.00;

(4) eight–twelfths of the total of the amounts of Canadian Heritage Vote 100, and Fisheries and Oceans Vote 10 (Schedule C) of the said Estimates, $59,154,666.67;

(5) seven–twelfths of the total of the amount of Human Resources Development Vote 45 (Schedule D) of the said Estimates, $1,414,583.33;

(6) six–twelfths of the total of the amounts of Foreign Affairs and International Trade Vote 15, and Human Resources Development Vote 5, and Indian Affairs and Northern Development Vote 10, and Industry Vote 45, and Justice Vote 5 (Schedule E) of the said Estimates, $72,580,000.00;

(7) five–twelfths of the total of the amounts of Canadian Heritage Vote 80, and Human Resources Development Vote 20, and Indian Affairs and Northern Development Votes 15 and 45, and Industry Vote 40, and Transport Vote 1 (Schedule F) of the said Estimates, $2,235,520,833.33;

(8) four–twelfths of the total of the amounts of Canadian Heritage Votes 45, 50, 65, 75 and 95, and Citizenship and Immigration Vote 15, and Health Vote 10, and Human Resources Development Vote 10, and Indian Affairs and Northern Development Votes L25, 30 and 35, and Industry Vote 100, and Justice Votes 1, 10 and 30, and Parliament Vote 1, and Public Works and Government Services Votes 20, 25 and 30, and Solicitor General Vote 5 (Schedule G) of the said Estimates, $1,491,160,766.00;

be granted to Her Majesty on account of the fiscal year ending March 31, 1995.

Mr. Gagliano: Mr. Speaker, I believe that you will find unanimous consent to apply the vote that we just took to the division on all other questions necessary to dispose of the business of supply and the bill based thereon.

The Speaker: Is it agreed?

Some hon. members: Agreed.

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

(*Division No. 17*)

YEAS

Members

Adams	Alcock
Anderson	Arseneault
Assad	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Bakopanos	Barnes
Beaumier	Bellemare
Berger	Bernier (Beauce)
Bertrand	Bethel
Bevilacqua	Bhaduria
Blondin–Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Caccia	Calder
Campbell	Cannis
Catterall	Chamberlain
Chrétien (Saint–Maurice)	Clancy
Cohen	Collenette
Collins	Cowling
Crawford	Culbert
Dhaliwal	Dingwall
Discepola	Dromisky
Duhamel	Dupuy
Easter	Eggleton
English	Fewchuk
Finestone	Finlay
Fontana	Gaffney
Gagliano	Gallaway
Gauthier (Ottawa—Vanier)	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Harb
Harper (Churchill)	Harvard
Hickey	Hubbard
Ianno	Iftody
Irwin	Jackson
Jordan	Keyes
Kirkby	Knutson
Kraft Sloan	Lavigne (Verdun—Saint–Paul)
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald
MacLaren (Etobicoke North)	MacLellan (Cape Breton—The Sydneys)
Maheu	Malhi
Maloney	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McKinnon
McTeague	McWhinney
Mifflin	Milliken
Minna	Mitchell
Murphy	Murray
Nault	Nunziata

O'Reilly
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Valeri
Verran
Wappel
Whelan
Young
Ouellet
Payne
Peters
Phinney
Pillitteri
Reed
Richardson
Ringuette–Maltais
Rock
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Ur
Vanclief
Walker
Wells
Wood
Zed—146

NAYS

Members

Ablonczy
Asselin
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Daviault
de Jong
Deshaies
Duncan
Fillion
Frazer
Gauthier (Roberval)
Gouk
Grubel
Guimond
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Landry
Laurin
Lebel
Lefebvre
Manning
Martin (Esquimalt—Juan de Fuca)
Mercier
Mills (Red Deer)
Ménard
Picard (Drummond)
Pomerleau
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
Speaker
Taylor
Tremblay (Rosemont)
White (Fraser Valley West)
Williams—93
Althouse
Bachand
Benoit
Bernier (Gaspé)
Blaikie
Brien
Bélisle
Charest
Chrétien (Frontenac)
Cummins
Debien
de Savoye
Duceppe
Epp
Forseth
Gagnon (Québec)
Godin
Grey (Beaver River)
Guay
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Prince George—Peace River)
Jacob
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Marchand
McClelland (Edmonton Southwest)
Meredith
Morrison
Paré
Plamondon
Péloquin
Riis
Rocheleau
Schmidt
Silye
Solomon
Strahl
Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)

PAIRED—MEMBERS

Members

Allmand
Cauchon
Dalphond–Guiral
Dubé
Leroux (Richmond—Wolfe)
McGuire
O'Brien
Patry
Caron
Copps
DeVillers
Dumas
Loubier
Nunez
Parrish
St–Laurent

Supply

Mr. Eggleton moved that Bill C–20, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995, be read the first time.

(Motion deemed adopted and bill read the first time.)

Mr. Eggleton moved that the bill be read the second time and referred to committee of the whole.

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

(*Division No. 18*)

YEAS

Members

Adams
Anderson
Assad
Augustine
Bakopanos
Beaumier
Berger
Bertrand
Bevilacqua
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Caccia
Campbell
Catterall
Chrétien (Saint–Maurice)
Cohen
Collins
Crawford
Dhaliwal
Discepola
Duhamel
Easter
English
Finestone
Fontana
Gagliano
Gauthier (Ottawa—Vanier)
Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hickey
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren (Etobicoke North)
Maheu
Maloney
Martin (LaSalle—Émard)
McCormick
McTeague
Mifflin
Minna
Murphy
Nault
O'Reilly
Pagtakhan
Peric
Peterson
Alcock
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bernier (Beauce)
Bethel
Bhaduria
Bodnar
Boudria
Brushett
Bélair
Calder
Cannis
Chamberlain
Clancy
Collenette
Cowling
Culbert
Dingwall
Dromisky
Dupuy
Eggleton
Fewchuk
Finlay
Gaffney
Gallaway
Godfrey
Graham
Grose
Harb
Harvard
Hubbard
Iftody
Jackson
Keyes
Knutson
Lavigne (Verdun—Saint–Paul)
Lee
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Marleau
Massé
McKinnon
McWhinney
Milliken
Mitchell
Murray
Nunziata
Ouellet
Payne
Peters
Phinney

Pickard (Essex—Kent)
Proud
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Valeri
Verran
Wappel
Whelan
Young
Pillitteri
Reed
Richardson
Ringuette-Maltais
Rock
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Ur
Vanclief
Walker
Wells
Wood
Zed—146

NAYS

Members

Ablonczy
Asselin
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Daviault
de Jong
Deshaies
Duncan
Fillion
Frazer
Gauthier (Roberval)
Gouk
Grubel
Guimond
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Landry
Laurin
Lebel
Lefebvre
Manning
Martin (Esquimalt—Juan de Fuca)
Mercier
Mills (Red Deer)
Ménard
Picard (Drummond)
Pomerleau
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
Speaker
Taylor
Tremblay (Rosemont)
White (Fraser Valley West)
Williams—93
Althouse
Bachand
Benoit
Bernier (Gaspé)
Blaikie
Brien
Bélisle
Charest
Chrétien (Frontenac)
Cummins
Debien
de Savoye
Duceppe
Epp
Forseth
Gagnon (Québec)
Godin
Grey (Beaver River)
Guay
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Prince George—Peace River)
Jacob
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Marchand
McClelland (Edmonton Southwest)
Meredith
Morrison
Paré
Plamondon
Péloquin
Riis
Rocheleau
Schmidt
Silye
Solomon
Strahl
Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)

PAIRED—MEMBERS

Members

Allmand
Cauchon
Dalphond-Guiral
Dubé
Leroux (Richmond—Wolfe)
McGuire
O'Brien
Patry
Caron
Copps
DeVillers
Dumas
Loubier
Nunez
Parrish
St-Laurent

(Bill deemed read the second time.)

(Bill deemed considered in committee.)

(Clauses 2 to 5 inclusive agreed to.)

(Schedule A agreed to.)

(Schedule B agreed to.)

(Schedule C agreed to.)

(Schedule D agreed to.)

(Schedule E agreed to.)

(Schedule F agreed to.)

(Schedule G agreed to.)

(Clause 1 agreed to.)

(Preamble agreed to.)

(Title agreed to.)

(Bill deemed reported.)

Mr. Eggleton moved that the bill be concurred in.

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

(*Division No. 19*)

YEAS

Members

Adams
Anderson
Assad
Augustine
Bakopanos
Beaumier
Berger
Bertrand
Bevilacqua
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Caccia
Campbell
Catterall
Chrétien (Saint-Maurice)
Cohen
Collins
Crawford
Dhaliwal
Discepola
Duhamel
Easter
English
Finestone
Fontana
Gagliano
Gauthier (Ottawa—Vanier)
Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Alcock
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bernier (Beauce)
Bethel
Bhaduria
Bodnar
Boudria
Brushett
Bélair
Calder
Cannis
Chamberlain
Clancy
Collenette
Cowling
Culbert
Dingwall
Dromisky
Dupuy
Eggleton
Fewchuk
Finlay
Gaffney
Gallaway
Godfrey
Graham
Grose
Harb
Harvard

Hickey
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren (Etobicoke North)
Maheu
Maloney
Martin (LaSalle—Émard)
McCormick
McTeague
Mifflin
Minna
Murphy
Nault
O'Reilly
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Valeri
Verran
Wappel
Whelan
Young

Hubbard
Iftody
Jackson
Keyes
Knutson
Lavigne (Verdun—Saint-Paul)
Lee
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Marleau
Massé
McKinnon
McWhinney
Milliken
Mitchell
Murray
Nunziata
Ouellet
Payne
Peters
Phinney
Pillitteri
Reed
Richardson
Ringuette-Maltais
Rock
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Ur
Vanclief
Walker
Wells
Wood
Zed—146

NAYS

Members

Ablonczy
Asselin
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Daviault
de Jong
Deshaies
Duncan
Fillion
Frazer
Gauthier (Roberval)
Gouk
Grubel
Guimond
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Landry
Laurin
Lebel
Lefebvre
Manning
Martin (Esquimalt—Juan de Fuca)
Mercier
Mills (Red Deer)

Althouse
Bachand
Benoit
Bernier (Gaspé)
Blaikie
Brien
Bélisle
Charest
Chrétien (Frontenac)
Cummins
Debien
de Savoye
Duceppe
Epp
Forseth
Gagnon (Québec)
Godin
Grey (Beaver River)
Guay
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Prince George—Peace River)
Jacob
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Marchand
McClelland (Edmonton Southwest)
Meredith
Morrison

Ménard
Picard (Drummond)
Pomerleau
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
Speaker
Taylor
Tremblay (Rosemont)
White (Fraser Valley West)
Williams—93

Paré
Plamondon
Péloquin
Riis
Rocheleau
Schmidt
Silye
Solomon
Strahl
Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)

PAIRED—MEMBERS

Members

Allmand
Cauchon
Dalphond-Guiral
Dubé
Leroux (Richmond—Wolfe)
McGuire
O'Brien
Patry

Caron
Copps
DeVillers
Dumas
Loubier
Nunez
Parrish
St-Laurent

Mr. Eggleton moved that the bill be read the third time and passed.

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

(*Division No. 20*)

YEAS

Members

Adams
Anderson
Assad
Augustine
Bakopanos
Beaumier
Berger
Bertrand
Bevilacqua
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Caccia
Campbell
Catterall
Chrétien (Saint-Maurice)
Cohen
Collins
Crawford
Dhaliwal
Discepola
Duhamel
Easter
English
Finestone
Fontana
Gagliano
Gauthier (Ottawa—Vanier)
Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hickey
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren (Etobicoke North)
Maheu
Maloney

Alcock
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bernier (Beauce)
Bethel
Bhaduria
Bodnar
Boudria
Brushett
Bélair
Calder
Cannis
Chamberlain
Clancy
Collenette
Cowling
Culbert
Dingwall
Dromisky
Dupuy
Eggleton
Fewchuk
Finlay
Gaffney
Gallaway
Godfrey
Graham
Grose
Harb
Harvard
Hubbard
Iftody
Jackson
Keyes
Knutson
Lavigne (Verdun—Saint-Paul)
Lee
MacDonald
MacLellan (Cape Breton—The Sydneys)
Malhi
Marleau

Martin (LaSalle—Émard)
McCormick
McTeague
Mifflin
Minna
Murphy
Nault
O'Reilly
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Valeri
Verran
Wappel
Whelan
Young
Massé
McKinnon
McWhinney
Milliken
Mitchell
Murray
Nunziata
Ouellet
Payne
Peters
Phinney
Pillitteri
Reed
Richardson
Ringuette-Maltais
Rock
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Ur
Vanclief
Walker
Wells
Wood
Zed—146

NAYS

Members

Ablonczy
Asselin
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Daviault
de Jong
Deshaies
Duncan
Fillion
Frazer
Gauthier (Roberval)
Gouk
Grubel
Guimond
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Landry
Laurin
Lebel
Lefebvre
Manning
Martin (Esquimalt—Juan de Fuca)
Mercier
Mills (Red Deer)
Ménard
Picard (Drummond)
Pomerleau
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
Speaker
Taylor
Tremblay (Rosemont)
White (Fraser Valley West)
Williams—93
Althouse
Bachand
Benoit
Bernier (Gaspé)
Blaikie
Brien
Bélisle
Charest
Chrétien (Frontenac)
Cummins
Debien
de Savoye
Duceppe
Epp
Forseth
Gagnon (Québec)
Godin
Grey (Beaver River)
Guay
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Prince George—Peace River)
Jacob
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Marchand
McClelland (Edmonton Southwest)
Meredith
Morrison
Paré
Plamondon
Péloquin
Riis
Rocheleau
Schmidt
Silye
Solomon
Strahl
Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)

PAIRED—MEMBERS

Members

Allmand
Cauchon
Dalphond-Guiral
Dubé
Leroux (Richmond—Wolfe)
McGuire
O'Brien
Patry
Caron
Copps
DeVillers
Dumas
Loubier
Nunez
Parrish
St-Laurent

The Speaker: Order, please. My colleagues, I want you to know that I was prepared to take all of these votes this afternoon. I practised for two hours before coming in. Too bad we cannot take all the votes. Until the next time.

It being 17.55 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

Mr. Gaston Péloquin (Brome—Missisquoi): Madam Speaker, there have been discussions among parties and I now seek unanimous consent for the motion standing in my name, motion M-172, presently in ninth place on the order of priority of Private Members' Business, to be withdrawn. This motion is no longer relevant in light of recent developments in the business community.

The Acting Speaker (Mrs. Maheu): The House has heard the hon. member's request. Is there unanimous consent?

Some hon. members: Agreed.

(Motion withdrawn.)

[*English*]

Mr. Arseneault: Madam Speaker, seeing that under Private Members' Business one of the bills on the order of priority has been withdrawn and there normally are ten, I was wondering if I could seek unanimous consent of the House to allow my bill to take that spot on the priority list.

The Acting Speaker (Mrs. Maheu): The House has heard the request. Do we have unanimous consent?

Some hon. members: Agreed.

An hon. member: No.

The Acting Speaker (Mrs. Maheu): We do not have unanimous consent.

INCOME TAX ACT

Mrs. Beryl Gaffney (Nepean) moved:

That, in the opinion of this House, the government should amend the Income Tax Act so that child support payments are no longer considered taxable income for their recipients.

She said: Madam Speaker, I am very pleased to stand in the House this evening to speak to the following motion:

> That, in the opinion of this House, the government should amend the Income Tax Act so that child support payments are no longer considered taxable income for their recipients.

This motion holds a great deal of interest throughout the country.

In 1942 Canada introduced a taxation policy on child support payments which allowed the payers to deduct the full amount of the payment from their income while the recipients must include the full amount in their income calculations. The policy has been criticized as discriminatory to women because it places an unfair tax burden on the custodial parent, usually the mother. Evidence shows in theory and in practice that this criticism is valid. This situation can be partially explained by historical changes, more specifically in patterns of the lives of men and women in Canada over the last 50 years.

When the policy was introduced in the 1940s it was designed to provide relief to the taxpayer burdened with both a wartime increase in taxes and the obligation of spousal and child support. The father was typically the only income earner and therefore the sole taxpayer in the separated family. It was logical at that time that tax relief be awarded to him. It was assumed the mother would still pay no tax.

Today, most single mothers have earned income and pay taxes on this income whether or not they receive support. What are the changes that have occurred in our society since this tax policy was implemented in the 1940s? First there have been demographic changes. The phenomenon of lone parenthood affects many more people today than in the past. Due to divorce and remarriage, lone parenthood is not always a lifetime, permanent situation. Rather is a phase of life of varying duration experienced by many parents. While lone parenthood itself may not be a permanent situation, the consequences have a lasting impact on women and children, particularly where the period of lone parenthood is lengthy and income is subsequently inadequate.

• (1800)

As well, the practical support networks of extended family and community which usually provided financial and other forms of support have shrunk due to urban development and increased mobility.

Second, there has been a number of social changes. Today violence against women is being recognized as a societal problem that takes many forms and influences many aspects of women's daily life.

When negotiating a separation or divorce agreement many women are left in a very vulnerable position. Often they simply wish to get out of their relationship and to get on with their lives. This often creates pressure to capitulate to inequitable settlements in order to end confrontation and avoid long drawn out custody battles. Returning to court later to seek a variance of child support is usually economically prohibitive for women and can carry many of the same dangers as the initial negotiation.

The report by the Royal Commission on the Status of Women in 1970 was the first study to examine the economic and social disadvantage of women in Canada. Since then many other studies have overwhelmingly identified and described the feminization of poverty and its direct relationship to the unpaid work involved in raising children and other tasks related to human maintenance.

Third, policy changes over the years have had a significant impact on the situation of women, families with children and in particular lone parent families. There has been decreasing support for families with children through the tax transfer system over the past two decades. The value of deductions and credits for children as a proportion of income has been steadily reduced. The reduction of the number of tax brackets from 10 to 3 today has also had an impact on families and on the tax treatment of child support.

Often after a divorce it is very difficult to find work with adequate pay to meet the needs of the children in the household. Therefore, mothers are forced to rely on social assistance. Social assistance policies in Canada however are not designed to take into consideration child support. Dollar for dollar of child support payments are deducted from the mother's social assistance cheques leaving her in a disadvantaged position of having little money for her children.

Fourth, there have been a number of economic changes in our society which impact on the taxation of child support. Perhaps the most significant change is the steady increase in the number of women, including those with children, participating in the labour force. However, they are still paid at the lower end of the pay scale.

After divorce family resources are often inadequate to continue to meet children's needs, yet it is the single mother who continues to be solely or primarily responsible for the financial needs of children because of the extremely high rate of default and child support awards.

The evidence is overwhelming. Given the number of changes that have occurred over the last 50 years it is paramount that we revisit the 1940s policy of the tax treatment of child support payments. We must ask ourselves if this policy is still, or for that matter, whether it has ever met its original goal of providing tax relief to the tax burden and encourage the payment of child support.

The rationale that the deduction for child support payers automatically requires inclusion as income by the recipient does not hold water. While they were married the father's support of the children was not income to the mother. While they were married the father's support of the children was not deductible. Likewise, now that they are divorced the custodial mother does not get to deduct what she spends on the children. The parents have now gone their separate ways. Why should the father's support of his children now become taxable income to the mother?

Child support payments were not income to the custodial mother prior to the 1940s because they did not fit the income tax concept of income. The Oxford Dictionary defines income as money received during a certain period as wages or salary. Child support in the custodial mother's hands is not new wealth from the production of labour or capital. It is simply the father's payment for his share of his children's expenses.

• (1805)

The most important rationale for the reduction–inclusion treatment is that it will encourage higher support payments by shifting income from a higher tax paying parent to a lower tax paying parent. This is expected to cause a surplus tax saving available to increase child support payments.

The policy expects that the father's tax savings will always be greater than the mother's tax liability. Because of this the non–custodial parent should be able to pay the custodial parent's increased taxes through what is commonly referred to as a tax gross–up added to the child support payment. Then the policy assumes there will still be an additional surplus tax saving which can also be used to increase child support.

However, as we all know, theory and reality do not always produce the same end results and this is definitely the case with the deduction–inclusion policy.

First, although the father's tax saving may be greater than the mother's tax liability, neither the Income Tax Act or family law legislation requires the father to pay the mother increased tax liability. The report of the federal–provincial–territorial family law committee of May 1992 entitled "The Financial Implications of Child Support Guidelines" noted that while tax consequences should be an element of every child support determination, there is evidence to suggest that these calculations are not routinely made. If the father does not use his tax savings to pay the mother's tax liability, the consequences are very serious.

Let us use another example. A support order has determined that the father's fair share of the children's expense is $10,000 for the year. Under family law principles, this determination is based on both parents sharing the cost of raising the children. The mother is also independently contributing to the children's support.

This $10,000 child support award should be grossed up by about $2,600 to reflect the mother's increased federal and provincial taxes. The grossed–up award then to the father should be $12,600 for the year. The father can pay the extra $2,600 because he has a tax savings from the deduction. The custodial mother needs the extra $2,600 to cover her tax increase from having to include the support in her income.

Let us consider what will happen if the gross–up is not added to the award. The mother still must pay the $2,600 in taxes. She will now be left with only $7,400 from the father's support payment. There will be a shortfall from the original $10,000 that the judge has awarded her. The onus for this shortfall is on the custodial mother and this causes hardship for the children. The father, on the other hand, still gets the benefit of the full tax savings.

A further flaw in the deduction–inclusion policy is the use of tax bracket differentials to deliver overall tax savings. This perspective is examined in great detail in a report entitled "Child Support Policy: Income Tax Treatment and Child Support Guidelines" by Ellen Zweibel and Richard Shillington.

Zweibel and Shillington note that there is an overall tax saving only when the non–custodial father's tax savings on support exceed the custodial mother's liability on support. The Zweibel and Shillington report found that a tax saving only occurs in 51 per cent of the cases and no saving occurs in 49 per cent. Furthermore, when a saving was realized, that saving was minimal.

The study revealed another troubling effect of the deduction–inclusion provisions. So far in this discussion we have been assuming that the non–custodial parent's tax savings will be greater than the custodial parent's tax liability thus creating a surplus tax saving. What happens if this is not the case?

If the mother's increased tax liability is greater than the father's tax savings, the system works against the separated family. The father can no longer pay the mother's increased tax liability from his tax savings.

In the Zweibel and Shillington report, 20 per cent of the cases fell into this category. Not only did the system fail to produce the possibility of a higher award, the system actually worked against them to decrease their already scarce resources.

The final rationale holds that the savings that occurs through the deduction–inclusion gross–up policy is supposed to benefit the children by generating further revenues for their support. Again reality must step in. Even when the saving is realized, the money sits in the hands of the father parent and there is nothing to say that he will forward that money to his ex–wife for the children.

This policy ignores that child support is a very contentious issue and that non–custodial fathers seeking to minimize their

payments may not readily agree to either a gross–up or to a further sharing of any tax saving above the gross–up.

• (1810)

This is not just a tax issue but one of wider social injustice which affects the well–being of Canada's children and subsequently Canada's future. Article 2 of the United Nations Declaration on the Rights of the Child states:

> The child shall enjoy special protection and shall be given opportunities and facilities, by law and other means, to enable him or her to develop physically, mentally, morally, spiritually, and socially in a healthy and normal manner and in conditions of freedom and dignity. In the enactment of laws for this purpose the best interest of the child shall be the paramount consideration.

It is our children who now bear the immediate consequences because the current system is not providing the effects it was intended to produce. If the current policy is not changed it is the children who will go on paying the consequences every day, not just in some cases and not by accident, but deliberately by our failure to redesign an outdated tax mechanism.

The causes of child poverty have been linked to family breakdown, at least in part, in many areas of the world including Canada. Average family incomes for single parent families headed by women are significantly lower than those of two parent families. When parents separate the cause of maintaining two households will mean that at least some members of the family will suffer from reduced income.

Unfortunately the predominant pattern is that women, who are the vast majority of custodial parents, and their children experience a marked decrease in standard of living while men who no longer live with their families experience an improvement in their material circumstances.

The Divorce Act sets out to maintain a similar standard of living for both parents after separation or divorce. Yet the standard of living for custodial parents and their children tends to decline as much as 73 per cent, whereas the non–custodial parents rises as much as 42 per cent.

When a father makes a child support payment he is transferring money he has earned toward the care and maintenance of his children. There is no difference between a parent living with their spouse and providing them with grocery money, paying for piano lessons or shoe laces than there is for a parent living separate from the their spouse or a parent of their children and making the same financial contribution.

There is no similar tax exemption for married persons or persons living common law whereby one or both of the spouses provides financially for the family. If the children were living with anyone other than the parent and those caretakers were receiving financial support, they would not be obliged to claim it as personal income and be taxed accordingly and that is happening in this country all the time.

I have demonstrated to the House this evening the failings of the Income Tax Act on child support payments. I will run through six predominant areas.

First, I have demonstrated how Canadian society has changed demographically, socially, politically and economically. The deduction–inclusion policy on child support payments has been in existence since 1942. It is time that it be revisited and revamped to fit today's Canada.

Second, the taxation principle which holds that where a deduction has been claimed there must be an inclusion is false, absolutely false.

Third, tax subsidies from the deduction–inclusion principle only exist in some cases and it is often very minimal. Furthermore, there is no provision to ensure that where a savings exists that money is forwarded to the children to improve their standard of living.

Fourth, history has demonstrated that the availability of a tax deduction for the non–custodial parent has not proven to be an incentive for the support payer to make payments in full and on time. I believe that was one of the reasons that they instituted that in the first place.

Fifth, the standard of living for custodial parents and their children tends to decline while the non–custodial parents tends to rise. Taxing support payments works contrary to any efforts to raise these households out of poverty.

Finally, child support payments should be seen for what they are, a continuation of the non–custodial parent's obligation to the raising of their children.

Canada's tax policy taxes child support payments, unlike what we see in the United States, Australia, Britain, Sweden and in many other countries. While the average child support order covers less than half the minimum cost of raising a child, the government deems it fair to take up to one–third or more of support payments that are meant to feed and cloth children. It is time that we as legislators in the House of Commons, in the Parliament of Canada stood up and put a stop to this and bring justice and fairness into our tax system, particularly as it relates to the future of our children.

• (1815)

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Thank you, Madam Speaker, for giving me the opportunity to speak on this motion which I care about on the tax treatment of child support payments.

First, I must relate some important facts which justify my speaking in this House and which I think are extremely significant, on the economic situation of women who are single parents.

In Canada, 10.7 per cent of all families are headed by a single mother. A brief from the Canadian Advisory Council on the Status of Women presented to the federal–provincial–territorial committee on family law in December 1992 gives us the following picture: 82 per cent of one–parent families are headed by women; in 1986, 56 per cent of single mothers had an income below the poverty line; the percentage of poor children raised in single–parent families headed by women more than doubled between 1979 and 1988, from 17.9 per cent to 39.1 per cent. That is frightening! Seventeen per cent of children are poor; 35.5 per cent of them live in single–parent families headed by a woman.

I am not telling you anything new when I say that in most cases child custody is given to women and their income is less. This issue of pay inequity has been and continues to be a subject of debate. Clearly, the inequality of women in our society in general is felt even more strongly by women who must raise their children alone.

Studies on child support payments show that they do not cover even half of the actual expenses incurred and that usually the spouse with custody of the children must make up the difference. We cannot close our eyes to such a situation and therefore we must turn towards legal mechanisms to ensure the viability of families.

The United Nations has declared 1994 the International Year of the Family. Celebrating the family also means being aware of changes in it and ensuring that every member of the family can live in dignity if the family is separated or breaks up.

Family law has undergone major reforms over the years. This is not pure coincidence. The family is evolving, it is changing and rules of law must be adjusted to the new reality.

The Constitution splits legislative powers in these fields between the federal and provincial governments. Divorce and corollary measures such as custody and support are regulated by the Divorce Act of 1985.

From a tax point of view, the Income Tax Act provides that, in calculating his income for a taxation year, a taxpayer must include any amount received during that year in the form of allowance or support payments. Conversely, a taxpayer can deduct any amount paid as allowance or support. This is the deduction–inclusion rule.

Many requirements must be met before the amount can be paid or received, and before it can be deductible or taxable. In fact, there are six of them.

• (1820)

The amount must be paid or received as support payment or other type of allowance. It must be paid or received in compliance with a decision from a court of competent jurisdiction, or in compliance with a written agreement. It must be paid or received to support the needs of the recipient, of the children of the marriage, or both. The alimony or allowance must be payable regularly; the spouses or former spouses must be separated by virtue of a divorce, legal separation or written separation agreement. The spouses must live separately at the time the payment is made or received and also the rest of the year.

As you can see, many requirements have to be met before a payment can be made. Once all these conditions are fulfilled, the deduction–inclusion rule comes into play. This tax policy is also based on four principles which the Minister of Finance explained in the report of the federal–provincial–territorial committee on family law.

It is a tax principle that when a deduction is claimed by a taxpayer regarding an expense, the recipient must pay tax on the amount. Recipients of alimony payments must be taxed the same as other taxpayers receiving the same income from other sources. The tax deduction granted to the payer makes the idea of providing support more palatable. Finally, this tax treatment is a form of subsidy which benefits children, since it is an incentive for the payer to provide more support.

Let us go back to each of these points. First, let us look at the deduction–inclusion rule. One approach points to a variety of approaches. For instance, Australia treats support payments as a debt or a non–deductible obligation. In the United States, however, a distinction is made between child support and spousal support. The non–custodial parent pays income tax on child support payments but spousal support is deductible.

These examples indicate the range of variations in terms of tax policy. The deduction–inclusion principle benefits only families where the support payer is in a higher tax bracket than the recipient. Is tax policy fair when it is based on income disparity? Should we not focus our support on low–income single parent families?

Canadian society has changed tremendously since 1942, when the first tax provisions on support payments were introduced. The number of tax brackets has been considerably reduced, and creditors and debtors may be subject to the same tax rates, although one may have a higher income than the other. Finally, if the non–custodial parent has a lower tax rate that the custodial parent, the total amount of taxes paid will be higher.

The tax deduction granted the support payer, which was thought to be an incentive for people to pay support payments, did not have that effect. Support mechanisms had to be put into place when women experienced problems collecting these pay-

ments. In 1974, the Law Reform Commission estimated that in as many as 75 per cent of all cases, people defaulted on their payments.

It is obvious that single parent women—and I am aware my time is running out—are particularly vulnerable economically, and we can turn this situation around to some extent by providing for a tax scheme that would meet their needs.

• (1825)

The government could give this question serious thought and do so quickly. It should revise concepts that are very damaging to the economic security of women who are single parents.

The Bloc Quebecois is therefore in favour of amending the Income Tax Act so that child support payments are no longer considered taxable income for their recipients.

[*English*]

Mr. Jim Silye (Calgary Centre): Madam Speaker, the motion we are debating today, that in the opinion of the House the government should amend the Income Tax Act so that child support payments are no longer considered taxable income for the recipients, serves one major and very useful purpose. It draws attention to one of the major problems of single parents, mainly women, and the high cost of raising children.

This issue should be discussed in the House and all its related problems and solutions pointed out. This I will do further on in my speech.

This motion implies that somehow the current income tax laws on alimony and maintenance payments are unfair, contribute to the problem and therefore should be amended. On this point I disagree as do the majority of my colleagues in the Reform Party.

The logic is that since the money is paid to a parent in support of raising children, by taxing this income governments are taxing our children.

This particular logic is fundamentally flawed and the alternatives suggested by this motion may result in children being even worse off.

Under the current Income Tax Act, section 60(b) and (c), the supporting parent is permitted to receive a tax deduction for alimony and maintenance payments while the receiving parent is required, under section 56(1)(b) and (c), to include the receipt of such payments as income if the amount was received under an order or decree made by a competent tribunal in accordance with the laws of a province.

Therefore we are assured that tax is being paid by one parent and the income is not double taxed.

In addition, the receiving parent is given a child tax credit similar to any other parent raising children.

Therefore the alternative in this motion, which suggests a complete overhaul of sections 60 and 56 of the Income Tax Act, may result in less moneys going to the recipient.

Revenue Canada argues that it gives tax breaks to parents who make support payments to compensate them for the loss of dependent deductions lost after a divorce.

In other words, the support recipient now receives the child tax credit and the personal tax exemption which was being deducted by the supporting parent.

This confirms an important accounting principle that is the very basis of the Income Tax Act that where a taxpayer claims a deduction in respect of an expense, the recipient should pay the tax on it.

Herein lies the major problem to the motion before us today. Who will pay the tax on the child support payment if it is no longer considered taxable income for the recipient?

As alluded to before, it is logical to argue that if it were non–taxable for the recipient then Revenue Canada would make it non–taxable for the parent making the payment.

Then my question would be would this result in lower maintenance payments by the supporting parent?

Would this motion, if adopted, generate less revenue to the recipient than the status quo?

The rationale for the current system is simple and sensible. First, the spouse who claims the child tax deduction should also be the one responsible for claiming the income associated with raising the child.

Second, if this money were not to be taxed at all it would create a situation in which separated families are given preferential treatment under the Income Tax Act to that granted to complete families, especially if the receiving spouse is also allowed the child tax credit.

Third, the tax deduction makes the payment of child support more attractive and enticing for the supporting parent to make despite the statistics mentioned by the former member of the Bloc Quebecois. This is a major concession on the part of Revenue Canada because there are no limits to the amount. All that is needed is an agreement.

• (1830)

Fourth, the current arrangement can have an income splitting effect whereby between the two parties less tax is paid overall and more money is available for the child.

Fifth, good, bad or indifferent, whatever the point of view, the current system maximizes the support payment for maintenance.

Having stated why the current system is probably as good as can be expected, I would like to address some of the problems that the motion tries to correct.

First, the real problem is that support recipients spend the money without paying taxes.

Second, as of March 1, 1992 approximately 75 per cent of non–custodial divorced parents who had been ordered to make child support payments were in arrears.

Third, this forces support recipients to turn to social assistance, costing taxpayers money that otherwise should have been paid by the non–custodial parent.

Fourth, insufficient funds either to pay the taxes or care for the child creates stress and extra concern for the custodial parent.

Fifth, in many instances supporting spouses leave the province in order to avoid paying child support. Since it is a provincial responsibility to administer the child support and alimony system authorities are virtually helpless. The result is an increase in welfare costs to the provinces.

What are some of the solutions? We argue against the motion but what can we contribute in the House to help solve this very important problem?

We could leave the current system in place and encourage the courts to recognize better the financial needs of the recipients and the high cost of raising children. We could change the federal–provincial laws to allow interprovincial tracking of non–payers. We could initiate a campaign of shame on those parents who wilfully avoid payments to support their children and reminders to support recipients to remit some taxes periodically throughout the year to reduce the lump sum requirement at tax time. We could lower the tax rate for everyone by lowering government spending. That could be a tough sell in the House.

Unless there is an agreement between the two parents the non–custodial parent does not get the maintenance deduction. Therefore both parties when in divorce court should be made aware of the tax consequences before final agreement is reached. The support recipient should seek more equity through the support system itself and not through the tax system.

In the 1992 federal budget a new child tax benefit was created. It was designed to aid in the fight against child poverty by targeting federal moneys to those families in financial need. The motion helps point out a problem in society but the Income Tax Act did not cause the problem. It was caused by human error on the part of parents for whatever reason. The solution lies in public awareness and education for divorcing couples so that they do not make deals at the kitchen table or, if they make deals at the kitchen table, they are cognizant of the impact of their decisions.

The reality is taxable support payments are better than no support payments. Income tax is far too complicated and too intrusive when involved in dictating through tax preferences our social behaviour. Our entire taxation system should be reviewed, reformed and simplified.

In conclusion, a flat tax for Canada would help solve our social program funding with higher personal exemptions, improve the tax system through simplification, and, for members across the way, create more jobs because taxpayers would have more disposable income.

Mr. John Murphy (Annapolis Valley—Hants): Madam Speaker, I am pleased to have the opportunity to speak today on this important motion. I would like to take the opportunity to congratulate the hon. member for Nepean for bringing forward this issue to the House of Commons.

• (1835)

The motion before us addresses the changing social and economic nature of Canadian society, namely the increasing number of single parent families and the difficulty these parents face in providing for their children. I support the motion because I believe that by addressing the issue of child support payments we are also addressing the broader fundamental problem of child poverty.

Our government has made a commitment to invest in people and to create opportunities for all Canadians. All our economic and social policies have aimed to achieve this objective. I believe the motion before us is consistent with that goal. It gives us the opportunity to ensure that children of lone parent families are provided with the resources necessary to live successful and productive lives.

The level of child poverty in Canada is unacceptably high. Recent statistics show us that 1.2 million children in our country are living in poverty. Canada's poor children live extremely disadvantaged lives. These children often live in poor housing conditions. They have a greater likelihood of experiencing unemployment in their families and have far less access to quality child care.

Further, according to Campaign 2000 of the Child Poverty Organization with which I met this morning, poor children can expect to have a shorter life span, suffer from illness, require an increasing amount of emergency food assistance and are more likely to drop out of school.

The rate of child poverty in single parent families in 1991 was about 61 per cent. In other words, three of every five children living in a single parent family lived in poverty. On average poor single parent families need an extra $9,000 a year just to reach the poverty line. These figures are particularly true for female custodial parents. After divorce, custodial mothers experience a dramatic increase in the economic burdens and income earning limitations linked to child rearing responsibilities.

Close to about 60 per cent of all female lone parents live in poverty. Although this group represents only 3 per cent of all Canadian households they bear 17 per cent of Canada's total poverty burden. This problem must be addressed by all members of the House.

In my riding of Annapolis Valley—Hants there are approximately 2,300 female lone parent households. I have had the opportunity to speak with many of these parents. They have raised many of the same arguments placed before the House today. It has become increasingly difficult over time for single parents to provide adequately for their children. For custodial parents, a single portion of the support payment is lost to taxes. As a result support payments often do not meet the needs of children the payments are intended to assist.

In light of these statistics we must ensure that children of lone parent families do not suffer the consequences of inadequate levels of child support. Unless we address the problem the same children will continue to suffer the consequences of a system that is not providing the effects it was designed to produce.

When the inclusion–exclusion tax policy was developed in 1942 its purpose was to ensure that as much money as possible was going to children of single parent families. By taxing the custodial parent who is generally in a lower tax bracket rather than the child support payer, more money was left over in those times to meet the needs of the children.

However much has changed since 1942. We must ensure that our laws reflect these new social and economic realities. There are more single parent families now than we had in the past. The majority of these single parents are women who after divorce suffer a decline in their standard of living.

• (1840)

Presently there are only three tax brackets as opposed to ten in 1942 as we heard earlier. There is a greater likelihood therefore that both parents earn the same tax bracket. This negates any tax savings that would have been generated in the earlier years.

Upon divorce, family resources are often inadequate to continue to meet the needs of the children or the two households that must be maintained. Therefore by taxing already low child support payments we are in effect taking money away from the families and the children who need it the most.

As the motion indicates child support payments should not be taxed. Instead these payments should be seen simply as a continuation of the obligation of support payers toward their children. By adopting the motion we could help ensure that single parents and their children are not unfairly targeted by a system that is no longer working as it should.

In 1989 an all–party resolution was unanimously adopted calling for the elimination of child poverty by the year 2000. While many faces in the House may have changed since then we must continue to support this commitment. I believe the motion offers all members of the House an opportunity to renew our fight against child poverty.

In closing the motion alone will not bring an end to child poverty, but I believe that by supporting the proposed change we can take concrete steps to ensure more money is being directed to those children who need it the most.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Madam Speaker, I will be brief and to the point. First of all, I would like to congratulate the hon. member for Nepean for her marvellous initiative. This issue has been talked about for a number of years by heads of single parent families but today, finally, a motion is introduced in this House. I hope it will lead to a rapid solution to this problem.

I was already familiar with this issue, but the hon. member for Nepean brought us facts and findings which have made me even more aware of the perverse impact of the taxation of alimony payments for the custodial parent.

I believe that the materials she quoted and the facts she presented, which clearly demonstrated that indeed children in the present situation have less than they had previously, will convince our colleagues in the Reform Party to revise their position and adopt a frame of mind more in tune with the 1990s and shortly the year 2000.

I will conclude by congratulating again the hon. member for Nepean and hoping that this House will strongly endorse the motion and that the government will act upon it without delay.

[*English*]

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, for many Canadians the taxation of child support payments remains the great divide between their responsibilities as caregivers and their capacity to meet these obligations.

[*Translation*]

As members of the House of Commons, we will have to face this inequality and to bring in fairness.

[*English*]

Current tax laws state that child support payments paid by the non–custodial parent are considered as tax deductible, while the payments received by the custodial parent are lumped into his or her taxable income. On the face of it this law runs against the grain of decades of Liberal policies designed to support families and children.

Let me offer the House some of the history that fosters the current state of injustice. Present tax laws concerning child support payments were enacted in the 1940s. Society and government have been radically altered since then, but tax laws have not been altered. There is no question that the time has come to bring these laws up to speed with the modern era. We as a government must take action to modify these laws not only to bring about greater fairness but to reflect the needs of custodial parents today and in the coming years.

• (1845)

It is no exaggeration to say that the unfairness of the federal income tax system is driving custodial parents into bankruptcy and depriving their children of thousands of dollars in support payments.

The Income Tax Act actively discriminates against custodial parents by forcing them to pay tax on the support they receive from estranged spouses.

Across Canada there are almost one million single custodial parents. Of this number more than 750,000 are women. This issue like too many others involves the continuing suffering of disadvantaged women and children. We cannot remain unmoved by the adversity imposed on these Canadians by our tax regime.

[*Translation*]

The Income Tax Act much be changed to reflect the needs of women heading single parent families in this country.

[*English*]

Nations the world over have decided to make absent parents more responsible for their children. Foreign governments have taken the initiative to change their child support tax laws so that the parent who has left the home has a greater financial responsibility to the custodial parent and child.

When we look at our neighbours to the south we do not see the inequities encountered in Canada. In fact, the taxation laws concerning child support payments in the United States are the reverse of our own.

In the United States child support payments are deemed to be non–taxable income for both the payers and the recipients. If I may say so, this seems to be a more logical and equitable way to handle the issue.

In Britain the child support tax laws have only recently been changed and the government intervention has only recently moved to lessen the plight of single mothers. Nearly all absent parents have been tracked down in England and forced to pay an amount derived from an originally applied formula. This formula makes child support a top financial priority, placing great emphasis on the parent's income and the cost of raising the children while sanctioning few excuses for delinquency.

The British system emulates that of the United States by not taxing child support payments. Britain's approach to this issue has emerged as one the world's toughest. This government must join the worldwide march toward tougher child support laws and take immediate action.

In 1991 Statistics Canada revealed that there had been a 34 per cent increase in lone parent families in the previous ten years. By comparison, the number of two parent families with children rose by just 6 per cent over the same period. The end result is that lone parents accounted for 20 per cent of all families in the year 1991, up from 17 per cent in 1981.

One child in five resides in a single parent household. Moreover, these statistics clearly show that children are hit the hardest by the obsolescence of tax laws concerning child support.

The facts are plain and simple. Female lone parents remain consistently less likely than other parents to be employed and there have been sharp drops in employment levels of lone parent women during the recessions in the early 1980s and the 1990s.

Lone parent families have lower incomes than two parent families. In 1990 the average income of female headed lone parent families at $22,000 was just 38 per cent of the $57,000 earned by dual parent families with children.

These numbers demand action by this government. When we are struck by the appalling state of the current child tax laws we must ask ourselves why this issue has not been dealt with before.

It is clear that the current tax laws have created inequities between the payers and the recipients of child support. The tax treatment of child support payments makes a very complicated issue out of one that should be as straightforward and simple as possible. No other country treats the taxation of child support the way Canada does.

We know who the victims of the current state of child support tax laws are. It is a statistically proven fact that single women and their children are being financially devastated and socially marginalized.

• (1850)

They are the ones who bear the economic consequences of divorce and separation. If the current policy is not changed it is the children of single parent families who will go on paying, not just in some cases and not just by misfortune, but by our deliberate failure to recognize the problems with our existing tax laws.

Modernizing our primitive treatment of child support payments is an issue that must be remedied through the tax system. Better child support guidelines and enforcement mechanisms are essential and must be addressed within the justice system.

[*Translation*]

We must acknowledge the problems of current legislation and pass the measures necessary to improve the situation.

[*English*]

Let me now introduce some of the proposed improvements to the current tax law. We should remember that the combined impact of income tax and child support policies must be measured by its impact on the standard of living of the affected family.

There are a number of changes that could be affected through federal legislation and policy measures. The avenues this government needs to explore are several. The Income Tax Act could develop child support guidelines that reflect the cost of raising children and that are compatible with revamped tax treatments of child support payments.

This act would support the efforts of lone parent families in Canada, specifically the single mother. We could follow the lead of the American tax system and not include child support payments in the calculation of our taxable income. This would treat child support costs in the same manner for tax purposes for custodial and non–custodial parents. This would also result in equal treatment of child support costs in families in which parents live together and in those in which parents are separated or divorced.

As insurmountable as these problems may appear, we must attempt to reform the existing tax on child support payments which, quite frankly, is the government's punishment to those women who, for whatever, reason have separated from their spouses.

The current law is extremely limited as a means of distributing tax relief for the benefit of children and in most cases it is detrimental. Women and children are its victims. I hope all members will join the women and men in this House who hope to right this injustice.

The Acting Speaker (Mrs. Maheu): We have about a minute left.

Mr. Rey D. Pagtakhan (Winnipeg North): Madam Speaker, I too am delighted to rise in support of the motion of my Liberal colleague, the member for Nepean.

The motion states:

> That, in the opinion of this House, the government should amend the Income Tax Act so that child support payments are no longer considered taxable income for their recipients.

We heard a lot of presentations earlier and I agree that the motion raises the issue of fairness. Is it fair to tax support payments earmarked for children? In that question is inherent as well the question are we committed to the children of our country, the children who are the future resource that will help build our nation even stronger, the children who cannot vote but nevertheless who need our help? We have a duty and an obligation to support them.

As well, this motion is a commitment to single parents and our commitment to eliminate poverty in this nation as this House did on November 24, 1989, unanimously adopted. In conclusion, I would like to state that we have an obligation to our nation's children, to support them and make child support payments no longer taxable in the hands of the recipients.

The Acting Speaker (Mrs. Maheu): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

• (1855)

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CANADA LABOUR CODE

Mr. Réal Ménard (Hochelaga—Maisonneuve): Madam Speaker, I understand that you are giving me the floor regarding a question I asked the Deputy Prime Minister, on February 18, about the POWA Program.

I will remind the House that, on February 18, I asked the Deputy Prime Minister what her intentions were regarding the support program for workers affected by collective lay–offs. The POWA Program is a joint federal–provincial program 70 per cent of the cost of which is covered by Ottawa and the remaining 30 per cent is paid by the provinces. At that time, the Deputy Prime Minister was, unknowingly I believe, in the wrong when she said that this program was in some way connected with the Canada Labour Code, which is totally false, of course.

I rise today to point out that the POWA Program, which replaces the Workers Assistance Program created in 1988, discriminates against workers in the Montreal area. Everybody knows that, under the terms of this program, for workers to be eligible for benefits, which are half–way between unemployment insurance and social assistance, there must be a certain number of workers laid off. In the Montreal area, with a workforce of over 500 000 people, the administrative agreement says that at least 100 workers must be laid off for them to be eligible for benefits.

However, with its clothing and textile sectors, the industrial fabric of Montreal is such that most businesses that would apply for the POWA Program have a workforce of between 20 and 30 people. It is so true, so disturbing and alarming, that 83 per cent of all applications made by Montreal companies under the POWA program, the Program for Older Worker Adjustment

which is, let me remind you, a joint federal–provincial program, have been rejected.

This goes to show, Madam Speaker, that this is a very discriminatory program. I would like to remind the House that the members for Saint–Léonard and Saint–Henri—Westmount have tabled petitions on that subject. They decided to represent the workers so that the government, Tory in those days, would remedy the situation.

There is an enormous consensus in Montreal. The mayor, unions, employers, and naturally workers, all pray that a much–wanted and almost urgent modification be implemented very soon. At the end of my speech, the minister suggested I table a private member's bill. You all know how much I always make it my duty to please the Deputy Prime Minister so I am happy to announce that I will indeed be tabling a private member's bill. As concerns the respect for workers, the challenge is now to find out if the government majority will be consistent, will stand by the Bloc Quebecois, will support that bill and make sure it is votable so that we can put an end to that unacceptable discrimination as the various sectors of the Montreal community have requested.

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Madam Speaker, the hon. member stated that the program for older worker adjustment, known as POWA, discriminates against Montreal.

I would like to make a very strong case that it is not the case at all.

The program for older worker adjustment is a program designed to help older workers who have been involved in major permanent layoffs and who have little chance of finding re–employment.

Major layoffs are defined according to the size of the community. In larger communities such as those of over 500,000 inhabitants a major layoff would involve at least 100 workers. In smaller communities such as those with a population of under 10,000 a major layoff would involve at least 20 workers.

POWA does not discriminate against Montreal compared with other cities. The same guidelines are applied across the country.

The POWA eligibility criteria were negotiated with the government of Quebec and are contained in the Canada/Quebec POWA framework agreement. Similar POWA eligibility criteria are contained in the other federal–provincial agreements.

POWA criteria were developed to take into account the economic significance of the layoffs for the local community and to reflect the fact that older workers who are laid off in smaller communities have fewer re–employment opportunities than workers in the larger labour market.

Under POWA 441 major layoffs have been designated in the province of Quebec. Annuities have been purchased for 3,842 eligible older workers. The federal and Quebec governments have spent $160 million to purchase these annuities.

The Acting Speaker (Mrs. Maheu): It being 7.03 p.m. the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.03 p.m.)